

# River Voices

## ***The Art of Financial Management***

*In many circles, eyes glaze over and people get that panicked look in their eyes when you mention the magic words: financial management. This issue of River Voices is geared toward helping you to better understand how to make your funds work for you, and realize that good financial management is the lifeblood of your organization.*

A poor financial management system limits the effectiveness of your organization. It ultimately dictates the funding your organization is eligible for (many funders, particularly foundations demand clear, concise financial information). It leaves you open for unintentional loss of funds and theft (which happens much more frequently than we hear about).

A good financial management system will help to address these issues and provide you with a critical program management tool.

Financial management consists of tracking and handling the flow of funds into and out of an organization. A good system includes:

- Realistic, complete budgeting (including income and expenses).
- Competent staffing, properly trained and supervised (use of outside auditors).
- Proper checks and balances.
- Current, complete accounting records.
- Timely, accurate, complete financial reporting.

This article provides an overview of the elements of financial management and the flow of funds into and out of your organization.



# River Voices

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*River Network is a national organization whose mission is to help people understand, protect and restore rivers and their watersheds.*

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## *From the President*

For the past fifteen years, helping start and support community-based conservation organizations has been a major part of my work. This experience has allowed me to make one prediction with total confidence: when asked what they most need, nine out of ten organizations will respond, “Money!”

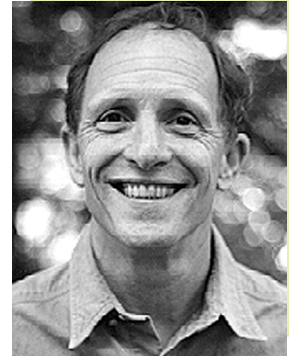


Photo: Linda Kiewer

There are two ways, not mutually exclusive, to respond to such a request. One can provide funding directly, or, more productively, work together with the organization to help them fundraise successfully for themselves. I have done both, and in doing so, have learned a counter-intuitive lesson: Although all of us fall into the belief that raising money is the greatest challenge, and that doing so successfully is the greatest accomplishment, the fact is that the true test of organizational effectiveness is how we *spend* the money we raise.

In other words, fundraising is only a means to an end. Not only does the availability of funds not necessarily lead to success, an organization that gets too much money before it has built its accounting and spending capacity is probably heading toward a crash landing.

We need to raise money with specific objectives in mind, and we need a step-by-step plan that allows us to move toward our objectives in an orderly way, periodically evaluate our progress, and coordinate spending the funds we do have in ways that move us toward the accomplishment of our objectives.

Personally, I do not have any strength in accounting. That means I know I need to work with people who do have those skills, whose discipline I can lean on. I have been guilty, in the past, of jumping onto my horse and riding off in all directions. It doesn't work.

I know now that accounting and money management are critical aspects of the planning process. Of course there are times when we must make leaps of faith, and we can never know precisely what the future may bring—but it is just because of such uncertainties that financial planning, including contingency planning, is necessary to success, and even to survival.

Environmentalists tend to be visionaries, which is a wonderful thing. Our society is rich in dollars and poor in vision. But vision disconnected from financial reality goes nowhere. By combining vision and financial responsibility, we can keep our heads in the sky, our feet on the ground, and our eyes on the prize.

A handwritten signature in green ink that reads "Kenneth Ralston". The signature is fluid and cursive, written over a light green background.

## ***Financial Management: A Quick Overview***

Creating your budget is your starting point and your protection from the elements. A budget tracks income as well as expenses. The income portion of your budget is used to develop your fundraising plan. Annual and program planning by the board and staff will help you to create the budget. A budget is also important to help you to prioritize your work given your funding. (see page 6 for information on the budget process)

### ***Revenue***



Funds enter the organization mostly in the form of checks. Checks should be immediately stamped “for deposit only.” Depending on the amount that accumulates, you might deposit them weekly, or more frequently. Before depositing, mark them with the appropriate accounting code (based on your budget), make a copy and log in your “checks-received” register (a simple notebook where you log incoming checks, amount, date received, and check number, etc).

Some organizations bill for certain services. These invoices or billing statements should be put in a folder titled “receivables,” for tracking and follow-up if not paid. These are taken out of the folder when payment is received and attached to the copies of the incoming checks.



When the checks are deposited into your bank account, attach the deposit slip to the check copies.

Put all records in folders organized by month.



Enter the information in your accounting system.

Reconcile deposit information to checks-received register and bank statement.

### ***Expenses***

There are three main expense types: bills to be paid from an invoice, reimbursements, and payroll. All credit card bills, staff reimbursement, and purchases should have receipts.



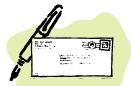
Stamp all invoices (or bills) with the date received. Code according to how the expense will be allocated (e.g., office supplies for education program, travel expenses for advocacy project). Put in a folder titled “payables.” Most organizations pay their bills every two weeks or monthly.



If your accounting software writes checks for you, then the expense automatically will be entered and coded into your accounting system. Otherwise, you must handwrite the checks and THEN enter the information in the accounting system.

Payroll is handled the same way, with salary being allocated to the appropriate program and pay being adjusted for tax and other withholdings. Social security, state, federal and local taxes must be recorded accurately, and be deposited in accordance with the applicable state laws.

Sign and mail the checks.



Put the invoices in alphabetical “vendor files.” Create a folder for reoccurring payments such as electric bills, office supply company, and for each staff person. Place one-time payments in a miscellaneous file in alphabetical order.



Once all the information is entered into your accounting system, the financial statements can be produced. Review your monthly statements. (See page 12 for more information) Reconcile accounting system checks with bank statement.

## ***A Few Tips:***

- Find a good accountant to review your system, one who thoroughly understands nonprofit management. Your accountant should not manage your books. A bookkeeper can provide this service at a significantly lower cost.
- Bank reconciliation should be done monthly and by someone without check-signing authority.
- If you are using a NEW accounting software, do not ask your office person to learn it, and then install it. It’s better and more economical to hire a bookkeeper who knows the software than to train someone without the appropriate skills.
- A financial statement that confuses you is a poorly designed statement.
- For organizations with more than a few staff, payroll services can be quite useful and effective.
- Time sheets are an important tracking and accountability tool for ALL organizations.
- Set up a petty cash system to handle small cash expenses.
- Remember, the term “nonprofit” does not mean that your organization must operate with a deficit. It means your organization’s mission serves the greater good of society, and your board members do not receive dividends, or financial gain for their work. Pay attention to opportunities to create an operating reserve or an endowment and manage those funds well.



# Budgeting

BY LINDY WALSH,  
RIVER NETWORK'S  
ADMINISTRATIVE DIRECTOR &  
VICTORIA JEANS-GAIL  
RIVER NETWORK'S DIRECTOR  
OF ACCOUNTING

## ***Why do I need a budget?***

A budget is an essential planning and monitoring tool for any size organization. The complexity of the budget and how an organization develops it may change from organization to organization, but all budgets serve at least three main purposes:

**1. ESSENTIAL TO PLANNING.** An action plan will help you know *how* you're going to achieve your goals, but your budget will help you know *if* you will have the resources to carry out the plan. Your planning process isn't over until you've finalized your budget. In fact, it's often helpful to have some idea of income projections before going into a planning process. The numbers will help frame your plan by injecting a layer of financial reality.

**2. FUNDRAISING TOOL.** Your budget is essential to fundraising. Once you know how much a program or project will cost, you'll have the information you need to approach potential donors. Good fundraising includes knowing how much money you need to successfully reach your goals.

**3. DECISION MAKING INFORMATION.** A budget provides one measurement for how effectively and efficiently you are achieving your program goals. It can help you prioritize your work by giving information about how cost effective different strategies might be.

## ***Who should be involved?***

Just as all board, staff and key volunteers should be involved in developing the annual action plan, they should be involved in the budget as well. Their level of involvement is directly related to their level of fiscal responsibility. Anyone who is charged with raising or spending money should know and agree with the budget numbers. Ultimately the

board is responsible for the organization's fiscal health, and approves the annual budget.

## ***How do I develop a budget?***

There are two parts of a budget: revenue and expenses. Your revenue budget must be numbers that you can rely on, not wishful thinking. Of course, you'll rarely know for sure if you'll receive certain funding and likely you'll want to include some of those unsecured funds in your budget. One way to do so is to itemize (on a spreadsheet) the potential sources of revenue, what project the money will be spent on, the amount you will request, and the probability of receiving the donation. The budgeted amount can be determined by multiplying the amount requested by the probability of receiving the funds.

