

# NONPROFIT FINANCIAL REPORTING SUCCESS CHECKLIST



BRADY WARE

This downloadable checklist helps ensure your nonprofit consistently prepares and utilizes the five essential financial reports needed for accountability and effective management.

## SECTION 1: DATA READINESS AND COMPLIANCE

Before generating any report, verify the foundational data is complete and accurate.

- Verify all bookkeeping is current.** All receipts, invoices, donations, and expenses for the reporting period are accurately entered.
- Complete bank and credit card reconciliations.** All accounts are reconciled to the penny to ensure data accuracy.
- Confirm accurate Fund Accounting classification.** All revenues and expenses are properly segregated into classes of net assets with and without donor restrictions.
- Standardize the Chart of Accounts (COA).** Ensure no unauthorized changes have been made to the COA since the last reporting period.
- Document all expense allocations.** Review and confirm that all shared costs (e.g., rent, utilities) have been consistently allocated to Program, Management, and Fundraising functions.

## SECTION 2: GENERATING THE FIVE ESSENTIAL REPORTS

Ensure the following core reports are generated and reviewed on a timely and consistent basis.

Form	Purpose	Deadline	Status
Statement of Financial Position (Balance Sheet)	Does it accurately reflect assets, liabilities, and net assets as of the reporting date?	Does its format match the prior period for easy comparison?	<input type="checkbox"/>
Statement of Activities (Income Statement)	Does it clearly show revenue by source and expenses by functional category for the period?	Are revenue and expense categories consistently named and ordered month-to-month?	<input type="checkbox"/>
Statement of Cash Flows	Does it clearly categorize cash movement into Operating, Investing, and Financing activities?	Is the cash reported consistent with the Cash on Hand balance in the Statement of Financial Position?	<input type="checkbox"/>
Budget to Actual Report	Does it highlight significant variances (positive and negative) to the approved budget?	Are all line items consistent with the Chart of Accounts used in the other reports?	<input type="checkbox"/>
IRS Form 990 (Annual)	Is all data compiled and reviewed by a specialized professional to ensure full compliance with public disclosure requirements?	Are the figures consistent with the annual audited financial statements?	<input type="checkbox"/>

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## SECTION 3: REVIEW, ANALYSIS, AND ACTION

Reports are only useful if they are understood and acted upon.

- Identify and explain key variances.** Note and provide a narrative for all material differences in the Budget-to-Actual report.
- Review Net Asset changes.** Analyze the reasons for changes in Net Assets Without Donor Restrictions to confirm organizational sustainability.
- Prepare a narrative summary.** Create a simple, non-technical executive summary for the Board of Directors or Finance Committee.
- Distribute reports promptly.** Ensure all necessary stakeholders (Board, Finance Committee, Executive Leadership) receive the reports on a scheduled, timely date.
- Store reports securely.** Archive final, approved reports in a central, secure location for audit and compliance purposes.

Consistent financial reporting is more than just a box-ticking exercise—it's the narrative of your mission told through numbers. By standardizing these processes, you move beyond simple “compliance” and into the realm of strategic leadership. When your data is clean and your reports are clear, you provide your board and donors with something far more valuable than a spreadsheet: certainty. Keep this checklist handy, stay diligent, and let your financial clarity be the engine that drives your organizational impact forward.

Questions? Contact us! <https://bradyware.com/contact-us/>