Nuts and Bolts of Nonprofit Financial Management

Yampa Valley Community Foundation

August 2026

The Fellows Group, LLC

THE FELLOWS GROUP LLC
Finance Office + Advisory Services

YVCF
NONPROFIT EDUCATION SERIES

Welcome and Introductions

- The Fellows Group works with small to medium-sized nonprofits and small businesses that have
  - Outgrown their current finance support system
  - Are looking to save money by outsourcing
  - Board, management team and/or funder needs that aren't being met with your current resources.
- We assess the situation, design and recommend improvements, and implement changes to meet the organization's needs.
- We are QuickBooks Online Pro Advisors and help organizations navigate cloud-based finance office opportunities.
- David and Cheryl Fellows - david@fellowsgroup.us / cheryl@fellowsgroup.us

Objectives

- Basic concepts and important features of nonprofit financial reporting
- How to read the essential financial management documents:
  - Interim Financial Statements
  - Audited Financials
  - IRS Form 990
  - Policies

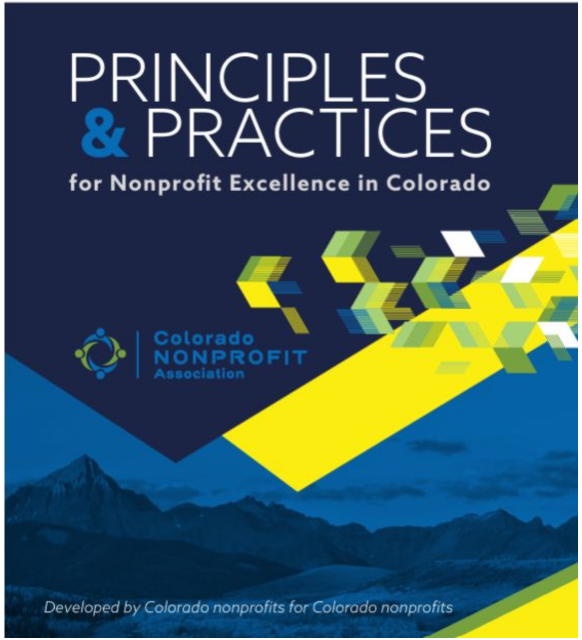
Can’t do in 2 Hours!

- ❑ Can’t teach Accounting 101 in 2 hours!
- ❑ Can’t teach Bookkeeping 101 in 2 hours!

- ❑ If you are a 501c3 nonprofit:
  - ❑ Get a free **TechSoup.org** membership
  - ❑ Get the QuickBooks Online Advanced Tech Soup License $170/year
  - ❑ Check out QuickBooks Online Made Easy for Nonprofits - The Essentials or VIP - highly recommend!

Principles & Practices

- Colorado Nonprofit Association, Principles & Practices for Nonprofit Excellence in Colorado, 5th Edition
- Free pdf download
- Great reference for boards and leadership
- ALSO: Colorado Secretary of State Nonprofit Board Member Course



All Nonprofits Do 3 Things

Mission Work = Program

Raise Resources to Fund the Mission = **Fundraising**

Solicit donors, grants, contracts; hold fundraising events

Support the Mission = **Management & General**

Accounting-Finance-HR-Marketing-Technology-Facilities

Nonprofits Follow Accounting Rules

Applies to Nonprofits → Requires Accrual Method* → 990 On Same Basis

What does Accrual or Cash Mean?

Cash Basis

Literally money in and money out in a given month/year.

Matches bank statements

No Accounts Payable (bills not paid)

No Accounts Receivable (pledges)

VERY LIMITED USE (very small nonprofits)

Accrual Basis = standard for nonprofits

Matches the activity in the time period:

Revenue “earned” or recognizable in a period (month/year)

Expenses incurred in a period whether you paid the bills or not.

Makes use of “Accounts Receivable” and “Accounts Payable”

Nonprofits Keep Score in 2 Buckets

Unrestricted

This is the Operating Bucket

(Donor) Restricted

What did the donor mean?

Did they write a letter with *specific words* about the donation?

Examples include:

