



Board Financial Review Cheat Sheet

This tool helps **non-financial board members confidently review reports** without feeling overwhelmed.

What Reports Should the Board Receive?

Each meeting, the board should review:


- ✓ Statement of Financial Position
- ✓ Statement of Activities
- ✓ Budget vs Actual Report

What Should the Board Look For?

1. Financial Position (Balance Sheet)

Ask:


- Do we have enough cash to operate?
- Are assets greater than liabilities?
- Are reserves increasing or decreasing?

 **Healthy sign:** Positive net assets and stable cash

2. Revenue Review

Ask:

- Are we meeting fundraising goals?
- Are grants coming in as expected?
- Are we relying too heavily on one funding source?

 **Watch for:** Declining or inconsistent revenue

3. Expense Review

Ask:

- Are expenses aligned with our mission?
- Are we staying within budget?
- Are any expenses unusually high?

 **Watch for:** Overspending or unexplained costs

4. Budget vs Actual

Ask:

- Are we over or under budget?
- Are there major variances? Why?
- Do we need to adjust spending?

👉 **Focus on:** Large differences—not small ones

5. Cash Flow

Ask:

- Do we have enough cash for the next 3 months?
- Are there upcoming large expenses?
- Are grant funds delayed?

👉 **Watch for:** Cash shortages

6. Restricted Funds & Grants

Ask:

- Are grant funds being used properly?
- Do we have unused restricted funds?
- Are we meeting grant requirements?

👉 **Critical:** Misuse of restricted funds can create compliance issues



Red Flags for Board Members

Board members should pay attention to:

- Late or missing financial reports
- Repeated budget deficits
- Declining cash reserves
- Lack of clarity in reports
- No supporting documentation
- Significant unexplained variances



Questions Board Members Should Ask

- “Can you explain this variance?”
- “Are we financially stable?”
- “Do we need to adjust our budget?”
- “Are we compliant with grant requirements?”
- “What risks should we be aware of?”

Remember: You don't need to understand everything—you just need to **ask the right questions**