Once you have your list of potential funding, and you've agreed that the probabilities are reasonable, you then have some rationale to include potential revenue in your budget. Remember, the *probabilities must be based on sound judgments*, not wishful thinking. You should ask yourself questions such as: Have they supported us in the past? How interested are they in our project? Do we know any of the decision makers?

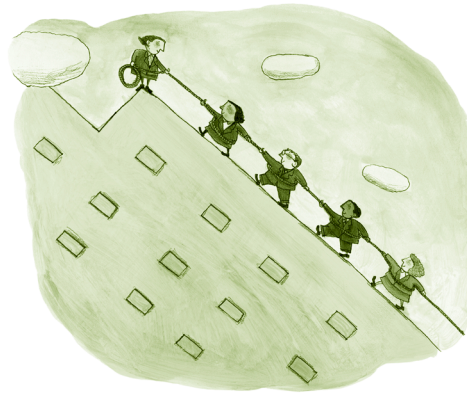
Just as revenue budgets are best done by those responsible for raising the revenue, expense budgets are best done by those overseeing expenses. Again, there must be a rationale for all numbers. Don't forget to keep notes on how both revenue and expense numbers were developed, as you might need to review them at a later date. Be sure to pay close attention to big-ticket items such as personnel, printing, etc. For just about every organization, the biggest expense will be personnel. Often personnel costs are up to 70 percent of an organization's budget.

Also, the board should have some long-range plans for building the organization's operating reserves. In the past, not-for-profit organizations have worked to have a balanced budget (revenues exactly equaling expenses); however more current thinking reflects the wisdom in having some reserves. The reserve not only may help you bridge a possible future revenue shortfall, but it provides a cushion for cash flow fluctuations.

### ***Pulling it all together***

It's likely that more than one person will develop your budget. No matter how many people are involved, it's important to have one person who manages the process (including checking for math errors!) and oversees production of the final document. That bottom line tells whether you will have enough money to fund all your activities for the year. If you're like most organizations, your first draft budget will tell you that you need to go back to the drawing board and either cut expenses, increase revenue or do some of each. If the change is significant, you may need to go back and modify your annual action plan.

The best way to work on balancing your budget is to meet with the key people responsible for the budget. Together, sit down and go through your revenue and expenses line by line and talk about possible changes. During the meeting, keep a tally of the dollar changes and hopefully by the end of the meeting your budget will be balanced. Sometimes there is additional work that needs to happen outside of the meeting before changes can be made and you may need a follow up meeting. And of course, sometimes there is no consensus and the director needs to step in and make hard decisions that will lead to a balanced budget.



What's important is that there is buy-in from those affected by the budget.

### ***Next Steps***

#### *Cash Flow Projections*

Your budgeting process is not complete without looking at your cash flow for the year. With a finalized budget, sit down and estimate when your revenue will come in and when your expenses will be made. You need to ensure that you will have the cash on hand to pay for all expenses.

### ***Monitoring the Budget***

Just as your plan is a living document, so is your budget. Every month, it should be reviewed by project managers and other key people against the actual amount raised and spent. It's highly unlikely that you will end the year with your actual revenue and expenses exactly as you projected in your budget. However, it's important that you keep an eye on total revenues versus total expenditures and monitor the net increase (decrease) to the organization's net assets.

A budget can be revised, and should be if there are significant changes during the year (such as the organization taking on a new big project, or the loss of a significant contribution, etc.) At a minimum, there should be a formal mid-year review of the budget and plan. The board must approve any major changes to your plan and budget.



# Reporting for Program, Fundraising & Administrative Expenses

By **VICTORIA JEANS-GAIL**  
River Network's  
Director of Accounting  
& Technical Assistance for  
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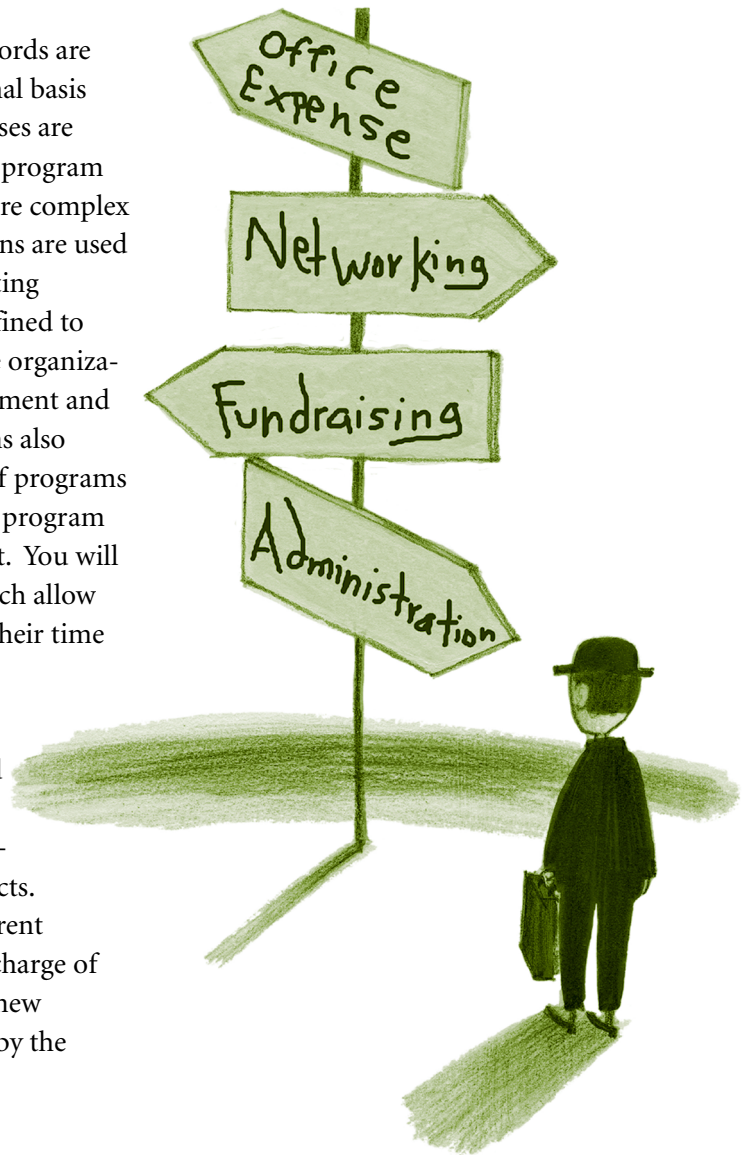
Strong, clearly defined programs provide the foundation for an effective, sustainable organization.

Clear program areas can help you make a more compelling case about your organization's activities to possible funders and the public. The separation of program and administrative costs is required for completion of the annual 990 return (required of 501(c)3 organizations). It is also required by GAAP (Generally Accepted Accounting Principles).

In some small organizations records are not maintained on this functional basis during the year; year-end expenses are analyzed and allocated between program and management. In larger, more complex organizations functional divisions are used throughout the year for accounting purposes. The functions are defined to reflect the distinct programs the organization operates, as well as management and fundraising. Some organizations also distinguish sub-classifications of programs to reflect the portion of specific program expenses paid by a specific grant. You will need to develop time sheets which allow employees to record the use of their time in appropriate classifications.

Organizations which contract with governmental agencies and some foundations should be aware of the accounting requirements contained in their contracts. Each contract may impose different requirements, so the person in charge of accounting should review each new contract before activity funded by the contract begins.

Tracking multiple funding sources and programs may warrant a look at computerized accounting software. Unless your organization has volunteers or staff with strong accounting and computer backgrounds, it may be most cost effective to consult a knowledgeable accountant before selecting software and setting up your accounts.





# Handling Your Funds

## Key Banking Issues

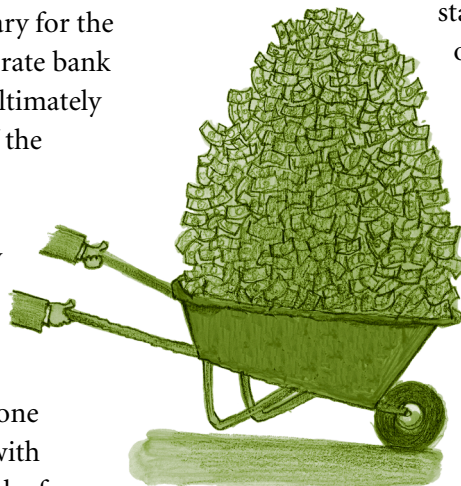
The first step in financial management for most new organizations is the opening of the corporate bank accounts.

