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borisfrank@tds.net**AGENCY ASSESSMENT****GOVERNANCE AND OPERATIONS****POLICIES, PRINCIPLES, GUIDELINES AND “BEST PRACTICES”****Due Diligence Issues for Nonprofit Organizations**

To help evaluate the effectiveness of your organization, please complete this questionnaire using the following scale:

1. Not or never true
2. Rarely true
3. True 50% of the time
4. Usually true
5. Always or absolutely true
6. Do not know
7. Does not apply

BOARD

1. ___ Board members understand the roles and responsibilities of a board
2. ___ Our bylaws are up to date and effective
3. ___ We follow our bylaws
4. ___ Board members understand the principles of “due care and diligence, prudence, good faith and loyalty”
5. ___ There is a formal process for selecting board members
6. ___ Community diversity, interests and perspectives are represented on the board
7. ___ A substantial majority of the board members are independent and do not receive personal benefit from the agency
8. ___ The bylaws define board terms, which are enforced
9. ___ There are written, current board job descriptions
10. ___ There are written, current performance standards for board members
11. ___ Board members are not compensated, other than for reasonable expenses
12. ___ New board members are adequately oriented and trained
13. ___ The board works well together
14. ___ There are people on the board with financial and nonprofit accounting expertise who review the financial reports
15. ___ The board and its members regularly evaluate their effectiveness
16. ___ Board meetings are effective, well run and deal with important issues
17. ___ Board and committee meetings start and end on time
18. ___ The Board receives an agenda, including committee, Executive Director reports and related documents in advance of board meetings
19. ___ Board members review advance information and come prepared to meetings
20. ___ Board minutes are kept, reflecting actions and dissent
21. ___ Conflict of interest and loyalty policies are in place; Board members and staff are required to disclose potential conflicts of interest and sign a conflict of interest statement
22. ___ Privacy and confidentiality policies are in place
23. ___ All board members receive and understand financial reports
24. ___ The bylaws provide for removing ineffective or inactive board members
25. ___ The board meets in executive session to discuss staff and personnel issues

26. Bylaws, policies and procedures are periodically reviewed
27. We have a political activity and advocacy policy
28. Compensated staff do not serve as officers
29. The President or Board Chair does not concurrently hold the office of Treasurer or Secretary
30. The Finance Committee, Audit Committee and full Board review the Federal 990 report and State reports before they are submitted
31. Background checks are conducted on board appointees
32. All applicable open meeting and Freedom of Information requirements are met

COMMITTEES

1. It is clear how committees can be formed and that they meet statutory requirements
2. The committee structure works
3. All committees have clearly defined roles and responsibilities
4. Committee reporting process is clear
5. Committee minutes are kept
6. We have an Audit Committee
7. All Board committees that have the power to "exercise the powers of the Board with respect to the management of the affairs of the corporation when the Board is not meeting" include at least three Board members (Wisconsin statutory requirement)

PERSONNEL, STAFFING AND VOLUNTEERS

1. The hiring process of the CEO is well defined and effective
2. Roles and relationships among, board, staff and volunteers are clear
3. Communication between board, staff and volunteers is effective
4. There is a clear, current agency organizational chart
5. The board is not involved in subordinate staffing decisions
6. Staff is effective and competent and works well together. Morale is high
7. Background checks are conducted when hiring staff
8. Personnel handbook and policies are current, regularly updated and have been reviewed by competent human resource professionals
9. Grievance procedures and policies are current
10. A Whistleblower policy exists enabling staff and volunteers to bring critical administrative and operating issues and concerns directly to the board without fear of retaliation
11. Staff have current job descriptions and performance standards

12. ___ The CEO is evaluated by the board at least annually
13. ___ All staff are regularly evaluated by their supervisor; appropriate records of evaluation are maintained in the employee's personnel file
14. ___ Employee workload, compensation and benefits are at levels that attract a qualified staff
15. ___ Staff is responsive to board requests for information
16. ___ Volunteer policies and procedures are in place and are applied
17. ___ A CEO succession plan exists
18. ___ Volunteers have been appropriately screened and background checks conducted
19. ___ We have a policy regarding personal use of agency facilities and services

