

INTRODUCTION

The nonprofit community in the United States is well established with commonly accepted practices and government required standards. Donors have come to expect certain behaviors from U.S. ministries, and generally assume that they can rely on organizations to conduct themselves in a predictably professional manner. Some of these expectations include corporate conduct such as: oversight by an active board, regular preparation of financial statements in a standard form, willingness to share financial and operational information, access to senior management, and the opportunity to inspect programs and performance.

Not all U.S. nonprofit organizations meet all the standards that are commonly expected. This is usually because ministry founders and executive leadership are focused on provision of program services and sustaining the organization, and thus are unaware of common standards of nonprofit performance or overlook details pertaining to their organization's governance and administration. This can adversely affect the operations of the organization and, when recognized by donors, impair its ability to raise funds from large grantmakers.

In cases where an executive, an organization, or its board is deliberately indifferent to commonly accepted standards, they seriously jeopardize the well-being of the ministry. It is the duty of board directors to remedy such a situation. This *Self-audit* can help organizations whose leadership are not well informed, and the early-stage organization that is preoccupied with mission execution, and the neglectful organization that has willfully ignored sound management. Whatever the reason, if a ministry now wants to address fundamental organizational issues, this tool can greatly assist.

BACKGROUND

Calvin Edwards & Company (CEC) has prepared this *Self-audit* as a tool for U.S. ministries after nine years of due diligence and analysis of nonprofits around the world. During this time, the firm has conducted more than 900 reviews—ranging from brief analyses to detailed investigations—of nonprofit organizations on behalf of funders. In doing this, we have identified common areas of deficiency and learned factors that tend to be predictors of program performance.

We have also prepared a more extensive document that parallels this one in many respects: *Public Standards for Charitable Organizations*. This book compiles all the standards developed and advocated by the major standard setting organizations in North America for nonprofit organizations. It is a highly valuable resource that lists standards by topic from 11 organizations in parallel columns. This *Self-audit* is adapted from this compilation of standards, and represents CEC's preferred standards based on slightly variant standards from other organizations.

THE NEED FOR STANDARDS

Leadership styles, organizational cultures, and internal policies and practices differ. Unlike these necessary variations, there are certain predictable behaviors which do not vary and should be found in every organization. Virtually every funder has certain expectations that "maintenance items" will be in place at a nonprofit organization. When they are not, typically a donor will withhold funding—not because the mission is not worthy, or because the strategy is not effective—but because giving into a situation where basic legal and business functions are neglected is risky. The prudent donor will give elsewhere.

When they want to support good work, American donors can choose from 1.5+ million organizations—many of them Christian. If an organization is to attract money away from all those clamoring for a donor's checkbook, it needs to be appealing and "safe" to give. He has plentiful options. And further, CEC recommends that clients do not support ministries that significantly deviate from the standards presented here.

REASONABLENESS

The standards described in this *Self-audit* are quite demanding. Such is the nature of expectations for nonprofits these days. A new or small organization may find that they are difficult to achieve all at once. While it may be acceptable to implement these practices gradually, the principle behind each should be adhered to from the outset. So, for example, a young ministry may not have a full financial audit done in the first couple years, however, it should maintain records in such a manner that an audit could readily be performed, and be willing to do so if a donor requested one (and perhaps paid for it).

The standards should be implemented as early as possible in the life of an organization, but donors also seek to be reasonable and do not necessarily expect perfection immediately. They do expect impeccable integrity from the outset. An established organization with a sizable budget and fulltime staff should proceed promptly to implement all the standards if it seeks funding from major U.S. donors.

CHURCHES & EXCEPTIONS

All of the standards are for *organizations*, not individuals working in isolation from an organization. Sometimes churches operate full-fledged programs that are not intrinsic to the traditional sacerdotal functions of the church, and sometimes they commission “missionaries” who operate more or less independently. We strongly recommend that a church engaged in ministry that is typically considered “para-church” subscribe to the standards presented here, insofar as they may be adhered to given the church’s form of governance (e.g., we propose that a board be comprised of independent directors, but church policy may require board members to be church members). In the case of individual workers, some of the standards can be adapted, but many will not be possible at the individual level.

PROPOSED COURSE OF ACTION

CEC recommends that use of this *Self-audit* be governed by the board or an outside donor. While different processes are possible, following are the steps we recommend for use of this document.

1. Share this document with the board so they have an idea of the issues to be addressed.
2. Appoint a small committee of 2-3 to complete the *Self-audit*; the senior executive (CEO, president, executive director, etc.) should be included, and should not be the committee chair.
3. The committee should complete the *Self-audit* and note any disagreements on ratings given.
4. The completed assessment should be presented to the board for review and discussion.
5. The board should assign each unmet standard to a person, subcommittee, or itself (the whole board) to address. A schedule of completion dates should be developed.
6. At subsequent board meetings, progress reports should be made by persons with implementation assignments.