Grant letter! “For your mission” or General Operating

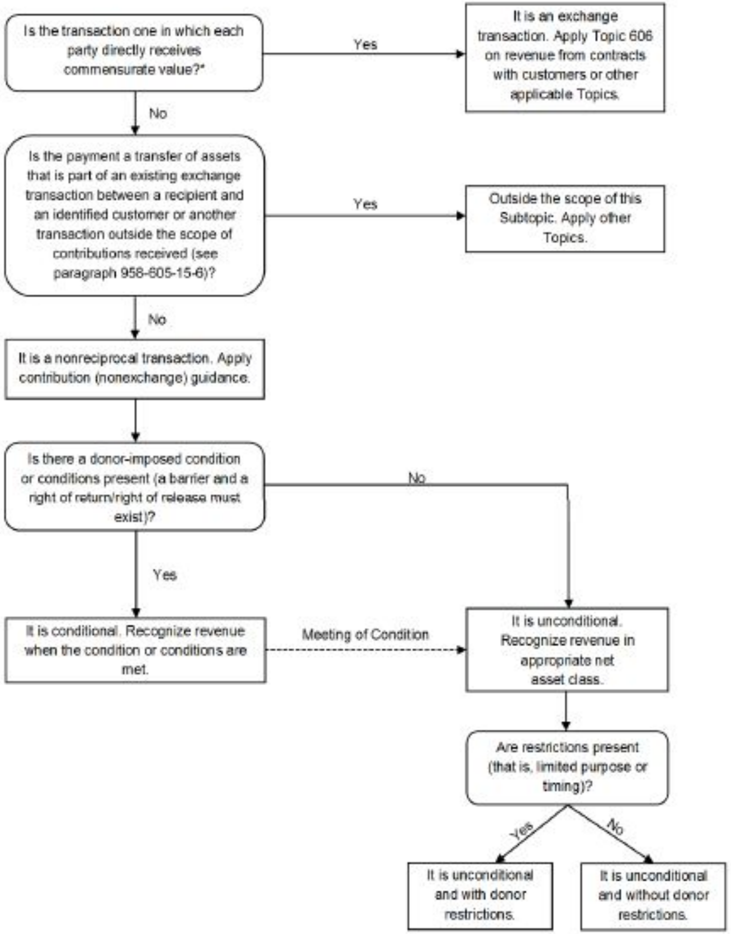
Did they write anything on the check?

Did they give to a specific fund/purpose?

