The Nonprofit Board Finance Pack

A fillable template for deciding what financial information goes to your board, and what stays with staff.

> Most board packets are either too thin to govern with or too thick to read. This template gives you a defensible default: a reporting cadence, a packet structure, and eight ready to fill schedules. Set it once with your finance committee chair, then reuse it every meeting. Fill it in on screen, or print it and mark it up together.

ORGANIZATION Legal name of the organization

FISCAL YEAR END e.g. June 30

PREPARED BY Name and role

ADOPTED BY THE BOARD ON Date

What is inside

1. The reporting cadence
2. Finance committee vs. full board
3. Sample board packet contents
4. Statement of Financial Position
5. Budget to actual worksheet
6. Cash flow and operating reserve
7. Restricted and grant funds
8. Program level financials
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10. Audit and Form 990 timeline
11. Questions a board should ask
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General guidance, not accounting, tax, or legal advice for your organization. Adapt it with your auditor and finance committee.

01 The reporting cadence

Boards do not need more numbers. They need the right numbers on a predictable rhythm. Check the cadence you commit to for each item and name the person accountable for producing it. Our recommended defaults are pre checked.

Information item	Mo.	Qtr.	Ann.	Owner
Statement of Financial Position, with prior year end comparison	☑	☐	☐	
Statement of Activities, year to date actual against budget	☑	☐	☐	
Written notes on every variance over your materiality threshold	☑	☐	☐	
Cash position and 13 week cash forecast	☑	☐	☐	
Months of operating reserve	☑	☐	☐	
Restricted and grant funds schedule: released, remaining, at risk	☐	☑	☐	
Program level financials and the true cost of each program	☐	☑	☐	
Full year reforecast: where we now expect to land	☐	☑	☐	
Investment and reserve performance against policy	☐	☑	☐	
Compliance status: grant reports filed, payroll taxes, filings current	☐	☑	☐	
Annual budget approval	☐	☐	☑	
Audited financial statements and the management letter	☐	☐	☑	
Form 990 reviewed by the board before filing	☐	☐	☑	
Executive compensation review and documentation	☐	☐	☑	
Financial policy refresh: spending authority, reserves, conflict of interest, whistleblower, document retention	☐	☐	☑	
Add your own	☐	☐	☐	

Set a materiality threshold now. Pick a number and write it down, for example the greater of $10,000 or 10 percent of the line. Variances below it get no narrative. This single decision is what keeps a packet from turning into a 40 page reconciliation.

Our threshold: the greater of $_____ or ____%

02 Finance committee vs. full board

The finance committee does the reading. The full board does the governing. When both groups review the same 30 pages, neither does its job. Use this split as your starting point.

Finance committee

Detail, review, and recommendation

- Full monthly financial statements and all schedules
- Line by line budget to actual review
- 13 week cash forecast and borrowing needs
- Grant compliance and reporting status
- Draft budget and all assumptions
- Audit planning, fees, and the management letter response
- Internal control gaps and remediation plans
- Meets with the auditor without staff present
- Recommends motions to the full board

Full board

Decision, oversight, and fiduciary duty

- One page dashboard with trend arrows
- Statement of Financial Position and Statement of Activities summary
- Cash and months of reserve
- Committee memo naming the three things that matter this month
- Approves the annual budget
- Accepts the audited financial statements
- Reviews Form 990 before filing
- Approves executive compensation
- Approves debt, leases, and reserve draws

Our version of the split. Note anything you handle differently, for example a board with no finance committee yet, or a treasurer who reviews in place of one.

Notes

03 Sample board packet contents

Eight to ten pages of finance, distributed at least five days before the meeting. If a board member can read it on a phone the night before, you built it right.

Tab	Document	Pages	Owner
1	Finance committee memo: three things that matter, and what we recommend	1	
2	Board dashboard, with prior period and trend	1	
3	Statement of Financial Position, current vs. prior year end	1	
4	Statement of Activities with budget to actual and full year forecast	1 to 2	
5	Cash flow and months of operating reserve	1	
6	Restricted and grant funds schedule	1	
7	Variance narrative, only for items above the threshold	1	
8	Motions and action items requiring a board vote	1	
9	*Appendix, on request only: full detail statements, program financials, aging reports*	as needed	

Distributed

e.g. 5 business days before the meeting

Books closed by

e.g. day 15 of the following month

04 Statement of Financial Position

The board version of the balance sheet. Two columns and a change column, nothing more. The point is liquidity and whether net assets are moving in the right direction.