BUDGETING AND FINANCES

1. ___ We have adequate operating funds
2. ___ An annual budget is approved by the board
3. ___ The annual budget projects a "profit"
4. ___ We have a 12-18 month cash flow projection
5. ___ All income and funds received are deposited within 48 hours of receipt
6. ___ An accounting system based on generally accepted accounting principles is in place and applied
7. ___ Financial policies and procedures are up to date and documented
8. ___ Financial reports, including statement of financial position (balance sheet) and statement of activities, compared to budget and prior year, are reviewed by the Board at least quarterly
9. ___ Internal financial audit controls and procedures, based on generally accepted practices, are in place and applied
10. ___ All payroll taxes and other payables are remitted in a timely manner and are up to date
11. ___ A regular audit or financial review is conducted within 3 to 5 months of the end of the fiscal year
12. ___ Our audit is "clean" and unqualified
13. ___ Our auditor provides us with a Management Letter describing any issues that require attention
14. ___ Staff, board members and volunteers with financial responsibilities are not involved in selecting the auditor
15. ___ The Audit Committee and Finance Committee meet in executive session with the auditor
16. ___ All Board members receive a copy of the audit/review and management letter, and have an opportunity to meet with and question the auditor
17. ___ An adequate reserve fund exists

18. ___ We have an investment policy that is regularly reviewed
19. ___ The Board and staff have exercised due diligence in selecting and monitoring all financial relationships...especially investment advisers and counsel
20. ___ Everyone handling money or involved in financial transactions is bonded or is covered by an insurance dishonesty policy
21. ___ The agency does not make loans, or guarantee loans, to board or staff
22. ___ Reasonable, cost effective travel and expense reimbursement policies are in place
23. ___ At least 65% of the annual budget is devoted to program activities
24. ___ Depreciation is funded

FUNDRAISING

1. ___ Responsibility for fundraising is clearly defined and assigned
2. ___ A fundraising and development plan is in place
3. ___ Fundraising is diverse, not depending upon limited sources
4. ___ The board plays a role in fundraising
5. ___ All board members contribute annually
6. ___ Board members and volunteers are adequately trained in sound fundraising procedures
7. ___ The board chair takes a lead role in fundraising
8. ___ Fundraising is cost effective and adequately staffed and funded
9. ___ We have written Gift Acceptance, Donors Rights and Privacy Policies
10. ___ All gifts and pledges are acknowledged within 48 hours of receipt
11. ___ A formal acknowledgement meeting IRS requirements is sent to all donors
12. ___ We are in compliance with Better Business Bureau Standards of Practice
13. ___ We adhere to the Association of Fundraising Professionals code of ethical standards
14. ___ Individuals raising funds for the agency are not compensated based on a commission or percentage of funds raised
15. ___ We are licensed, where required, in all states where we solicit funds

MANAGEMENT AND OPERATIONS

1. ___ Operating policies are current and have been approved by the board
2. ___ There are clear policies as to who may legally speak for and commit the organization
3. ___ Working conditions and resources are adequate

4. ___ Technology is state-of-the-art
5. ___ Record keeping and files are current and accessible
6. ___ Computer records and electronic files are regularly backed up and stored off site
7. ___ Copies of critical documents are stored off site
8. ___ We have adequate insurance coverage including general liability, property, vehicle, workers compensation, financial malfeasance and dishonesty, and directors and officers liability. Volunteers are appropriately covered. We review our coverage at least annually
9. ___ Crisis resolution and disaster recovery plans exist
10. ___ A document retention policy is in place
11. ___ We are familiar with and follow all rules, regulations and guidelines regarding political activity
12. ___ Required agency documents, including federal and state reports, financial reports and program effectiveness reports are available for public review
13. ___ An annual inventory of agency equipment and facilities is performed

PUBLIC INFORMATION

1. ___ An agency spokesperson(s) has been identified
2. ___ An effective marketing and public information strategy is in place
3. ___ We are transparent...the public, stakeholders, clients, members and other partners are kept informed about the agency
4. ___ Marketing and public information materials are current and effective
5. ___ We are well known in the community
6. ___ Our credibility is high and we have a positive image in the community

PLANNING, PROGRAMS AND EVALUATION

1. ___ Mission is clear and current
2. ___ A strategic plan comprising mission, vision, values, goals, measurable objectives, and outcomes is current and has been adopted by the board
3. ___ Planning is based on community needs assessment that includes input from stakeholders, consumers and clients
4. ___ The strategic plan is regularly reviewed and updated
5. ___ Our programs and projects are effective

6. ___ A process is in place to continually evaluate the effectiveness of the agency and our programs

7. ___ We regularly meet our goals and objectives

Your role with the organization: ___ **Staff** ___ **Volunteer** ___ **Board Member**

 ___ **Other** _____

Date _____

Optional: **Name** _____