Nonprofit Financial Health Scorecard

Eight measures that show whether your organization can keep its mission going. Use your latest financial statements. Score each row 2 (healthy), 1 (watch), or 0 (concern) and total your score.

SCORECARD

Measure	How to calculate	Healthy range	Your number	Score (0-2)
Operating reserve	Unrestricted cash and investments / average monthly expenses	3 to 6 months or more		
Liquidity	Current assets / current liabilities	1.5 or higher		
Revenue concentration	Largest single revenue source / total revenue	Under 40%		
Operating results	Revenue minus expenses (unrestricted) for the year	Break-even or surplus		
Budget accuracy	Actual expenses / budgeted expenses	Within 5% to 10%		
Restricted funds	Restricted cash on hand vs. unspent restricted gifts	Fully covered		
Timely reporting	Days after month-end that the board gets financials	30 days or less		
Filings and review	Form 990 filed on time; audit or review if required	Current, no open issues		

YOUR TOTAL

Total score (out of 16) _____ Date scored _____

Score guide: 13-16 strong; 8-12 stable, with areas to watch; 0-7 take action now. Ranges are common rules of thumb, not formal standards; discuss results with your treasurer and CPA.

RED FLAGS TO WATCH

- Reserves under one month
- Restricted gifts spent on general costs
- One funder supplies most of the budget
- Board sees financials only once or twice a year

BEST PRACTICES

- Score yourself every quarter and track the trend
- Set a board-approved reserve target
- Share the scorecard with the finance committee

Need a hand putting this into action?

IAG's Protecting the Mission program is built for churches and faith-based organizations.

Talk with an advisor: integrityadvisorygroup.org/contact

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