→ ***When** can we say “we have money in / coming in”*

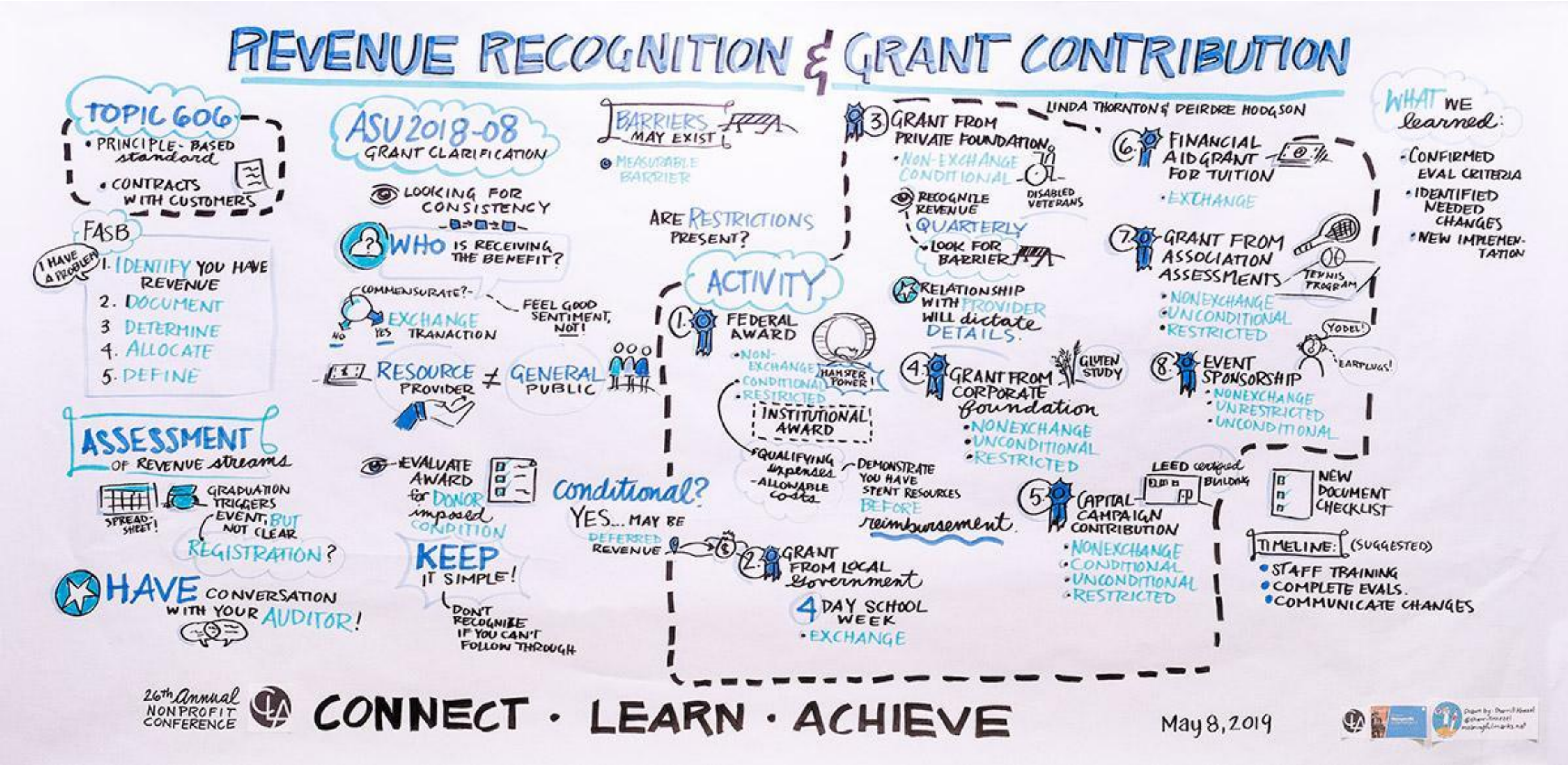
→ *and **which bucket** does it go in?*

Revenue Rules Flow Chart:



Exchange or Contribution?

Condition or Restriction?


REVENUE RECOGNITION & GRANT CONTRIBUTION
LINDA THORNTON & DEIRDRE HODGSON
TOPIC 606
• PRINCIPLE-BASED standard
• CONTRACTS WITH CUSTOMERS
FASB
I HAVE A PROBLEM!
1. IDENTIFY YOU HAVE REVENUE
2. DOCUMENT
3. DETERMINE
4. ALLOCATE
5. DEFINE
ASSESSMENT OF REVENUE streams
SPREAD-SHEET!
GRADUATION TRIGGERS EVENT, BUT NOT CLEAR
REGISTRATION?
HAVE CONVERSATION WITH YOUR AUDITOR!
ASU 2018-08 GRANT CLARIFICATION
LOOKING FOR CONSISTENCY
WHO IS RECEIVING THE BENEFIT?
COMMENSURATE?
NO
YES
EXCHANGE TRANACTION
FEEL GOOD SENTIMENT, NOT!
RESOURCE PROVIDER ≠ GENERAL PUBLIC
EVALUATE AWARD for DONOR imposed CONDITION
KEEP IT SIMPLE!
DON'T RECOGNIZE IF YOU CAN'T FOLLOW THROUGH
BARRIERS MAY EXIST
• MEASURABLE BARRIER
ARE RESTRICTIONS PRESENT?
conditional?
YES... MAY BE DEFERRED REVENUE
ACTIVITY
1. FEDERAL AWARD
• NON-EXCHANGE
• CONDITIONAL
• RESTRICTED
HAMSTER POWER!
INSTITUTIONAL AWARD
QUALIFYING expenses
- ALLOWABLE costs
DEMONSTRATE YOU HAVE SPENT RESOURCES BEFORE reimbursement
2. GRANT FROM LOCAL Government
4 DAY SCHOOL WEEK
• EXCHANGE
3. GRANT FROM PRIVATE FOUNDATION
• NON-EXCHANGE CONDITIONAL
DISABLED VETERANS
RECOGNIZE REVENUE QUARTERLY
• LOOK FOR BARRIER
RELATIONSHIP WITH PROVIDER WILL dictate DETAILS.
4. GRANT FROM CORPORATE foundation
GLUTEN STUDY
• NONEXCHANGE
• UNCONDITIONAL
• RESTRICTED
5. CAPITAL CAMPAIGN CONTRIBUTION
LEED certified BUILDING
• NONEXCHANGE
• CONDITIONAL
• UNCONDITIONAL
• RESTRICTED
6. FINANCIAL AID GRANT FOR TUITION
• EXCHANGE
7. GRANT FROM ASSOCIATION ASSESSMENTS
TENNIS PROGRAM
• NONEXCHANGE
• UNCONDITIONAL
• RESTRICTED
8. EVENT SPONSORSHIP
YODEL!
EARPLUGS!
• NONEXCHANGE
• UNRESTRICTED
• UNCONDITIONAL
WHAT WE learned:
• CONFIRMED EVAL CRITERIA
• IDENTIFIED NEEDED CHANGES
• NEW IMPLEMENTATION
NEW DOCUMENT CHECKLIST
TIMELINE: (SUGGESTED)
• STAFF TRAINING
• COMPLETE EVALS.
• COMMUNICATE CHANGES
26th Annual NONPROFIT CONFERENCE
CONNECT · LEARN · ACHIEVE
May 8, 2019

How it works IRL

Here's a $25 donation	Here's $50k to do xyz by this time next year	Here's $50k for a match, return what you don't use	If you do xyz I'll reimburse you up to $50k
No Restriction	Donor Restriction	Restriction & Condition	Tricky!

Answers determine how and when <u>REVENUE is RECOGNIZED</u> = WHEN it goes on the financials and 990s, and WHERE it goes

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All nonprofits use this distinction

	Unrestricted	Restricted
Revenues	Many Contributions Registration Fees for programs or events Gov't "grants" (reimbursement) Other Contract Work *Spend first, then invoice* "Released from Restriction" +x	Many grants • Time • Purpose "Released from Restriction" (x)
Expenses ("Functional")	Program General/Administrative Fundraising	
Change in Net Assets	Want $+	+ or – (depends)

Can a Nonprofit Have Profit?

