

Finance Unlocked for Nonprofits



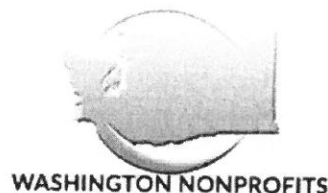
Unlocking Financial Literacy for Nonprofit Board Members
to Deliver Mission & Protect Assets

*An initiative of Washington Nonprofits and Jacobson Jarvis PLLC
In partnership with the Office of the Secretary of State*

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For a complete set of videos and supporting materials, visit:
www.wanonprofitinstitute.org/finance

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FUN BINGO

The basics on nonprofit finance are as straight forward as BINGO. BI, N, GO. BINGO.

1. You should be looking at two reports on a regular basis:



Balance Sheet: A doctor takes a pulse, a driver looks at the gas gauge, and a photographer snaps a picture. These are all ways to capture information at a point in time. A Balance Sheet is a report showing where you stand financially at a point in time. It is also known as a Statement of Financial Position.



Income Statement: Nonprofits plan for the future and then check reality against this plan, comparing the story of what they see with what the numbers really tell them. An income statement shows operating results over a specific time period. It is also known as a Statement of Activities or Profit & Loss Statement.

2. You should review your organization's IRS Form 990 once a year:



Nine Ninety (990): A strong 990 highlights a nonprofit's mission and shows its compliance with federal regulations. An IRS Form 990 is an annual required tax filing. After an organization files its 990, it is available on websites and viewed by potential donors.

3. You should have clear systems, policies and procedures in place for tracking and communicating about money and assets.



Giving: Money fuels your work, so nonprofits are mindful of the mix of funds that drive their engines. Healthy nonprofits make use of a wide range of funding sources and are mindful that different funding sources come with different accounting needs, donor expectations, and restrictions.



Oversight: Nonprofit board members are ultimately responsible for the effective, responsible use of a nonprofit's resources. Oversight includes the policies and procedures designed to prevent fraud and ensure accurate reporting of the affairs of the organization.