Line	Current	Prior year end	Change
Cash and cash equivalents			
Grants and contributions receivable			
Prepaid expenses and other current assets			
Investments and board designated reserves			
Property and equipment, net			
Total assets			
Accounts payable and accrued liabilities			
Refundable advances and deferred revenue			
Line of credit and debt			
Total liabilities			
Net assets without donor restrictions, undesignated			
Net assets without donor restrictions, board designated			
Net assets with donor restrictions			
Total net assets			

What the board should notice

- Cash against payables. If payables are growing faster than cash, say so out loud.
- How much of total net assets is actually spendable. Restricted net assets do not pay payroll.
- Receivables aging. A large grant receivable past 90 days is a collection problem, not an asset.
- Any use of the line of credit, and the plan to pay it down.

05 Budget to actual worksheet

Year to date actual against year to date budget, not against the annual budget. Comparing eight months of spending to a twelve month budget makes every line look great and tells the board nothing.

Line	Annual budget	YTD budget	YTD actual	Variance	Note?
REVENUE AND SUPPORT					
Individual contributions					☐
Foundation and corporate grants					☐
Government contracts and grants					☐
Program service fees and earned revenue					☐
Special events, net of direct costs					☐
Investment and other income					☐
Total revenue and support					
EXPENSES BY FUNCTION					
Program 1					☐
Program 2					☐
Program 3					☐
Management and general					☐
Fundraising and development					☐
Total expenses					
Change in net assets					

Tip: present the change in net assets two ways, with and without restricted grant revenue recognized this period. A large multi year grant booked in month two can make a deficit year look like a surplus.

06 Cash flow and operating reserve

Nonprofits do not fail because of a bad surplus. They fail because cash arrives after payroll is due. This is the page most boards need and most rarely get.

SIX MONTH ROLLING CASH FORECAST

Month	Opening cash	Cash in	Cash out	Closing cash
Month 1				
Month 2				
Month 3				
Month 4				
Month 5				
Month 6				

Months of operating reserve

Liquid unrestricted net assets divided by average monthly operating expenses. Enter the two numbers and the calculation updates.

Liquid unrestricted net assets

Annual operating expenses

MONTHS OF RESERVE

Under three months is a liquidity risk: confirm the line of credit, and put a reserve target in the next budget.

Our board approved target: e.g. 4 months by FY27

07 Restricted and grant funds

One row per award. This is the schedule that keeps a board from celebrating cash it is not allowed to spend, and the one auditors ask for first.

Funder and purpose	Award	Period	Released YTD	Remaining	Next report due	Risk

Use the risk column for one word: on track, behind, at risk, or closing. If a grant is behind on spending, the board needs to hear it while there is still time to spend or request an extension.

08 Program level financials

Every program is subsidized by something, or subsidizes something else. Boards make better strategic decisions when they can see which is which. Include shared costs, otherwise the numbers flatter the programs with the least overhead.

Program	Direct revenue	Direct expense	Allocated shared cost	Full cost result
Fundraising and administration				

The board question this page answers is not "which program is profitable." It is "which subsidies are we choosing on purpose." Write the answer for your organization here.

Subsidies we are choosing on purpose, and why

09 One page board dashboard

If a board member reads only one page, make it this one. Pick six to eight measures, set a target for each, and keep the same measures all year so trends mean something.

Measure	Target	This period	Prior period	Trend
Months of operating reserve				
Unrestricted cash on hand, in days				
Change in net assets against budget				
Percent of annual revenue already committed				
Largest funder as a share of revenue				
Receivables over 90 days				
Grant reports filed on time				
Your mission or program measure				

The three things that matter this month

Staff writes these. It is the most valuable paragraph in the packet.

1.
2.
3.

10 Audit and Form 990 timeline

Counted from your fiscal year end. Put real dates in the right column at the start of the year and the audit stops being a surprise.

