

## **Key Financial and Related Questions All Boards Should Ask**

*From [www.boardsource.org](http://www.boardsource.org)*

For boards to effectively fulfill their responsibility of financial and organizational oversight, the following questions should be asked on a consistent basis:

- Is the financial plan consistent with the strategic plan?
- Is the organization regularly comparing its financial activity with what it has budgeted?
- Have we run a gain or loss? (i.e. Are we better or worse off financially than we were a year ago?)
- Are our key sources of income rising or falling? If they are falling, what are we doing?
- Are any specific expense areas rising faster than their sources of income?
- Are our key expenses, especially salary and benefits, under control?
- Are the organization's expenses appropriate?
- Do we have sufficient reserves?
- Is the cash flow projected to be adequate?
- Has the board adopted a formal policy for the establishment of reserves?
- Does the organization have the appropriate checks and balances to prevent errors, fraud, and abuse?
- Does staff have the financial and other resources they need to be satisfied and productive?
- Are we, on a timely basis, filing all necessary reporting documents required at the local, state and federal level?
- Are we fulfilling all of our legal obligations?
- Is the organization meeting guidelines and requirements set by its funders?