## Opening Bank Accounts

A motion of the Board is necessary for the opening (or closing) of all corporate bank accounts. Because the Board is ultimately responsible for the protection of the corporation's assets, many small nonprofits prefer to have Directors serve as check signers. Many nonprofit corporations direct their banks to require two signatures on each check. Frequently, corporations authorize one staff member as a check signer, with the second signature required to be from a Director. As the nonprofit grows larger, and more checks are issued, it may become more appropriate to have two responsible staff act as signers and rely on the Board adopted budget as evidence of the Board's authorization of expenditures.

A few banking tips:

- Most banks provide free checking services to tax-exempt organizations. Be sure to ask for this courtesy.
- It will facilitate easy bookkeeping to



arrange for bank statements which “cut off” on the last day of each month (the statement reports activity for a calendar month, rather than a period from mid-month to mid-month).

- Unfortunately, many New Accounts clerks in banks don't take nonprofit organizations seriously during the process of opening accounts. You may prefer to begin by establishing a relationship with a manager or assistant manager.

By **Cynthia Cumfer**  
Attorney at Law &  
**Kay Sohl**  
Executive Director of Technical Assistance for Community Service (TACS)

Excerpted with permission from:  
*The Oregon Nonprofit Corporation Handbook*

## SECURITY ISSUES

All bank checks should be stored in a secure, locked area. If boxes of unused checks are readily available, a dishonest person can remove checks ahead of the sequence currently in use, fill them out, forge signatures, and frequently be successful in cashing them. These out of sequence checks will not be missed and may not be detected if regular bank reconciliation is delayed.

Never permit checks to be signed while blank. In systems with a double signing requirement, it is tempting to ask one signer to sign blank checks in advance and rely on the second signer to examine the completed check. This practice defeats the purpose of the double signature requirement. Instead, it is a good practice to establish regular dates for the payment of bills and payroll (say, the 1st and 15th of the month) and arrange for signers to allow time to examine checks and supporting documents (invoices, timesheets, whatever is available to show why the check is being issued) prior to signing.

Void checks (those with errors which cannot be used) should be clearly marked VOID and saved for the same period other banking records are saved. Failure to control void checks can leave the organization open to theft.

more . . .

- Pre-numbered checks are essential. Accepting non-numbered checks because they are free will cost you dearly in frustration and possible loss through theft and error. Be sure to select a business-style checkbook, preferably a three-on-a-page format with adequate stub space.
- If you use a computer to prepare checks, order checks in the format required by the program you will use.
- Your nonprofit needs to have its cancelled checks returned with the bank statement.
- You may want to consider check formats which include a payroll stub for the employees with space to record payroll tax deductions.
- Recording of receipts will be greatly facilitated by use of a business-style deposit book. These are separate books of deposit slips with carbon interfacing.

## ***Petty Cash Funds***

Many small purchases are easier to transact with cash (rubber bands at the dime store, taxi fare for an emergency, etc.). New programs are often tempted to pay these expenses with cash received from clients or with an employee's own funds. Both these methods will eventually cause bookkeeping messes. Always deposit in the bank all cash received by the program. Otherwise there will not be a complete record of program earnings. *Avoid having employees use personal funds for program expenses.* Too many checks to employees for reimbursement of purchases may appear to be disguised wages or possible misuse of program funds.

The clearest way to deal with cash purchases is through creation of a *Petty Cash Fund*. One person should be responsible for administration of the Petty Cash Fund. To set up the fund initially, write a check for the full amount of the fund (usually \$25 or \$50 is adequate for small to medium-sized programs). Make the first check out to "Petty Cash- Jane Smith, Custodian" and record it in the Petty Cash Fund account. This person will be responsible for the Petty Cash Fund. The Petty Cash Custodian will require receipts for all purchases and may ask employees to sign for money she provides as reimbursement.

As cash purchases are made, record them in a journal or notebook. Save all receipts. When the fund is getting low, or at the end of the month, reimburse the fund for the total amount expended (add up all receipts and prepare a check for cash for this exact amount.) The total of this check plus the cash left in the fund should equal the original fund amount. When recording this check in the cash disbursements journal, distribute the expense to the appropriate accounts according to what was purchased. Do not enter any of the total in the Petty Cash Fund account after the initial check to set up the fund. Instead, divide up the amount of the check to reimburse the fund into the categories of expense it was used for, such as office supplies, transportation, etc. The balance of the Petty Cash Fund account remains fixed at the original level you selected.

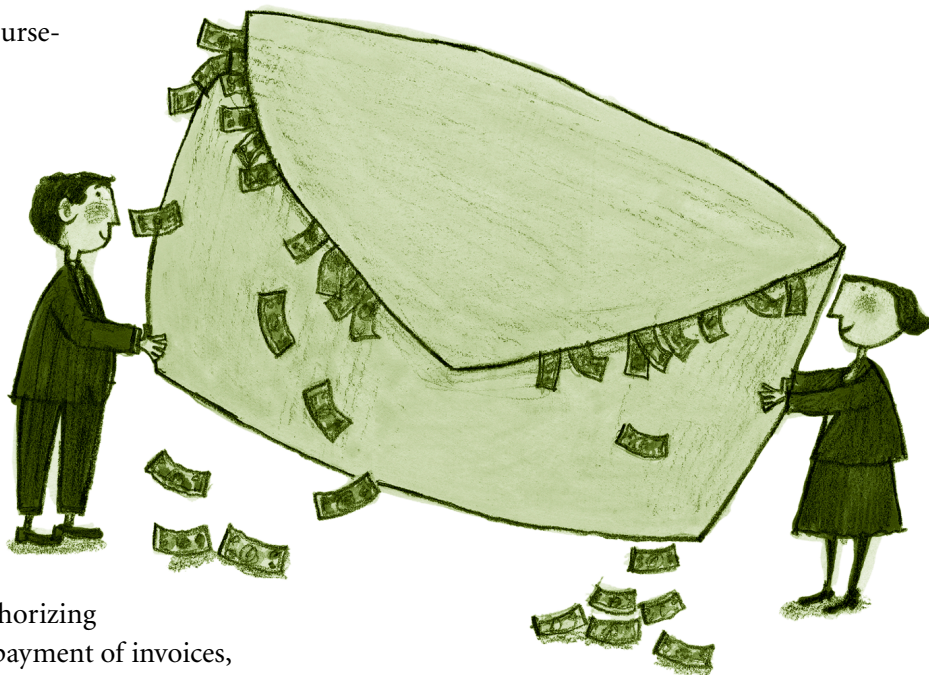
If after establishing and using a Petty Cash Fund for a while, it seems to require reimbursing too frequently for convenience, the fund can be increased by a fixed amount. This check is entered into the Petty Cash Fund account in the accounting records, and permanently increases the balance of the

fund. The regular reimbursement of the fund for expenses continues as described above except that the amount of cash available for expenditures before reimbursement is necessarily larger.

## **Processing Payments**

Your organization will need to develop clear procedures for authorizing purchases, authorizing payment of invoices, preparing and signing checks, canceling invoices when paid, and filing paid invoices. In small nonprofits, the authorization of purchases is usually handled verbally. The director or other designated staff member merely orders or purchases the necessary supplies and services in accord with the Board-approved budget. In larger organizations, with several separate programs, a system of purchase orders may be helpful to ensure overall coordination of purchasing. Purchase orders are written authorizations to incur an expense. They must be approved by employees with authority for purchasing before any purchases may be made.

Your organization will need to identify individuals empowered to authorize payment of bills. These people need to have knowledge of whether the invoices are legitimate. Did the organization receive the items for which it is being billed? You'll want the person authorizing payment to initial each invoice or evidence as their authorization.



The next step in the payment cycle is actual preparation of the check to pay approved bills. Prepared checks should be attached to authorized invoices when they are given to the authorized check signer. The signer should review the authorization and check carefully. At the time the checks are signed, the invoice should be cancelled (marked "Paid" with the date of payment and the number of the check used for payment).

