

Nonprofit Financial Health Checklist

A five-pillar self-assessment for executive directors, church administrators, and board members. Work through each section honestly. Check every box you can answer yes to with confidence. Leave blank anything you cannot answer yes to, or are not sure about.

PILLARS	ITEMS	TIME REQUIRED	COST
Five	25	5 minutes	Free

HOW TO USE THIS CHECKLIST

01 Check every box you can answer yes to confidently. Leave blank any box you cannot answer yes to, or are not sure about.

02 At the end of each pillar, note your gaps. A cluster of unchecked boxes in the same pillar is a signal worth acting on.

03 A single unchecked box is not a crisis. Use your results to prioritize, not to judge. Every organization starts somewhere.

0 1

PILLAR ONE

Foundations

Governance, policies, role separation, and the structural decisions that shape everything else. This is where the gaps tend to run deepest.

- Our governance documents (Articles, Bylaws) are current, accessible, and actually guide decision-making.

- New board members can quickly understand how financial decisions get made in our organization.

- We have written financial policies that staff and volunteers actually follow.

- Our organizational structure creates appropriate checks and balances — no single person controls everything.

- We have clear, documented procedures for key financial processes.

NOTES:

WHAT GAPS HERE USUALLY MEAN

Foundations problems are often invisible until something external forces them into view: an audit, a board question, a grant application, a leadership transition. A strong foundation is built before it is needed.

PILLAR SCORE

____ / 5
checked boxes

0 2

PILLAR TWO

Disbursements and Payroll

Spending controls, expense approval, payroll, and vendor management. Where money goes out, and how to make sure it goes out right.

- Every payment our organization makes has proper authorization and documentation.
- We have clear spending limits that prevent unauthorized expenses while enabling efficient operations.
- No single person can both approve and process payments without oversight.
- Our expense reimbursement process is clear, fair, and consistently applied.
- We properly classify workers as employees vs. contractors and handle payroll compliance correctly.

NOTES:

WHAT GAPS HERE USUALLY MEAN

The most common gap is a single person controlling too much of the spending process without oversight. This is not a trust issue. It is a systems issue.

PILLAR SCORE

_____ / 5
checked boxes

0
3

PILLAR THREE

Receipts and Revenue Integrity

Donation handling, restricted gifts, donor acknowledgment, and revenue integrity. How money comes in, and how to steward it faithfully.

- Donations are handled securely from collection to deposit, with two-person counting and prompt deposits.

- We provide timely, compliant acknowledgments that meet IRS requirements and build donor relationships.

- Restricted gifts are properly tracked and used only as donors intended.

- Our electronic giving systems are secure, user-friendly, and properly integrated with our records.

- We can quickly and accurately report on any donor's giving history and fund usage.

NOTES:

WHAT GAPS HERE USUALLY MEAN

Receipt integrity problems often damage donor relationships before they damage finances. A donor who sees their restricted gift used for something else does not usually complain. They just do not give again.

PILLAR SCORE

 / 5
checked boxes

0
4

PILLAR FOUR

Financial Reporting

Financial statements, board packets, and presenting information that non-financial leaders can actually use to make decisions.

- We produce accurate financial reports within 20 days of month-end.
- Our board receives financial reports they can understand and act upon.
- Budget variances are identified, explained, and addressed promptly.
- We maintain compliance with all required external reporting, including Form 990 and state registrations.
- Financial information flows transparently to appropriate stakeholders when they need it.

NOTES:

WHAT GAPS HERE USUALLY MEAN

When leaders receive numbers they do not understand, they either nod and move on, or they stop showing up. Neither outcome serves the mission.

PILLAR SCORE

____ / 5
checked boxes

0
5

PILLAR FIVE

Implementation

Documentation, staff training, and building systems that survive turnover. The pillar most organizations skip, and the one that makes all the others stick.

- Our financial procedures are documented clearly enough to survive staff transitions.

- Multiple people understand our key financial processes — no single person is indispensable.

- Staff receive adequate training on financial policies and their role in maintaining integrity.

- We regularly review and update our financial systems as the organization grows.

- Financial stewardship is part of our organizational culture, not just an administrative function.

NOTES:

WHAT GAPS HERE USUALLY MEAN

The question is not whether your key person will eventually leave. The question is whether your systems will survive when they do.

PILLAR SCORE

 / 5
checked boxes

Reading Your Results

Transfer your pillar scores below, then read what your results mean.

PILLAR	TOPIC	YOUR SCORE	OUT OF
01	Foundations	_____	5
02	Disbursements and Payroll	_____	5
03	Receipts and Revenue Integrity	_____	5
04	Financial Reporting	_____	5
05	Implementation	_____	5
	TOTAL	_____	25

WHAT YOUR SCORE MEANS

Mostly checked	Mixed results	Mostly unchecked
Your systems are reasonably healthy. Focus on any pillar where you left more than one or two boxes blank.	Meaningful gaps exist. Identify which pillar has the most unchecked boxes and start there. Quick wins build momentum.	More common than most leaders admit. You are in a better position than before you knew. Start with Foundations.

THE BOOK

Get the full five-pillar framework.

Written in plain language for non-financial leaders. Every chapter ends with an Inspection Points checklist. Paperback available on Amazon.

[amazon.com](#) → search "The Backoffice Blueprint"

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For organizations that need more than a framework. Every engagement is built on the Five-Pillar Framework and tailored to what your organization actually needs.

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