“Profit” = “Surplus” = “Change in Net Assets”

- Excess of Revenue over Expenses
- Profits are Additions to Net Assets
    - Transfer to the Future
    - Provides Investment Capital and Emergency Funds

- Goal of Nonprofit is to fulfill Mission, <u>not</u> to maximize profit.
- No <u>person</u> owns Profit; it stays in the NPO to further Mission

Reporting Cycles and Interim Financial Statements

Reporting Cycles

Internal-Annual

Planning and Budgeting: Programs and Revenue sources

Internal-Monthly/Quarterly

Monthly Reporting for program staff, management, board and board committees

External-Annual

Annual Reports

Audits and Audited Financials

990s

Typical Reporting Cycle for Prior Month

10th
Program Managers

15th
Executive

20th
Package to Fin Comm

3rd week
Fin Comm Meets

25th
Package to Board

Non-Profit Financials - Basics

Income statement = Statement of Activities (over a time period) = Profit and Loss

- How did we do over this period?
- How are we doing so far this year?
- Budget is a good reference point, also prior year if available

Balance sheet = Statement of Financial Position (Point in Time)

- How’s our cash position?
- What long-term assets do we have?
- How much do we owe?

Restricted = time or purpose, by donor: only revenues are restricted

Unrestricted = not restricted by donor or restriction met

Different statements refer to different time periods

Balance Sheet
Point in Time
(12/31/2021)
Statement of Financial Position

Assets
- Liabilities
Net Assets

Income Statement =
Statement of Activity
(between Balance Sheet Points)

Revenues (Donations, Grants)
- Expenses (Staffing, Program and Office)
Net Income (Net Revenue or Net Contribution)
= Change in Net Assets

Balance Sheet
Point in Time
(12/31/2022)
Statement of Financial Position

Assets
- Liabilities
Net Assets

Statement of Activities
Example 2025 – Total (1 bucket)

STATEMENT OF ACTIVITIES	2025
Income	
Contributions	$550,900
Earned Income	$13,000
Interest Earned	$6,881
Total Income	**$570,781**
Expenses	
Grants to Others	$2,000
Personnel	$492,899
Professional Services	$90,305
Program and General	$37,725
Facilities and Equipment	$769
Travel and Meetings	$23,175
Business Expense	$15,195
Total Expenses	**$662,067**
Operating Surplus/Deficit	**($91,287)**

Statement of Activities
Example 2 buckets

	Unrestricted	Restricted	Total
Income			
Contributions	$93,900	$457,000	$550,900
Earned Income	$13,000	-	$13,000
Interest Earned	$6,881	-	$6,881
Released from Restriction	$612,436	($612,436)	-
Total Income	**$726,217**	**($155,436)**	**$570,781**
Expenses			
Grants to Others	$2,000	-	$2,000
Personnel	$492,899	-	$492,899
Professional Services	$90,305	-	$90,305
Program and General	$37,725	-	$37,725
Facilities and Equipment	$769	-	$769
Travel and Meetings	$23,175	-	$23,175
Business Expense	$15,195	-	$15,195
Total Expenses	**$662,067**	**-**	**$662,067**
Operating Surplus/Deficit	**$64,149**	**($155,436)**	**($91,287)**

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Statement of Activities
Actual vs Budget (Total)

STATEMENT OF ACTIVITIES	2025	Budget (full FY)	Budget Variance ($)
Income			
Contributions	$550,900	$650,000	($99,100)
Earned Income	$13,000	$0	$13,000
Interest Earned	$6,881	$0	$6,881
Released from Restriction	$0	($1)	$1
Total Income	**$570,781**	**$650,000**	**($79,219)**
Expenses			
Grants to Others	$2,000	$15,000	($13,000)
Personnel	$496,062	$528,110	($32,048)
Professional Services	$90,305	$187,500	($97,195)
Program and General	$37,725	$88,350	($50,625)
Facilities and Equipment	$769	$13,000	($12,231)
Travel and Meetings	$23,090	$115,650	($92,560)
Advertising/Promotional	$0	$12,500	($12,500)
Business Expense	$15,195	$30,700	($15,505)
Total Expenses	**$665,145**	**$990,810**	**($325,665)**
Operating Surplus/Deficit	**($94,365)**	**($340,811)**	**$246,446**

Actual vs Budget - Unrestricted (Operating)