Finally, the paid invoices should be filed in an organized system. Two filing methods are commonly used. Some small organizations file paid invoices by the month of payment. Other organizations file paid invoices by vendor name (name of the firm or individual paid), with the most recently paid invoice at the front of the pile.



# Charting Your Financial Health

By **DEBBIE MORSE**  
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**KATHY LUSCHER**  
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SOURCE INFORMATION  
CENTER'S COORDINATOR



A Statement of Financial Position and an Income and Expense Statement are key components of a sound financial management system. Donors and foundations often review the statements and your budget before contributing money. Your board and staff should monitor them closely to ensure the financial health of the organization.

**The Statement of Financial Position:** shows what your organization owns (assets), what

you owe (liabilities) and if you have money left or not (net assets) at a point in time. The “Statement of Financial Position” provides information not available on income and expense statements. The “Statement of Financial Position” shows cash on hand, accounts receivable, accounts payable, and long term debt showing the total financial picture. (also known as the Balance Sheet).

A good balance sheet:

- Can be used to evaluate the ability to pay current liabilities.
- Does NOT predict the ability to meet budget.
- Provides additional information in determining the health of the organization, along with your income and expense statements.

**SAVE THE CACHE FLOW has current assets (i.e. cash, short term investments and grants receivable) sufficient to pay current liabilities (i.e. accounts payable and payroll-related liabilities).**

<b>Save the Cache Flow</b>	
Statement of Financial Position	
July 31, 2000	
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$18,000
Short-term Investments <sup>1</sup>	3,000
Grants receivable	5,000
Accounts receivable	6,000
Pre-paid expenses	2,000
	\$34,000
Long-term Investments <sup>2</sup>	\$10,000
Fixed assets	\$5,000
<b>TOTAL ASSETS</b>	<b>\$49,000</b>
<b>LIABILITIES &amp; NET ASSETS</b>	
Current Liabilities	
Accounts payable	\$3,000
Payroll related liabilities	875
Deferred revenue – grants	5,000
	\$8,875
Net Assets	\$31,125
Unrestricted <sup>3</sup>	9,000
Temporarily restricted <sup>4</sup>	\$40,125
	\$49,000
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$49,000</b>

1. Short-term Investments may include a 30-day Bond or 60-day CD.  
 2. Long-term Investments may include securities with penalties for early withdrawals.  
 3. Unrestricted Net Assets include all items in the unrestricted net assets class, unless a donor has provided a restriction on their use.  
 4. Temporarily Restricted include fund restricted for the support of particular activities; funds restricted for investment for a particular term; funds restricted for use in a future period; funds restricted for acquisition of long-lived assets.

**Income and Expense Statement:** shows income and expenses for a set time period (e.g., monthly, quarterly, yearly). Small organizations frequently use a monthly income and expense statement as the treasurer’s report. To be valuable, income and expense statements should be kept updated and compared with budget figures. (also known as Statement of Financial Activity).

A good income and expense statement:

- Shows comparison to the approved annual budget.
- Is prepared monthly and reviewed by the board.
- Is used to monitor your financial position.
- Is used to perform a mid-year review and determine if budget adjustments are needed.

## Did You Know?

Balance Sheets and other statements for nonprofit organizations should NOT show “Profits” and “Liabilities & Equity.” These are terms standard with for-profit corporations. The proper nonprofit terminology is “Assets” and “Liabilities and Net Assets.”

**SAVE THE CACHE FLOW is 75% through their fiscal year. They have raised 74% of their budgeted revenue and spent only 68%; they are \$3,800 ahead of budget. If this trend holds, they should meet or exceed their annual budget for FY00.**



	Year to Date	Budget	Percent Budget
<b>Support &amp; Revenue</b>			
Government grants & contract	\$8,000	\$15,000	53%
Foundation grants	\$25,000	\$30,000	83%
Individual donations	\$6,000	\$10,000	60%
Special Events	\$8,000	\$7,500	106%
Investment Income	\$1,300	\$2,500	52%
<b>Total</b>	<b>\$48,300</b>	<b>\$65,000</b>	<b>74%</b>
<b>Expenses</b>			
Payroll-related	\$30,000	\$40,000	75%
Supplies	\$300	\$1,000	30%
Travel	\$4,200	\$5,000	84%
Printing/Publications	\$2,500	\$5,000	50%
Rent/Utilities	\$6,000	\$8,000	75%
Postage	\$1,500	\$6,000	25%
<b>Total</b>	<b>\$44,500</b>	<b>\$65,000</b>	<b>68%</b>
<b>Net Income (deficit)</b>	<b>\$3,800</b>		

Some organizations also find a Cash Flow Projection chart to be helpful. A sample Cash Flow Projection can be viewed at: [www.findyourdream.com/Resources/projection.htm](http://www.findyourdream.com/Resources/projection.htm) or at various other web locations. Simply type “Cash Flow Projection” into your search engine.



# Choosing Between Cash & Accrual Accounting Methods

By **Cynthia Cumfer**  
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Excerpted with  
permission from:  
*The Oregon Nonprofit  
Corporation Handbook*

One of the most important choices your organization must make is whether to use the cash basis of accounting or the accrual basis of accounting. The cash basis of accounting records revenues only when cash is actually received and expenses only when cash is actually disbursed. Thus, in the cash basis of accounting, paying a bill in December for supplies you got in September will be considered an expense of December.

In contrast, the accrual method of accounting focuses on recording revenues in the period in which they are earned and expenses in the period in which they are incurred. So in the accrual method of accounting, the cost of supplies you got in September would be recorded as an expense in September regardless of the fact you didn't pay the bill until December.

So, which method is right for you?

You may want to choose the accrual method if:

- You want your books maintained in accord with Generally Accepted Accounting Principles – these are standards which CPAs use to determine the “correct” way to handle accounting questions.
- You have funders which require accrual accounting. Read your contracts and grant agreements carefully – many do require accrual accounting.
- You are involved in many transactions which involved either extending credit (i.e., letting others owe your organizations) or using credit (i.e., buying now and paying later).
- You are dealing with paying off mortgage debt.
- You really want to know how much it costs to deliver a month's service and to compare that to the real income generated by that month's activity.
- You are able to hire a trained bookkeeper or find a volunteer with adequate bookkeeping training to do accrual accounting properly.

You may want to choose the cash method of accounting if:

- Your organization is very small and neither extends credit nor uses credit.
- Your organization is not audited and/or does not mind using a method of accounting which is not GAAP (Generally Accepted Accounting Principles).

	CASH	ACCUAL
What is it?	A system which records income only when it is received and expenses only when they are paid out.	A system which records income when it is earned, and expense when the obligation to pay arises, regardless of when payment is made.
An Example: Your program charges client fees and bills monthly	In a cash system, you record client fees only when payments are received.	In an accrual system, you record client fee income when you have given the service for which the fee is charged, regardless of when payment comes.
Advantages	<ol style="list-style-type: none"> <li>1. Simple to use.</li> <li>2. Easy to understand.</li> <li>3. Requires only a little more training than maintaining a checkbook.</li> </ol>	<ol style="list-style-type: none"> <li>1. Provides a more accurate picture of where the program really stands: <ul style="list-style-type: none"> <li>What you are owed</li> <li>What you owe others</li> <li>What it really costs to earn it</li> </ul> </li> <li>2. Standard system which is easily understood by all trained bookkeepers.</li> </ol>
Disadvantages	<ul style="list-style-type: none"> <li>• Can be misleading</li> <li>• Doesn't provide a systematic way to track what you own and are owed.</li> </ul>	<ul style="list-style-type: none"> <li>• Need trained bookkeeper or individual able to spend time learning.</li> <li>• Need training to understand what the statements mean</li> <li>• Takes more time.</li> </ul>

NOTE: A modified accrual system is used by many nonprofit organizations. Records are kept on a cash basis. When financial statements are prepared, a system is used to take into account what is owed by and owing to the organizations.

- You have no funders which require accrual accounting.
- You cannot afford to hire a trained bookkeeper or bookkeeping service and you cannot find a volunteer who has adequate skills or is willing to do the bookkeeping.

One final very important word of advice. It is tremendously better to have cash basis bookkeeping which is done correctly than

it is to have accrual basis bookkeeping which has been done improperly. Properly done cash basis bookkeeping can always be converted to the accrual method by the trained accountant, and frequently auditors are willing to handle such a conversion from cash to accrual at year end as part of their audit work. In contrast, improperly maintained accrual basis records are really a mess and will require substantial time and effort to straighten out.



