



Basic Financial Questions for the Board to Ask

Wondering how to approach your role as steward of your organization's financial resources? Even if you're not the Treasurer and don't serve on the Finance Committee, you have an important role to play. Here are some basic questions suggested by Maureen K. Robinson in her book "Nonprofit Boards That Work: The End of One-Size-Fits All Governance."

The first step to increase the financial stewardship of the board is to agree that in principle there are *no stupid questions*. Although the result is not always guaranteed, it is the only way to learn something. Think about it: if you have a question, it's likely you're not alone.

The best questions a board can ask are the most basic:

- Are we ahead or behind where we thought we would be?
- Is our spending in line with our budget?
- What accounts for the differences?
- Are we on track for the rest of the year in terms of our finances?
- Is there anything we should be concerned about?

There are some slightly more complicated questions you can ask:

- What is the most important source of revenue for the organization?
- Is it rising or falling as a percentage of our operating budget?
- What is the fastest growing expense that we have?
- Are we working to control it or have we got a plan to cover it?
- Does the budget support our goals for the organization?
- Are we spending money where it matters the most?