	TOTAL		
	ACTUAL	BUDGET	OVER BUDGET
Revenue			
400 Contributions	93,900	450,000	(356,100)
500 Earned Income	13,000		13,000
590 Released from Restriction	612,436	600,000	12,436
Total Revenue	**$719,336**	**$1,050,000**	**$ (330,664)**
GROSS PROFIT	**$719,336**	**$1,050,000**	**$ (330,664)**
Expenditures			
700 Grants to Others	2,000	15,000	(13,000)
720 Personnel	492,899	528,110	(35,211)
750 Professional Services	90,305	187,500	(97,195)
800 Program and General	37,725	88,350	(50,625)
810 Lobbying Expense		0	0
820 Facilities and Equipment	769	13,000	(12,231)
830 Travel and Meetings	23,175	139,650	(116,475)
850 Advertising/Promotional		12,500	(12,500)
860 Business Expense	15,195	6,700	8,495
Total Expenditures	**$662,067**	**$990,810**	**$ (328,743)**
NET OPERATING REVENUE	**$57,269**	**$59,190**	**$ (1,921)**

Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	2025	2024	Variance ($)
ASSETS			
Cash & Equivalents	$872,661	$777,640	$95,021
Accounts Receivable	$226,351	$414,422	($188,070)
Other Current Assets	$2,951	$0	$2,951
Total Current Assets	**$1,101,964**	**$1,192,062**	**($90,098)**
Total Non-Current Assets	**$0**	**$0**	**$0**
Total Assets	**$1,101,964**	**$1,192,062**	**($90,098)**
LIABILITIES			
Short Term Debt	$4,243	$3,460	$783
Accounts Payable	$0	$5,605	($5,605)
Other Current Liabilities	$7,000	($220)	$7,220
Total Current Liabilities	**$11,243**	**$8,846**	**$2,397**
Other Non-Current Liabilities	$17,237	$15,367	$1,869
Total Non-Current Liabilities	**$17,237**	**$15,367**	**$1,869**
Total Liabilities	**$28,480**	**$24,213**	**$4,267**
NET ASSETS			
Retained Net Assets	$1,167,849	$841,704	$326,145
Current Net Assets	($94,365)	$326,145	($420,510)
Total Net Assets	**$1,073,484**	**$1,167,849**	**($94,365)**
Total Liabilities & Net Assets	**$1,101,964**	**$1,192,062**	**($90,098)**

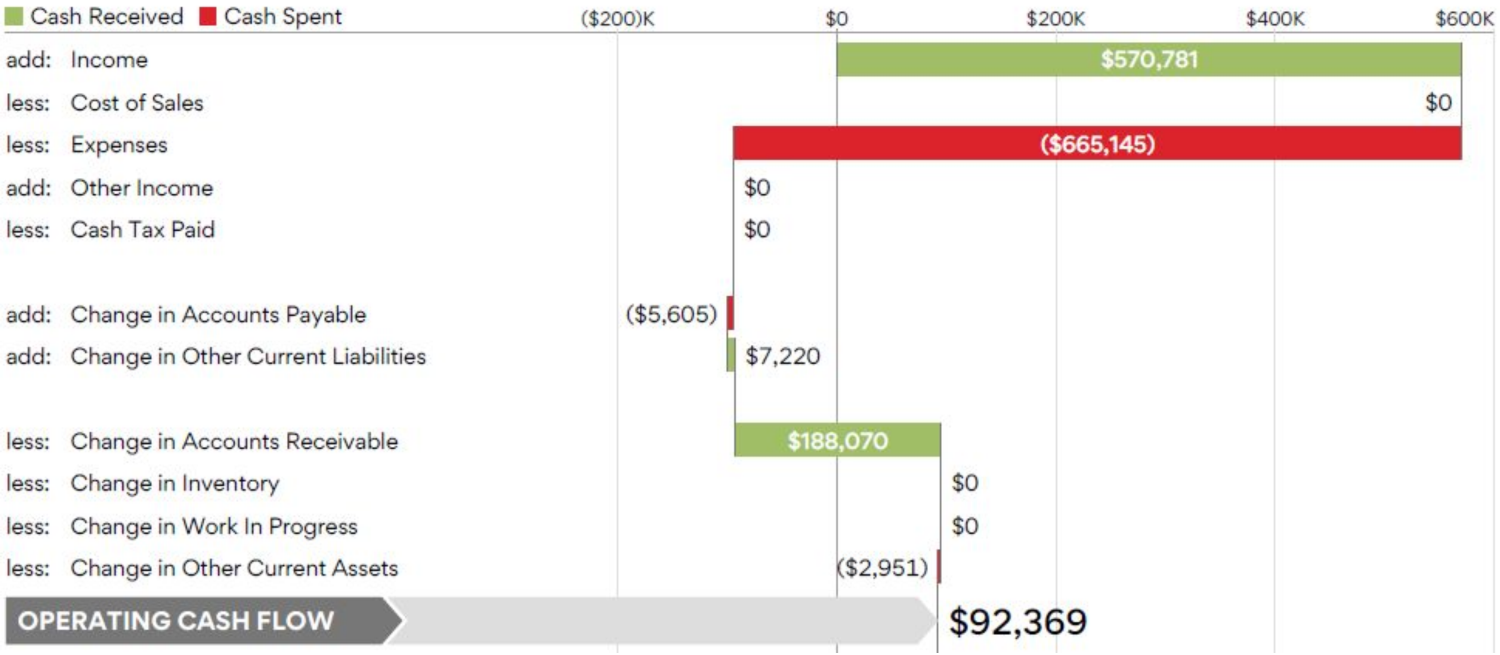
Key Points

- Both statements are important:
    - Statement of Activities (period of time)
    - Statement of Financial Position (point in time)
    - Have something to compare to (perspective)
- Keep an eye on the **2 buckets** to minimize distortions
- Keep an eye on your actuals vs budget in each bucket

Cash Flow: Numbers?