## A CLOSER LOOK

The following example illustrates both methods of accounting for the following items.

1. Save Stinky Creek billed \$10,000 to a customer in June for work completed in June. However, the amount would not be collected until July. Under the accrual method, the entire \$10,000 will be recognized as revenue in June as services were performed in June. Under the cash method, no revenue would be recorded in June and \$10,000 will be recorded as revenue in July when the cash is collected.
2. Save Stinky Creek contracted for some consulting services in June. All services were completed in June and an invoice in the amount of \$5,000 was submitted to the organization on June 25. To reduce administrative costs, the organization has adopted a policy of issuing checks on the 1<sup>st</sup> and 15<sup>th</sup> of the month. Therefore this invoice will be paid in July. Under the accrual method the consulting expenses will be recorded in June, while under the cash method, the expense will be recorded in July.
3. In the month of June, Save Stinky Creek received \$100,000 in contributions and paid \$90,000 in payroll.

### SAVE STINKY CREEK

*Statement of Financial Activities for Month Ended June 30, 2000 • (based on description provided above)*

	Accrual Basis	Cash Basis
Contribution Revenue	\$100,000	\$100,000
Contract Revenue	\$10,000	\$0
Total Revenue	\$110,000	\$100,000
Payroll Expenses	\$90,000	\$90,000
Consulting Expenses	\$5,000	\$0
Excess of Revenue over Expenses	\$15,000	\$10,000



# The Role of the Treasurer

## SUMMARY OF RESPONSIBILITIES

The role of Treasurer/Chief Financial Officer of a nonprofit organization entails the following responsibilities:

- Develop a financial structure for the review and approval of the Board of Trustees.
- Safeguard the financial assets and maintain the financial records.
- Define appropriate standards of behavior for fulfilling the finance function within the organization.
- Prepare timely and meaningful financial statements.
- Plan and implement fund-raising program, and explore planned-giving opportunities.
- Comply with external reporting requirements.
- Develop and implement appropriate budgeting practices and procedures.
- Respond to operational changes affecting financial needs.
- Report financial results to the CEO and Board of Trustees.
- Supervise and empower employees engaged in the organization's financial activities.
- Serve as a key participant in teams engaged in addressing multifaceted organizational problems.
- Play an integral role in organizational decision making and creative problem solving.
- Develop and implement systems for internal and external information sharing related to the organization's finances.
- Work with program heads to represent their interests, explain the story behind the numbers, and clarify the business impacts during every step of the planning and budgeting process.
- Present to the CEO and Board of Trustees a balanced picture of what is happening, where the problems lie, and what actions need to be taken.

Many boards hope to find that one person who seems to understand finances, make that person treasurer, and then sit back and ignore the finances.

Although the Treasurer plays a key role in the organization's financial management, it is essential for ALL board members to understand the basics of the financial management systems of their group and to understand and review the financial statements.

## QUALIFICATIONS

The Treasurer/Chief Financial Officer must possess the following qualifications:

- Training and experience in financial management, generally accepted accounting principles, and internal control systems.
- Knowledge about the organization's mission and programs, and their relationship to the financial requirements and components.
- Technical expertise in developing budgets and preparing financial statements.
- Operational expertise.
- Interpersonal communication and decision-making skills.
- Honesty, integrity, and commitment to the organization's mission, values and goals.

Excepted from: *Financial Management for Nonprofit Organizations*. Jo Ann Hankin, Alan Seidner and John Zietlow. Copyright © 1998 by John Wiley & Sons. Reprinted with permission from John Wiley and Sons, Inc.





# Reporting requirements for nonprofit organizations

Each state has its own reporting requirements for nonprofit organizations. The corporation division of your state's revenue division should be able to provide you with the information you need to meet those requirements.

On the federal level, US Internal Revenue Service requires many nonprofit organizations to file either the Form 990 or the 990EZ. The following two articles, reprinted with permission from GuideStar, Philanthropic Research, Inc., provide nuts and bolts information to get you started when preparing your 990.

## **Understanding the IRS 990**

*By Chuck McLean*

Once the IRS recognizes an organization's tax-exempt, public charity status, subsequent reporting requirements vary. Religious organizations are not required to file annual information returns, nor are organizations whose gross receipts are less than \$25,000 per year. The majority of recognized charities fall into one of these two groups. All other organizations are required to file an annual information return:

- IRS Form 990 (for organizations with annual receipts of more than \$100,000 or total assets more than \$250,000), or
- IRS Form 990-EZ (for organizations with annual receipts of less than \$100,000 and total assets less than \$250,000).

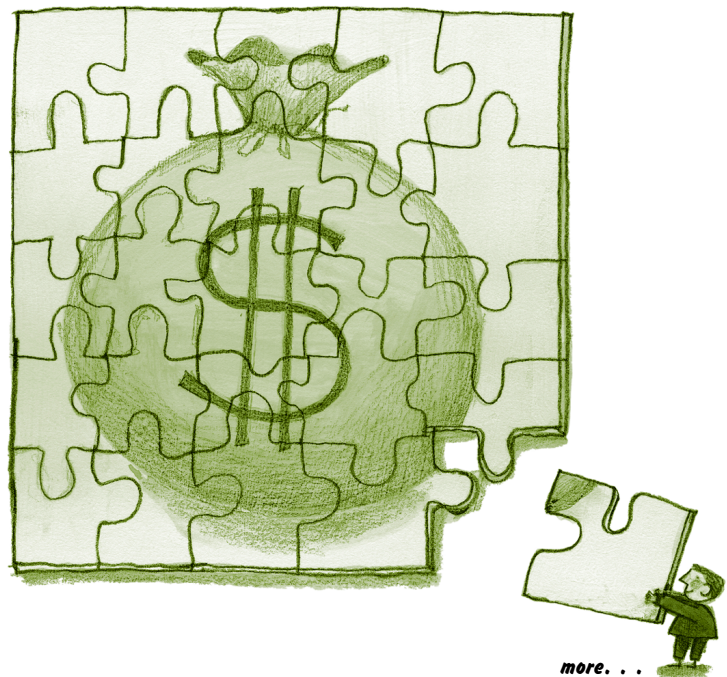
About one-third of the charities recognized by the IRS must file one of these two forms.

IRS Form 990 is a public document. This reminder to organizations completing the form is printed on the document:

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes the organization's programs and accomplishments.

However, many consider the Form 990 a poor choice for a person's "primary or sole source of information about a particular organization." The form was not designed primarily for the use of the general public, but rather as a document to help the IRS to ensure that organizations remain true to their charitable purposes, and that private individuals do not enrich themselves at the expense of those purposes.

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**By Chuck McLean  
& Debra Snider**  
Philanthropic Research Inc.

## **Reporting Requirements cont.**

The complete article can be found at [www.guidestar.org/learn/easy0005.html](http://www.guidestar.org/learn/easy0005.html).

### ***How to Make Your Form 990 Work for You*** *by Debra Snider*

If your organization is one of the more than 220,000 public charities in the country that are required to file a Form 990 or 990EZ with the Internal Revenue Service, take note. New regulations went into effect last summer that make this public document easier to access. This newfound transparency means that donors, reporters, colleagues, and researchers alike will look to your 990 as one more tool in evaluating your organization. Likewise, you should begin viewing this document as one more way to communicate effectively with these audiences.

If your accountant and chief executive officer are typically the only people in your organization who pay much attention to your 990, now is the perfect time to share this document with your marketing, development, and communications officers as well. They can help write clear narratives that add the much-needed context to the pages of 990 financials.

*Here are some tips to get you started:*

- **Use the correct form**

The Form 990 has changed over the years, so be sure to use the correct version for the year for which you are filing. Don't use software that includes more lines than the actual 990 requires. Some programs have a line 43f, which is not part of the form.



- **Protect your organization's address when necessary**

If your organization engages in work that protects the location of at-risk individuals (i.e., a battered women's shelter), do not put the actual address of your organization on the 990. Instead, use your mailing address or P.O. Box.

- **Contributors, donors, and government grants are not public information (Part 1, line 1d; Schedule A, Part IV-A, lines 26b, 27a, 28)**

You need to include a list of your contributors, donors, or the specific source of unusual grants your organization received. This information, however, is not part of the public record. It should be clearly marked as confidential data and submitted on separate pages so that the IRS can easily remove those pages before releasing the 990 to interested parties.

