

# **FINANCIAL CHECKLIST SHORT TERM CONSIDERATIONS**

## **Cash Flow**

- Does the balance in the General Ledger equal the reconciled bank balance for the most recent month end?
- How much is required to meet each payroll? How many payrolls can the current cash balance cover?
- What is the outstanding accounts payable balance – the total of the outstanding bills?
- What is the age of the payables – how many are 30, 60, 90 days old and beyond?
- What portion of the outstanding bills can the organization pay with its current cash without jeopardizing its ability to meet payroll?
- Is the organization owed any money – accounts receivable? By whom? When are these receivables expected to be received?
- Has the organization borrowed money? How much and from whom?
- Does the organization have access to a line of credit or other source of borrowing if needed?
- Do cash plus related receivables at least equal the temporarily restricted net asset balance (the amount of restricted grants that the organization has received or been promised?)

## **Payroll**

- Does the organization use a payroll service to process payroll, deposit withholding and file quarterly and annual reports?
- Is the organization up to date with depositing payroll taxes payable?
- Has the organization filed its quarterly payroll reports with the state and IRS?

# FINANCIAL ANALYSIS

## Trend Analysis

- How does this year's cash compare with last year's cash at this time?
- How do this year's receivables compare with last year's?
- How do this year's liabilities compare with last year's?
- Are the loans outstanding increasing or decreasing
- How do the net assets in each category compare?
- How have revenues from different sources changed from the previous year? Are there significant changes up or down? Do they make sense, given what you know about the organization?
- How dependent is the organization on each source of revenue this year as compared to last year?
- How have expenses changed from year to year? Are there any significant changes up or down? Do they make sense given what you know about the organization?

## Other Indicators of Financial Health

- Does the organization have a positive unrestricted net asset balance?
- How much of the unrestricted net asset balance is tied up in fixed assets?  
[Unrestricted net assets – (Fixed Assets – Related Liabilities)]
- Is the most recent audit dated more than three months after the end of the fiscal year? More than six months?
- How long has the organization been working with the current auditor?