STATEMENT OF CASH FLOWS	2025
OPERATING ACTIVITIES	
Change in Net Assets	($94,365)
Change in Accounts Payable	($5,605)
Change in Other Current Liabilities	$7,220
Change in Accounts Receivable	$188,070
Change in Other Current Assets	($2,951)
Cash Flow from Operating Activities	**$92,369**
INVESTING ACTIVITIES	
Cash Flow from Investing Activities	**$0**
FINANCING ACTIVITIES	
Change in Short Term Debt	$783
Change in Other Non-Current Liabilities	$1,869
Cash Flow from Financing Activities	**$2,652**
Change in Cash & Equivalents	**$95,021**
Cash & Equivalents, Opening Balance	$777,640
Cash & Equivalents, Closing Balance	$872,661

Cash Flow: or Chart?



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Dashboards and warning lights are helpful!

Audited Financial Statements

What's an Audit?

Third-party review of the organization's financial results and the methods of arriving at those figures

REVIEW OF:

- methods, control environment
- calculations
- grants and spending
- donor restrictions and compliance
- Board activities

AUDIT PROCESS INCLUDES

- Prep work ("Prepared by client") & Onsite work
- Interviews (executive director, board chair, treasurer)
- Preparation of the organization's financial statement for that year
- Auditor's opinion

What are Audited Financial Statements?

- Expensive!
- Objective: the auditor's opinion that "the financial statements present fairly, in all material respects, the financial position" of the organization . . . in accordance with generally accepted accounting principles (GAAP).
- Single Audit = additional section, for government funding > $1 mm
- Package includes:
  - Independent auditor's report (cover letter)
  - Financial Statement pages (several)
  - Notes to the financial statements
- Generally made available on request to donors/funders (grant applications)

Board Responsibilities - Audit

- The Board hires the audit firm
  - Review 2 or 3 bids or proposals
  - Choose 3-6 months before year-end so the auditor can schedule time
- Field work = auditor “visits” the office, may schedule interviews with board chair and treasurer. Gather information
- Note 1 in the audit = “marketing” for your organization
- Auditor presents the audit to the board (not a vote)
- Question on 990 (did board review)

Key Audit Pages for Review

Page	Content
	Independent Auditor’s report
	Statement of Financial Position (Balance Sheet – 2 years)
	Statement of Activities (Income Statement – shows 2 years)
	Statement of Cash Flows (reconciles cash)
	Statement of Functional Expense
	Notes to the Financial Statements

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Independent Auditors' Report

To the Board of Trustees
Yampa Valley Community Foundation

Opinion

We have audited the accompanying financial statements of Yampa Valley Community Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yampa Valley Community Foundation as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Statement of Financial Position
What you "have" = Assets

December 31		2025		2024
ASSETS				
Current Assets				
Cash	$	873,386	$	777,640
Government grants receivable		-		141,256
Grants and pledges receivable		226,351		250,000
Other receivables		-		23,166
Prepaid expenses		2,227		-
Total current assets		1,101,964		1,192,062
Total assets	$	1,101,964	$	1,192,062

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Statement of Financial Position
Liabilities and Net Assets

What you "owe"

What's Left = Net Assets

Current Liabilities		
Accounts payable and accrued expenses	$ 4,328	$ 9,065
Accrued compensation and benefits	21,074	15,148
Total current liabilities	25,402	24,213
Total liabilities	25,402	24,213
Net Assets		
Without donor restrictions	316,230	252,081
With donor restrictions	760,332	915,768
Total net assets	1,076,562	1,167,849
Total liabilities and net assets	$ 1,101,964	$ 1,192,062

Statement of Activities (Income Statement)

Revenues

Expenses ("Functional")

Change in Net Assets

Year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Grants and contributions	$ 93,900	$ 457,000	$ 550,900
Net assets released from restrictions	612,436	(612,436)	
Total operating support	706,336	(155,436)	550,900
Operating Revenue			
Program revenue	13,000	-	13,000
Total operating support and revenue	719,336	(155,436)	563,900
Operating Expenses			
Program services	473,188	-	473,188
Supporting services			
General and administrative	188,422	-	188,422
Fundraising	458	-	458
Total operating expenses	662,068	-	662,068
Total operating support and revenue in excess (deficit) of operating expenses	57,268	(155,436)	(98,168)
Other Changes			
Interest	6,881	-	6,881
Change in Net Assets	64,149	(155,436)	(91,287)
Net Assets, Beginning of Year	252,081	915,768	1,167,849
Net Assets, End of Year	$ 316,230	$ 760,332	$ 1,076,562