- **Get the most out of Part III, your Statement of Program Service Accomplishments**

What is your organization's primary/exempt purpose? This is your mission statement. Don't let your accountant determine this. It should be concise (not a lengthy narrative), but it doesn't have to fit into the small space provided on the document itself. You can refer readers to an attached statement. If you refer readers to an attachment, on this line put: SEE STATEMENT 1.

Describe your exempt-purpose achievements, both measurable and not measur-

able. This section supports your mission statement and gives you an opportunity to describe specific accomplishments. A supporting program service expense must follow each listing, so this section should include broad, well-explained categories.

- **Don't include Social Security Numbers**

The Social Security number of your Form 990 preparer, although a field on the 990, is *not* required when filing. Instruct your form preparer to leave it off if he/she does not want the Social Security number released to the public. Also, don't include Social Security numbers for any other persons you identify on the form.

If you make scholarship, fellowship, or research grants to individuals, you are required to list them individually by name, address, and amount given, unless your organization is subject to the Family Educational Rights and Privacy Act. You are not, however, required to provide the recipients' Social Security numbers. Also, if you are reporting specific assistance to individuals on Line 23, you are not required to provide names and addresses.

- **Round your numbers**

Round numbers to the nearest dollar. There is no need to use decimal points.

- **Don't leave blanks**

An absence of information where it is required will create questions in many readers' minds. In general, fill in all the blanks, especially where you need to total various lines. Also, keep in mind that the IRS requires parts II and VII to

be filled out in the exact format, using the same categories, as specified on the form. Many organizations submit attachments that stray from the format.

- **Do not put more than one number in any box**

- **Do not include bank account numbers on your 990**

- **Protect the privacy of your officers, directors, trustees, and key employees**

Although these people need to be identified by name and address, the address listed should be where they receive company mail, not necessarily their home addresses. That means that board members do not have to include their home addresses in this section.

- **Remember that Form 2758, Application for Extension of Time To File, is also a public document**

*How to make Your Form 990 Work for You*, © 2000 Philanthropic Research, Inc., [www.guidestar.org](http://www.guidestar.org). Reproduced with permission.

## PREPARING *for an Audit?*

Visit the Alliance for Nonprofit Management at: [www.allianceonline.org](http://www.allianceonline.org), where you will find great information on preparing for your audit.

### *What is an A-133 Audit?*

The federal government requires nonprofit groups that receive federal funds—even if those funds are passed through another agency—to submit to the strict guidelines of an A-133 audit. The audit determines whether your group managed federal dollars in compliance with all laws, regulations and agreement terms.

Smaller nonprofits may be allowed to combine a regular audit with a “program-specific” A-133 audit of the program receiving federal support.

**FOR MORE INFORMATION VISIT:**

[www.gao.gov/policy/guidance.htm](http://www.gao.gov/policy/guidance.htm)  
[www.gao.gov/govaud/ybk01.htm](http://www.gao.gov/govaud/ybk01.htm)



# Financial Management Assessment Tool

BY THE INSTITUTE FOR  
CONSERVATION LEADERSHIP  
6930 Carroll Ave., Suite 420  
Takoma Park, MD 20912  
301/270-2900  
www.icl.org

Here's a checklist to help you evaluate your financial management system. The more of these elements you have in place, the better your financial management system.

Rate your organization on each topic:

- 1 = very good shape, doesn't need any attention
- 2 = generally OK, could be strengthened, but not a near-term priority
- 3 = not adequate, or not in place, need attention
- 4 = don't know, we need to find out

## Essential Elements

### 1. Competent Staff, Properly Trained and Supervised

- It is a critical function of the executive director to get the right person(s) to do the financial management and ensure that the work is done properly and accurately.
- More than one person in the organization should be familiar with the financial management system.
- If your budget is small, use part-time or contract staff for bookkeeping and accounting.

### 2. Appropriate Fundamental Choices

- Choice of fiscal year, which often is the calendar year, but could be October 1 through September 30, or July 1 through June 30, etc.
- Choice of cash accounting (simpler to understand and less work) versus

accrual accounting (more work and cost, greater accuracy).

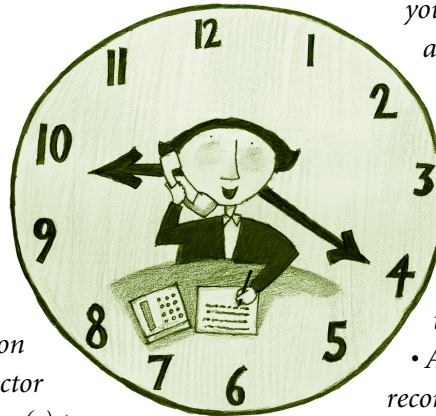
- Choice of using "cost centers" for internal monitoring and/or internal cost accounting for external reporting.

### 3. Conservative, Complete Budget

- This includes both a revenue budget and an expense budget. It also includes documentation regarding the budget assumptions.

### 4. Correct, Complete Accounting Records

- Regular mistakes are a sure sign that there's a problem with the persons doing your bookkeeping, or with some aspect of your accounting system.
- "Complete" includes sufficient documentation and explanation that you don't have to rely on memory to know where revenues have come from, and what they are to be applied to.
- All cash accounts must be reconciled.



### 5. Timely, Accurate, Complete Financial Reports with Comparisons to Budget

- Timely: ideally on a monthly basis; otherwise, the reports are less effective as a management tool.
- Preferably to the executive director within 15 days of the month just completed — sooner if possible.
- Preferably in the hands of the Board Finance Committee of Executive Committee within 30 days of the month just completed — or sooner if possible.
- Accurate is the standard. "only slightly off" is not acceptable.
- Complete: Don't send it if it is not complete.

- *Comparison to Budget: The report should include a column that represents the board-approved Income and Expense Budget.*

## Budget

### 6. Review of Financial Statements

- *Executive director reviews financial reports with the preparer of the report.*
- *Board committee exists with participation from appropriate staff.*
- *Be prepared. Don't be defensive. Establish a positive climate.*
- *Don't have the whole board re-hash the finance committee's work.*

### 7. Projections to the Year-End, and a Revised Budget When Needed

- *Projections are on a month by month basis.*
- *This necessitates putting the fundraising plan on a month-by-month basis.*
- *Revise the budget when there are significant reason to do so — not just fine tuning.*
- *Half-way through the fiscal year is a reasonable time to assess whether the budget should be revised, or anytime a major financial change happens (e.g., an expected large grant is denied).*

### 8. Cash Flow Projection, When Needed

- *This is a good management tool, and fairly simple to maintain in this age of computers and spreadsheets.*
- *This is a necessity when the organization is operating close to the margin, and anticipated revenues are either small or speculative.*

### 9. Adjustments in Spending, When Needed

- *Adjustments need to be planned and documented, with a careful review of the implications for the whole budget.*
- *This needs a clear procedure for board involvement.*

## Requirements & Deadlines

### 10. Understanding of, and Compliance with, Government Reporting

- *A surprising number of groups do not properly deduct tax withholding and prepare and submit forms and payments on time. If you don't understand what the requirements are and how to meet them, find a way to make this expertise available to you.*

### 11. Bank Reconciliation

- *Monthly reconciliation should be done before your statement of financial position is issued.*

### 12. Wise Cash Management

- *A secure location to hold checks and cash until a deposit can be made.*
- *Immediately endorse all checks "for deposit only."*
- *Make deposits often (daily if any actual cash is involved). The only cash that should be kept around is a fixed amount in a cash box or petty cash fund.*
- *A reasonable petty cash system with a small limit (\$50); clear procedures for using it. Use it as little as possible. It should not be used for staff, board or member "mini-loans."*
- *Someone other than the bookkeeper/accountant should prepare and make deposits. Put as much money as possible in interest earning accounts.*



### **13. Check Signing/Internal Controls**

- *Two signatures required on checks, especially if over a certain amount, and have that amount printed on checks.*
- *Require receipts (or signed vouchers if the receipt is lost) for all expenditures.*
- *Have your bookkeeper or check-signer(s) review all check requests and documentation for reasonableness and inform the executive director if things seem inappropriate.*
- *System of recording, categorizing and summarizing all financial transactions including a system for preventing, detecting and correcting errors. Make sure that the same person does not: receive cash, record it, deposit it and reconcile the bank accounts. There should be two people involved with every transaction.*
- *Have clear office procedures and a manual outlining the jobs and responsibilities: who handles cash, who opens mail, who records funds received, who makes deposits, who is authorized to sue charge accounts.*
- *Make sure the board is involved and understands the overall finances of the organization.*

