

ACE Diamond Standards: Money Best Practice

1. Welcome to the Arkansas Diamond Standards

Thank you for utilizing the online self-assessment of the Arkansas Diamond Standards--An online tool for discovering how your organization's practices compare with the Arkansas Diamond Standards™. The purpose of the tool is to indicate which of your management practices (i.e. basic policies and processes, not programs and abilities) are on par with sector standards, and which are not.

This section helps you test your financial management capacity, including Financial Management, Fundraising and Risk Management.

* 1. Please help fill out the following information before start.

Name:	<input type="text"/>
Organization:	<input type="text"/>
Address:	<input type="text"/>
Address 2:	<input type="text"/>
City/Town:	<input type="text"/>
State:	<input type="text"/>
ZIP/Postal Code:	<input type="text"/>
Email Address:	<input type="text"/>
Phone Number:	<input type="text"/>

ACE Diamond Standards: Money Best Practice

2. Financial Management

Do you use your financial resource wisely?

Review the following section and answer honestly how often you utilize the following components in the organization's day to day work.

1. We have reviewed the Diamond Basics Infrastructure Checklist and understand and demonstrate compliance with all legal financial obligations. *AR/US (the Diamond Basics checklist is available on the ACE website, www.acenonprofit.org)

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

2. We have procedures to monitor and record assets received, held, and expended.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

3. We have accurate and relevant financial reports which include the comparison of actual to budgeted revenue and expense, which identify and explain any significant variances, and which are reviewed by the board on a quarterly basis.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

4. The Board understands its obligations to provide for the custody and protection of the organization's assets and for the management of operations in a fiscally responsible manner.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

5. We hire a CPA for an annual audit if we have a budget greater than \$100,000.

*AR

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

6. Our audit or review is approved by the board, and certified by the CEO and CFO of our organization. (Executive Director and Treasurer)

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

7. We have an audit committee of the board that does not share members with and works independently of the finance and fund raising committees.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

8. Our audit committee meets with our auditor separately from the management staff and approves the final audit report.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

9. Our CEO and CFO (board and treasurer), or person responsible for organizational financial oversight, verifies and certifies the Form 990 or 990-PF before it is submitted to ensure that it is accurate, complete and filed on time. Also, the board of directors reviewed the form before it was submitted. *US (board of directors review recommended on new form 990.)

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

10. If our nonprofit is a public charity by virtue of the public support test, we ensure that it meets the requirements of this test from year to year. *US

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

11. We have a system in place that allows individuals to report financial misconduct, without harmful consequence for doing so (i.e. a "whistleblower policy"). *US

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

12. We strictly prohibit financial loans to members of the board or to the organization's personnel. *AR

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

13. We do not consider bequests, planned gifts and pledges when determining the annual budget and do not include these dollars in budgeting for program expenditures until the gift is actualized.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

14. We plan for a balanced budget.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

15. If a budget deficit occurs, the board is aware of this expectation and participates fully in determining a plan to restore budget balance.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

16. We establish and maintain a financial reserve which is equal to 3 to 6 months of operating expenses.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

17. We have a feasible plan for dealing with sudden withdrawals of major funding sources.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

18. We expend funds responsibly and ensure that funds are dispensed according to the funders' wishes and requirements. *AR/US

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

19. We periodically assess risks and purchase appropriate levels of insurance to prudently manage its liability.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

20. We have general liability insurance.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

21. We have Directors and Officers liability insurance.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

22. Our board sets the executive director's salary and stays informed of the compensation levels of other key personnel. *US

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

23. The executive director sets the salary and reviews compensation for other key personnel. The board of directors reviews the overall compensation package for the organization.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

24. Compensation is deemed reasonable within industry standards.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

25. All of our board members clearly understand how to read and interpret financial statements.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

26. Our financial reports are provided to the board of directors for regular review and discussion, on at least a quarterly basis. *AR

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

27. The organization has a written policy on reimbursement of employees for travel and expenses. The policy generally prohibits reimbursement of travel expenses for an employee's spouse and family.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

28. If the organization has funds restricted as endowment, the Board establishes an Investment Policy and a Spending Policy for the management of endowment funds in compliance with donor restrictions and the Arkansas Uniform Management of Institutional Fund Act. The Investment Policy also provides guidelines on the investment of other funds not required for current operations.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

3. Fundraising

A great portion of your success is how well you can guarantee the financial support to your organization. Please use the following questions to check out how well you have done!

Review the following section and answer honestly how often you utilize the following components in the organization's day to day work.

1. Our board and chief executive are familiar with the Association of Fundraising Professionals' Code of Ethical Principles and Standards of Professional Practice, and A Donor Bill of Rights.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

2. We understand and comply with all local, state and federal laws and regulations concerning fundraising practices. *AR/US (http://www.ag.arkansas.gov/laws_acts.html)

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

3. Our board assumes overall responsibility for raising sufficient funds to meet the organization's budgeted objectives.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

4. We file an annual charitable solicitation registration (or an annual exemption) and an annual fundraising activity report with Arkansas Attorney General. *AR

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

5. Our fundraising communications include clear, accurate, and honest information about the organization, its activities and the intended use of funds. *AR

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

6. The organization takes appropriate measures to respect donors' wishes for privacy and confidentiality.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

7. We promptly acknowledge and thank donors for every gift, regardless of amount, while at the same time fulfilling its federal gift substantiation requirements. *US

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

8. We use funds according to donor intent. *AR/US

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

9. We respectfully decline the gift if we cannot meet the specific conditions or if the gift brings about adverse conditions for our constituents or organization, or if the conditions are outside our mission's scope.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

10. We regularly communicate with donors regarding our activities and make such information available through multiple outlets.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

11. We seek only the funds we need to reasonably work toward achieving our mission over the foreseeable future.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

12. We have policies in place that govern the receipt, use and management of charitable gifts and grants.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

13. We are familiar with the legal distinctions between employees and contract labor ensuring the ability to adequately manage and supervise fundraising activities of employees and review activities of contract labor. *AR

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

14. Compensation for fundraising personnel is not based on a percentage of funds raised or on other commission based formulas.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

4. Risk Management

Has your organization been effected by the financial crisis? There are a lot of things we can do to prevent and save from any kind of crisis!

Review the following section and answer honestly how often you utilize the following components in the organization's day to day work.

1. To the greatest extent possible, we ensure separation of financial duties to serve as a checks and balances system that will prevent theft, fraud or inaccurate reporting.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

2. Our organization has a risk management plan.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

3. Our Board is engaged in reviewing our risk management policies and procedures.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

4. The Board makes sure appropriate insurance coverage is in place.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

5. In fulfilling its legal duty to protect the assets of the organization, the Board has a risk management process which identifies and analyzes risks of loss and determines the optimal risk management techniques, including risk avoidance and risk reduction as well as deciding whether to retain a risk or to insure it.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

6. The Board establishes a policy clearly defining the circumstances under which the organization will indemnify its directors and officers against claims arising from the performance of their duties, and the organization will maintain directors' and officers' insurance coverage appropriate for the policy.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

7. The Board authorizes the purchase of insurance to cover losses from risks which cannot be eliminated or reduced to a level which the Board determines to be acceptable.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

ACE Diamond Standards: Money Best Practice

8. The consideration of insurance coverage includes the following: directors and officers, general liability, errors and omissions, workers' compensation, automobile, property and casualty, fidelity bond, and any specialty coverage appropriate to the organization's programs or events.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A

9. We have clear authority and responsibility for the organization (which staff or board member) enters into any internal or external contract.

Strongly Agree

Agree

Disagree

Strongly Disagree

Unsure or N/A