Statement of Cash Flows

Years ended December 31	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ (91,287)	$ 326,145
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Increase (decrease) from changes in assets and liabilities		
Government grants	141,256	(24,483)
Grants and pledges receivable	23,649	(100,000)
Other receivables	23,166	(13,019)
Prepaid expenses	(2,227)	2,037
Accounts payable	(4,737)	(16,894)
Accrued compensation and benefits	5,926	15,148
Net cash provided by operating activities	95,746	188,934
Net Increase in Cash	95,746	188,934
Cash, Beginning of Year	777,640	588,706
Cash, End of Year	$ 873,386	$ 777,640

Statement of Functional Expense

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total
Salaries and wages	$ 332,431	$ 58,114	$ -	$ 390,545
Employee benefits	29,036	37,318	-	66,354
Payroll taxes	19,931	14,722	-	34,653
Total personnel costs	381,398	110,154	-	491,552
Professional fees	26,426	63,879	-	90,305
Information technology	13,521	5,678	434	19,633
Travel	14,985	1,636	-	16,621
Conferences and meetings	14,862	1,400	-	16,262
Bad debt expense	11,333	-	-	11,333
Office expenses	8,547	490	-	9,037
Insurance	-	4,003	-	4,003
Grants to other organizations	2,000	-	-	2,000
Bank and filing fees	-	1,182	24	1,206
Professional development	116	-	-	116
Total operating expenses	$ 473,188	$ 188,422	$ 458	$ 662,068
Expense Ratios:	*71%*	*28%*	*0%*	

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Functional Expenses

Program	Management & General	Fundraising
Program Staff	Executive Director HR Accounting/Finance	Development director
Consultants/contractors for program purposes	Consultants/contractors for organizational purposes	Fundraising consultants Auctioneers
Supplies, travel	Office supplies, travel	Postage, printing, etc
Re-grants or sub-grants		*Note: *event* costs are an offset to event proceeds
Portion of shared costs like rent based on *allocation*	Portion of shared costs like rent based on *allocation*	Portion of shared costs like rent based on *allocation*

Notes in an Audit: Note 1 = You!

1. Organization

The Yampa Valley Community Foundation ("the Foundation") is a Colorado not-for-profit corporation. The Foundation's mission is leading transformational change throughout the Yampa Valley by engaging donors in purposeful philanthropy, empowering local nonprofit organizations, inspiring impactful grantmaking, and collaborating to build vibrant communities.

The Foundation is dedicated to improving the lives of Routt and Moffat Counties' community members. The Foundation's work happens through four programs:

1. Engaging donors in meaningful philanthropy.
2. Strengthening and sustaining local nonprofits.
3. Delivering impactful grantmaking.
4. Building community.

One of the services offered to philanthropists is managing and investing in charitable funds on their behalf. The Foundation manages over $88 million in over 250 donor advised funds, scholarship funds, agency endowments, and other funds which help fuel the charitable investments the Foundation and its fundholders make in the region.

Rest of the notes = policies, disclosures, additional details about the numbers.

Form 990

After the Audit: 990 Prep

- The auditor typically presents the findings to the board
- Auditor typically provides some bound copies and pdf version (sometimes locked) to the organization
- After that the auditor uses the information from the audit to complete the 990
    - Auditors ask all the questions for the 990 as part of the audit

What is the 990

- Nonprofit organizations file an annual **information** return with the IRS called form 990
    - Some organizations also file a 990-T
- It covers financial information as well as some operating information
- Smaller nonprofits (under $50,000 annual revenue) may file a “postcard” return; under $200k revenue and assets under $500k may file a 990-EZ return or 990, Private Foundation 990-PF
- Due dates: 15th day of the 5th month after the fiscal year end. Can file 1 extension which is for 6 months; final due date = 15th of 11th month (no extensions)
- Public document *except for Schedule B (major donors)*

Key Pages and Schedules for Review

Page	Form Part	Content
1	I	Summary Information
2	III	Statement of Program Service Accomplishments
3-4	IV	Checklist of Required Schedules
6	VI	Governance, Management, and Disclosure
7	VII	Compensation of Officers, Directors etc
9	VIII	Statement of Revenue
10	IX	Statement of Functional Expense
11	X	Balance Sheet
	Sched. A	Public Support Test
	Sched. B	Schedule of Contributors (not public)

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Page 1 – Summary Information

Mini Income Statement and Balance Sheet!