## **Policies**

### **14. Adequate Insurance Coverage**

- *Good general organizational liability insurance.*
- *General office insurance (liability, fire, theft, driving a car on company business, renting a car).*
- *Comprehensive health insurance.*
- *Directors and Officers Insurance policy for reimbursement rather than purchasing insurance.*
- *Look at business owner policy — this is changing a lot.*
- *Know your state laws on board liability. State laws are changing.*

### **15. Adequate Filing System**

- *Keep documentation for every check and file alphabetically.*
- *Keep explanations of revenues and any obligations.*
- *The system is logically arranged so that anyone with modest training can find items.*

### **16. Regular Review or Audit**

- *Done by an independent CPA not involved in maintaining the financial records or on the board.*
- *Determination that the accounting system is maintained according to GAAP (Generally Acceptable Accounting Practices).*
- *Provide to finance committee, staff, and presented to board of directors to determine if controls and procedures are adequate.*
- *For more information on the audit, see “Audit” on page 23.*

### **17. An Involved Board, with Written Descriptions of Responsibilities — Overall and by Committee**

### **18. A Good Treasurer**

## Desirable Elements

### 1. An Explicit Policy on Reserves

- Goals for working cash.
- Restricted reserve (“rainy-day” fund).

### 2. Guidelines for Investing Available Cash

- Determine the amount of cash needed for immediate use.
- Determine the amount of cash that can be invested and for what amount of time
- Criteria for safety; social responsibility
- Broad philosophical/strategic guidelines for financial management. For examples:
  - Annual budget based on conservative, predictable analysis of revenues — not what the organization would like to raise.
  - Annual budget goal to increase the organization’s working cash position yearly.
  - Annually increase the percent of the next year’s budget being raised during the current year.

## Worth thinking about

### Audit

- There are good reasons for and against having an audit. Be aware that many foundations require it as a condition of grant award.
- Pluses:
  - + often will result in suggestions for improving aspects of accounting and reporting systems.
  - + provides confirmation and reassurance to the Board. It is also a significant sign that they are carrying out their financial management duties in a responsible manner.
  - + can provide reassurance to “outsiders” — potential Board members or potential funders.
- Minuses:
  - costs, which can run from about .5% to 1 % of your annual budget.
  - time required to work with and assist the auditor.
  - difficulty finding CPAs with experience in nonprofits, especially activist nonprofits.



## Scoring

Items that score a 4 or 3 in the Essential category are your top priorities. (If you don’t have any of those, congratulations! Work on your other 4s and 3s.) Develop an action plan to get these items in place.



# Common Terms

**Accrual Basis Accounting:** Records revenues in the period in which they are earned and expenses in the period in which they are incurred.

**Assets:** Tangible items an organization has as resources, including cash, accounts receivable, equipment and property. Assets are usually listed in descending order of liquidity. This means that cash and other assets which are easily converted to cash are listed first, and fixed assets such as property and equipment are listed last.

**Audit:** A procedure performed by Certified Public Accountants that thoroughly examines your financial records.

**Budget:** Projected expenses and revenue for a defined period. Budgets are normally based on an organization's fiscal year.

**Cash Basis Accounting:** Records revenues only when cash is actually received and expense only when cash is actually disbursed.

**FASB:** Financial Accounting Standards Board

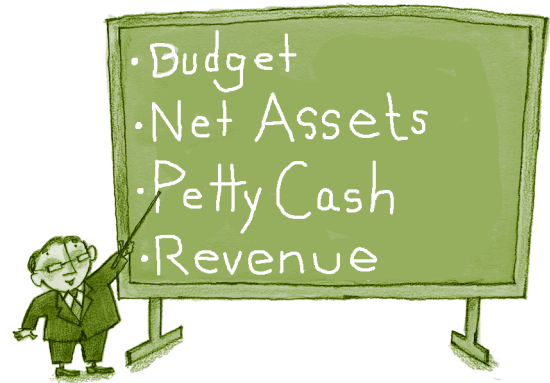
**Fiscal Year:** Any 12-month accounting period, regardless of its relationship to a calendar year. For example, the federal government's Fiscal Year is October 1 – September 30.

**GAAP:** Generally Accepted Accounting Principles consist of the rules, procedures and conventions that define accepted practices at a given time. GAAP includes broad guidelines as well as detailed procedures. Much of GAAP is issued in codified form by the Government Accounting Standards Board.

**Internal Controls:** The plan of organization, including methods and procedures, adopted by management to ensure that resource use is consistent with applicable laws and regulations; that resources are safeguarded against waste, loss and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

**Liabilities:** Liabilities are obligations due to creditors, such as loans and accounts payable. Current liabilities, those obligations which fall due within the next year, are usually listed first, followed by long-term liabilities. Accounts payable and payroll taxes payable are usually listed before other payables. Deferred revenue and other liabilities are often further down on the list.

**Net Assets:** Net assets reflect the financial worth of the organization; they are equal to the organization's liabilities subtracted from the organization's assets. For-profit businesses often report net assets as "equity."



**Nonprofit:** The official designation for organizations that were set up to be "tax exempt." This does not imply an organization must operate with a deficit; a healthy organization needs to "accumulate" excess revenues to help in times of shortfalls in cash or difficult fundraising periods. Therefore there has been a movement to rename non-profits "**not-for-profit**". This term suggests that it is perfectly acceptable and healthy to realize "an increase to net assets" (NOT "profit") during some years/periods. Either term is appropriate to use — as long as it is used consistently by the organization.

**Petty Cash:** Small cash fund established to reimburse small, routine expenses. The fund has a custodian who does not have responsibilities for check-writing, depositing or check signing (separation of duties). Reimbursement is made for only expenses that are from an approved budget line item and for which an official receipt has been submitted.

**Revenue:** (In for-profit businesses, this would be income) Incoming money or pledges that will support the organization's work.

**Statement of Financial Activity:** (Also known as the Statement of Revenue & Expenses). Provides relevant information about (a) the effects of transactions and other events and circumstances that change the amount and nature of net assets, (b) the relationships of those transactions and other events and circumstances to each other, and (c) how the organization's resources are used in providing various programs or services.

**Statement of Financial Position:** (Also known as the Balance Sheet). Provides relevant information about an organization's assets, liabilities and net assets and about their relationships to each other at a moment in time. The information provided in a statement of financial position, used with related disclosures and information in other financial statements, helps donors, members, creditors and others to assess (a) the organization's ability to continue to provide services and (b) the organization's liquidity, financial flexibility, ability to meet obligations and needs for external financing.



# Resources and References

## ORGANIZATIONS

**Technical Assistance for Community Services (TACS)** provides assistance to nonprofit organizations to help them develop the people and skills they need to achieve their missions. TACS has provided training and/or consultation for over 3,000 nonprofits, primarily throughout the Northwest. TACS provides workshops, networks, and consultations on financial management, board development, strategic planning, building diversity, organizational development and leadership issues. 1903 Southeast Ankeny, Portland OR 97214, 503/239-4001, Fax 503/236-8313. E-mail: [info@tacs.org](mailto:info@tacs.org); web: [www.tacs.org](http://www.tacs.org).

### **Institute for Conservation Leadership**

The Institute for Conservation Leadership empowers leaders with training and builds volunteer institutions that protect and conserve the Earth's environment. They do this by helping leaders lead better, building connections between groups with similar goals, and supporting groups' progress with fundraising, board development, financial management and other activities. 6930 Carroll Ave, Suite 420, Takoma Park, MD 20912. 301/270-2900, Fax 301/270-0610. E-mail: [icl@icl.org](mailto:icl@icl.org); web: [www.icl.org](http://www.icl.org).

## BOOKS

### **Financial Management for Nonprofit Organizations**

By Jo Ann Hannkin, Alan Seidner and John Zietlow

This book is designed as a cash management and investment handbook for nonprofit managers. It offers nonprofit managers from diverse backgrounds practical guidance on the details of managing their organization's money. The first part of the book examines traditional treasury functions, including banking and cash flow, and the second part focuses on investment management and presents strategies for managing excess cash, endowment, and long-term (planned) gifts. The third part takes a look at financial management strategies that impact cash flow, including borrowing, risk management, benchmarking, and long-term planning. 1998. Hardcover w/3.5" IBM-compatible disk, 448 pp. Supplemented annually. ISBN 0-471-16842-4. \$120.00 (US). Web: [www.wiley.com](http://www.wiley.com).