When	Milestone	Our date	Done
2 months before	Engagement letter signed, audit timeline agreed, prepared by client list received		☐
1 month before	Confirm cutoff procedures, fixed asset review, count of any inventory		☐
Fiscal year end	Final close begins. Reconcile every balance sheet account, release restrictions, confirm grant revenue recognition		☐
Month 1 to 2	Books closed, schedules delivered to the auditor, fieldwork begins		☐
Month 3	Draft financial statements and management letter to the finance committee		☐
Month 3 to 4	Committee meets with the auditor without staff present		☐
Month 4	Full board accepts the audited financial statements and approves a response to the management letter		☐
Month 4.5	Form 990 due, the 15th day of the fifth month after year end. Board reviews the draft before filing. An extension moves it to month 10.5		☐
Month 9	Single audit reporting package due if you expended $1,000,000 or more in federal awards, for fiscal years beginning on or after October 1, 2024		☐
Ongoing	State charitable registration renewals and any funder specific audit submissions		☐

Confirm current thresholds and due dates with your auditor. Federal and state requirements change.

11 Questions a board should ask

Give this page to new board members. A board that asks these ten questions is doing its job, and a finance team that can answer them quickly has its house in order.

1. How many months could we operate if revenue stopped tomorrow?

Watch for an answer based on total net assets rather than liquid unrestricted assets.

2. Which of our cash is actually available to spend?

Restricted balances and refundable advances are not spendable cash.

3. What percent of next year is already committed in writing?

A low number in month nine is the real early warning signal.

4. What happens if our largest funder does not renew?

Concentration above roughly 25 percent of revenue deserves a written plan.

5. Are any grants behind on spending?

Unspent grant funds get returned, and slow spending damages the next renewal.

6. Are we recovering the full cost of our government contracts?

Ask about the indirect cost rate being claimed against the actual rate.

7. Which programs are subsidized, and did we choose that?

Subsidy is a strategy decision. It should never be an accident.

8. Are payroll taxes and retirement contributions fully deposited?

This one carries personal liability risk for board members. Ask it annually.

9. Who can move money, and who reviews it?

If the same person can pay a vendor and reconcile the bank, you have a control gap.

10. What did the auditor put in the management letter, and what did we do?

A repeated finding two years in a row is a governance issue, not an accounting one.

Red flags in the packet itself

- Financials arriving at the meeting instead of days before it
- Numbers that change between the committee meeting and the board meeting with no explanation
- A balance sheet that has not been reconciled to bank statements this quarter
- No cash forecast anywhere in the packet
- Restricted and unrestricted funds presented as one number
- The same variance explanation copied forward month after month

12 Plain English glossary

Put this in the onboarding binder for every new board member. Most people join a nonprofit board without a finance background, and nobody wants to be the person who asks.

Statement of Financial Position. The nonprofit balance sheet. What we own, what we owe, and what is left over at a point in time.

Statement of Activities. The income statement. Revenue and expenses over a period, ending in the change in net assets.

Net assets. The nonprofit version of equity. Total assets minus total liabilities.

Without donor restrictions. Money the board can direct. Includes board designated reserves, which the board can also undesignate.

With donor restrictions. Money a donor limited by purpose or by time. Legally enforceable, and not available for general operations.

Release from restriction. The accounting entry when we satisfy a donor condition. Moves the money from restricted to unrestricted.

Conditional contribution. A promise with a barrier we must clear first. Not recognized as revenue until the barrier is met.

Refundable advance. Cash we have received but not yet earned. It is a liability, not revenue.

Deferred revenue. Payment for goods or services we have not yet delivered, such as tuition or event tickets.

Functional expenses. Expenses grouped as program, management and general, or fundraising. Required in the audit and on the 990.

Indirect cost rate. The percentage a funder allows for shared costs. If it is below our real rate, that grant is subsidized by other money.

Operating reserve. Liquid unrestricted net assets, expressed as months of operating expenses.

Accrual basis. Revenue and expenses recorded when earned or incurred, not when cash moves. Required for an audit.

Management letter. The auditor's private note to the board about control weaknesses. Read it every year.

Single audit. An additional compliance audit required once federal spending crosses the threshold.

Form 990. The annual return filed with the IRS. It is public, and funders read it.

Use this once, and your next board meeting gets shorter.

The Ijaz Group is a client accounting services firm built for nonprofit and government finance. We close the books, build the packet, and sit with the finance committee, so the ED and the finance director can get back to strategy.

Monthly close
Reconciled, on a calendar, every month.

Grant and fund accounting
Restrictions tracked where they belong.

Audit ready
Schedules built before fieldwork starts.

Talk through your board packet with us

ijazgroup.com