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	1,194,516	550,900
	9	Program service revenue (Part VIII, line 2g)	50,666	13,000
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		6,881
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0
	12	Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,245,182	570,781
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	225,000	2,000
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	398,263	491,552
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) 458		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	295,774	168,516
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	919,037	662,068
	19	Revenue less expenses. Subtract line 18 from line 12	326,145	-91,287
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	1,192,062	1,101,964
	21	Total liabilities (Part X, line 26)	24,213	25,402
	22	Net assets or fund balances. Subtract line 21 from line 20	1,167,849	1,076,562

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Board Responsibilities - 990

- Review the 990 prior to filing
- Board list of names and titles!
- Be sure to read the yes/no questions and their related schedules (A,B,D,G, etc)
- Ensure it is signed and filed on time

Open to Public Inspection

Key Schedules

- Schedule A: Public Support Test
- Schedule B: Donor information - not for public inspection (may be “redacted” or left out when the form is posted or distributed)
- Schedule I - grants to other organizations
- Schedule G - Fundraising expenses and the Colorado SOS
    - More detail for events
    - If you paid professionals more than $5k
    - Use this when you renew the charity registration

Questions?

Appendix

Tools: Budgets

Budgets are models of the **Statement of Activity**, reflecting the nonprofit’s plans for the upcoming year.

Budgets include estimates of:

- expected revenues and
- planned expenses
- Needed to run the organization for the next year and accomplish its mission goals.

If you are using QuickBooks Online, use the Budget feature!

Budget in 2 Buckets

($000s)	Unrestricted	Restricted	Total
Revenue	650		650
Released from Restriction	669	(669)	0
Total Revenue	**1,319**	**(669)**	**650**
Total Expenses	1,282		1,282
Change in Net Assets	**37**	**(669)**	**(632)**
Beginning of Year	*252*	*916*	*1,168*
End of Period	*289*	*247*	*536*

QBO: Save Time with Integrations

✅Bank Feed - connect, no manual entry

✅Payroll - connect and map to correct rows/columns

✅Bill pay - connect and map

✅Timekeeping - connect and map

❌Donor Software (time suck)

Set up QBO Projects (QBO Advanced)

Funders who want grant reports → need to use Projects

QBO gives you an extra “field” (dimension)

Easier reports

Budget by Project

Estimates by Project

Filter/Combine multiple funder projects into larger reports

QBO Project Center

Projects

Get started with Projec

Status	Customer	End date	See inf
In progress	Search	All	Payro

PROJECT ↑	CUSTOMER	INCOME VS. COST	
Americorps 2024-2025	Colorado, State of	Income	$50,870.84
		Costs	$50,827.38
Americorps 24-25 GRANTEE SHARE	Colorado, State of	Income	$0.00
		Costs	$3,325.59
MetroDNA 25-26	The Nature Conservancy	Income	$15,000.00
		Costs	$0.00
NPT - Emerson Collective Garden Project	National Philanthropic Trust	Income	$0.00
		Costs	$4,901.50
OCA 2025	City and County of Denver (c)	Income	$32,834.22
		Costs	$32,319.02

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Dashboards

- Boards and senior management often look for “dashboards”
- All kinds of organizational activity can be represented on dashboards, including financial information
- Key features:
  - Something is getting measured
  - There’s a way to see how you are doing at a glance
  - Could be chart, graph, dial, red/yellow/green
  - Often a larger process around evaluation; finance is a part of that

Understanding Nonprofit Money: Types of Revenue

Revenue Type	General Characteristics
Donations	Includes pledges and grants where a) the money comes to you or is reasonably believed to be coming b) generally - don't require a "report back" on how the money was spent. May be unrestricted or restricted (typically purpose, like a building fund)
Major Gifts	A subset of Donations that are over a specified amount (e.g, $5,000). The "payer" of the donation may be an individual, family foundation, or other custodian (e.g, Denver Foundation, Rose, Schwab, etc).
Grants	a) Include an award letter or notice b) Provides some or all funding up front c) Typically require a final report d) Generally more formal process than Donations/Major Gifts (eg, proposal process, grant agreement requiring signatures) May be unrestricted or restricted but typically have a restriction (time or purpose, even for General Operating). Funds are spent and then released from restriction.
Contracts	Earned income, where the work is done first and then invoiced for reimbursement
Event Revenue	Earned income that includes Registrations, Exhibitor Fees, Sponsorships

Direct vs Indirect Costs

Direct Costs	Indirect Costs
Costs for a single program or specific mission-activity	**Costs that benefit more than one activity**
Personnel who work on specific programs	Copy paper and other general supplies
Materials for that program	Marketing for the organization
Event expenses like rental equipment	Rent for the office
	These costs are usually split, or "allocated" across activities or functions.

Examples of Cost Allocation

Expense Area	Allocation Approach
Personnel	Employees are split between functions – Time studies or estimates of how much time they each spend on programs, fundraising, administration (see appendix).
Facilities	Rent, utilities, cleaning costs, etc. are totaled and allocated out on based on the square feet used by each function/department/program.
Information Technology	Costs for software licenses, server and equipment maintenance, support labor, network and telecom costs etc. are totaled and allocated on a per-person basis.

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