### **The Oregon Nonprofit Corporation Handbook**

By Cynthia Cumfer and Kay Sohl

The Oregon Nonprofit Corporation Handbook (2nd edition, 1996), first published by TACS in 1993, provides a step-by-step guide for nonprofits on group formation, incorporation, bylaw creation, tax exempt status, recordkeeping systems, and fiscal and personnel policies. Examples specific to Oregon, but generally useful for any nonprofit organization. 750 pages. \$65. Web: [www.tacs.org](http://www.tacs.org); E-mail: [info@tacs.org](mailto:info@tacs.org). 1903 Southeast Ankeny, Portland OR 97214, 503/239-4001, Fax 503/236-8313.



## SELECTING ACCOUNTING SOFTWARE

For reviews of nonprofit accounting software, as well as tips on selecting the appropriate program for your organization, visit:

- The CPA Journal Online: Selecting Accounting Software for Nonprofit Organizations. Web: [www.nysscpa.org/cpajournal/old/14628712.htm](http://www.nysscpa.org/cpajournal/old/14628712.htm)
- Technical Assistance for Community Resources: What Accounting Software Do Other Nonprofits Use? Web: [www.teleport.com/~tacs/issues/acctg.htm](http://www.teleport.com/~tacs/issues/acctg.htm)
- NpfAccounting: Your complete Guide to Nonprofit Accounting Software and Fund Accounting Technologies (includes a "software checklist") Web: [www.nfpaccounting.com/software\\_costs.htm](http://www.nfpaccounting.com/software_costs.htm)
- The Alliance: How do we select fundraising software? Web: [www.allianceonline.org/faqs/frfaq7.html](http://www.allianceonline.org/faqs/frfaq7.html)

## ON-LINE RESOURCES

### *The Alliance*

The mission of the Alliance is to provide leadership in enhancing a civil society by challenging and strengthening those who deliver management and governance support services to nonprofit organizations. Their web page contains information on financial management as well as other nonprofit management issues. Web: [www.allianceonline.org](http://www.allianceonline.org)

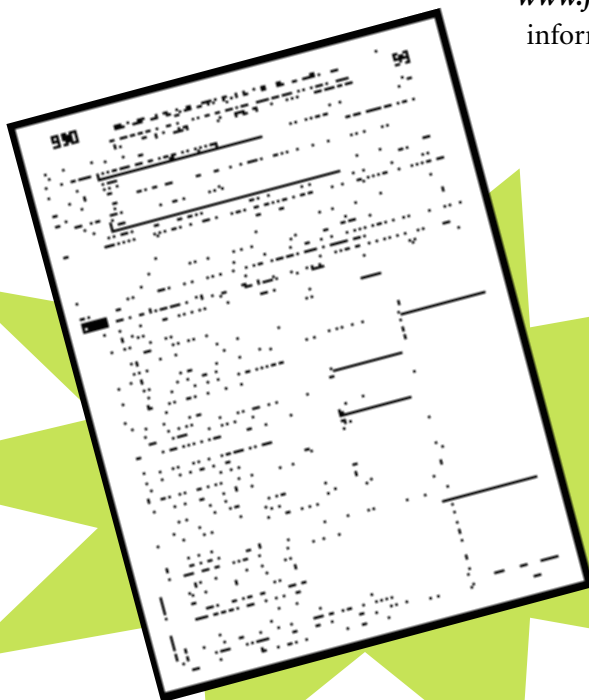
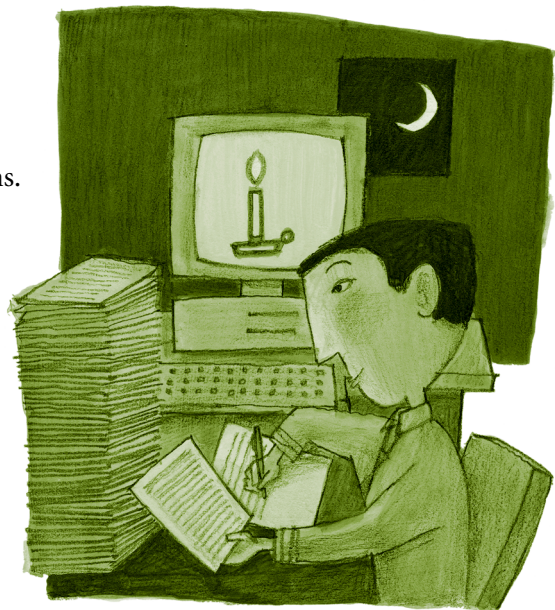
### *NfpAccounting.com*

A site geared specifically towards nonprofit accounting. Includes a free newsletter and discussion board where specific inquiries can be posted. Web: [www.nfpaccounting.com](http://www.nfpaccounting.com): Maintained by Sunil Chhabra; 619/275-0907; [sunil@nfpaccounting.com](mailto:sunil@nfpaccounting.com)

[www.guidestar.org](http://www.guidestar.org) – information on more than 700,000 nonprofit organizations, with news and helpful resources for nonprofits.

[www.irs.ustreas.gov](http://www.irs.ustreas.gov) – on-line access to tax information and forms.

[www.fdncenter.org](http://www.fdncenter.org) – on-line library with useful information for nonprofit organizations.



# LET RIVER NETWORK HELP YOU KEEP YOUR HEAD ABOVE WATER.



Join the River Network partnership and connect to the information and resources you need to stay afloat!

- **Access our River Source Information Center with the 1-800 hotline:** Let us help you research a particular issue and put you in touch with the necessary contacts and resources through one-on-one consultations.
- **Log onto our Partner-only web site:** Browse the updated postings of funding sources, upcoming events and trainings, and download river clipart.
- **Receive the myriad of Partner benefits,** including subscriptions to *River Voices* and *River Fundraising Alert*, a copy of the *Directory of Funding Sources for River and Watershed Conservation Organizations*, and a copy of either *Starting Up: A Handbook for New River and Watershed Organizations* or *How to Save a River...*and more!
- **Apply for a Partner grant** to help sustain and strengthen your organization.

**Coming  
Soon!**

[www.rivernetwork.org](http://www.rivernetwork.org)

## SIGN ME UP!

**Annual Partner Dues are only \$100**

Organizational Partner       Agency/Tribal Partner       Individual Partner

Name \_\_\_\_\_ Phone (    ) \_\_\_\_\_

Org/Agency \_\_\_\_\_ E-mail \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Please charge my credit card:       VISA       MasterCard

Card# \_\_\_\_\_ Exp. Date \_\_\_\_\_

You will receive your initial set of Partner materials, including your choice of: *(check one)*

- How to Save a River*       *Starting Up: A Handbook for New River and Watershed Organizations*  
 *River Talk*       *The Clean Water Act: An Owner's Manual*       *Testing the Waters*

Please make your check payable to River Network and return this form to:

**River Network, 520 SW 6th Ave., #1130, Ptd., OR 97204-1535 Phone: 503/241-3506**

River Network works to support you and your needs. We provide training and technical assistance to our Partner groups.  
River Network does not promote legislation or represent your organization in legal matters.



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Portland, Oregon 97204-1535

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## *Introducing the new [rivernetwork.org](http://rivernetwork.org)*

River Network's newly improved web site makes it easier for you to find the information you need to preserve and protect watersheds in your community. New features you'll find at [www.rivernetwork.org](http://www.rivernetwork.org) include:

**THE RESOURCE LIBRARY** contains extensive resources on a wide range of issues facing grassroots river protection groups today, and links to other organizations doing work crucial to the health of our nation's rivers.

**THE NATIONAL DIRECTORY OF RIVER AND WATERSHED CONSERVATION GROUPS** lists more than 3,600 grassroots river and watershed conservations groups in the U.S. Is your group on the list?

**THE DIRECTORY OF FUNDING SOURCES** is available to River Network Partners, profiles foundations, corporations, and state and federal agencies and other organizations that support small, nonprofit watershed groups.

*Log on today. Make  
[www.rivernetwork.org](http://www.rivernetwork.org)  
your on-line connection  
to the nation's river  
community.*