An organization with many deficiencies and modest human and financial resources will be challenged to fix everything quickly. It should pace itself within its resources but have a plan to address all items over time.

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SELF-AUDIT

Standards for Best Practices, Accountability, & Transparency for U.S. Nonprofits

This Self-audit addresses 71 standards that ensure best practices, accountability, and transparency. These protect against mismanagement, waste, and fraud; thus they provide assurance to thoughtful major donors. Adhered to, they help to ensure that you honor God in all you do.

For each standard, mark the appropriate box, as follows:

- ✓ Fully compliant: compliance is known and complete
- ✓ Partially compliant: compliance is incomplete or in process but not currently complete
- ✓ Non-compliant: compliance is unknown or known to not exist

	Degree of compliance		
	Fully	Partially	Non
LEGAL			
1. Formation of legal entity. The organization is a legally formed nonprofit corporation or, rarely, a nonprofit LLC. If it is a church that does not require incorporation, mark “Fully compliant” and check here: <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Current corporate registration. States require corporations to register each year with the secretary of state or attorney general’s office to stay active or current. The organization is current with its corporate registration. If it is a church that does not require incorporation, mark “Fully compliant” and check here: <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Employer identification number (EIN). The IRS issues EINs to entities that have employees, including churches. The organization has its own EIN.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. 501(c)(3) classification as tax exemption. This provides assurance that donations are tax deductible and that the organization is exempt from income taxes. The organization has obtained 501(c)(3) status from the IRS.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Registration to solicit. States have complex regulations pertaining to soliciting donations; however, some exempt religious organizations. The organization is registered to solicit funds in the states where it actively solicits funds, if so required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Compliance with laws & regulations. The organization complies with federal laws and regulations, and those of the state, county, and city in which it operates. This includes laws pertaining to labor, finances, governance, health and safety, business registration, and other areas.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Government reporting. The ministry files all reports with government agencies—city, county, state, and federal—in an accurate and timely manner (see also item 53 below).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Degree of compliance		
	Fully	Partially	Non
BOARD GOVERNANCE			
8. Board of directors. The organization has a board of directors that governs the organization, hires and evaluates the senior executive (see below), sets the organization’s direction, and provides ultimate oversight.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Independence. Directors are independent, that is, they are not employees or related to staff by blood or marriage. One non-independent person may be on the board, possibly the founder or senior executive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Officers. The roles of various officers—at least a chairman, secretary, and treasurer—are spelled out in the organization’s bylaws. These roles may be further defined in a brief “job description” for each position. The board elects officers for the organization, usually for a one-year term, including a chairperson, a treasurer, and a secretary. These offices are not held by the senior executive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Size. The board has at least five directors, and, unless it is a very large organization, not more than 17.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Director selection. Directors are elected using a nomination process. Nominations are made by members, directors, or a nominating or governance sub-committee of the board. Directors are not appointed by the founder or senior executive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Director qualification. Board members are qualified by being wise, independent, knowledgeable persons with a heart for the ministry. Over time, the board becomes comprised of a number of experts in diverse areas such as ministry programming, business, legal matters, communications, fundraising, finance and accounting, human resources, etc. Each director engages with the organization and directs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Terms & rotation. To avoid director fatigue and ensure new ideas, directors are elected for two- or three-year terms and are allowed to serve up to three consecutive terms—if nominated and voted on—before rotating off the board. A one-year “trial” term may precede these terms. After a year’s absence, a prior-serving director may be re-elected. If the senior executive is on the board, an exception may be made so he/she can serve continuously; this is often achieved by making the senior executive an ex officio member. If the senior executive is on your board and serves continuously, check here: <input type="checkbox"/> and mark the appropriate box for the other board members.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Degree of compliance		
	Fully	Partially	Non
15. Director conflict of interest policy. The organization has a policy outlining procedures pertaining to conflicts of interest for board directors. This policy specifies that a director must promptly disclose any conflict of interest, and may not vote on any matter before the board that affects him/herself, or his/her immediate or extended family; that is, where the director has a conflict of interest. This includes voting on matters such as compensation or business deals where a director is conflicted. The involved director may address the board on the issue and answer questions, but then the board will discuss and vote on the matter confidentially without the conflicted director present. The vote is recorded in the meeting minutes, and the conflicted party's non-vote is noted. (See also item 30 below.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Director conflict of interest practices. The director conflict of interest policy is systematically implemented (see also item 31 below).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Meeting frequency. The board conducts regular meetings at least three times each year, at roughly equal time intervals, and perhaps more often while an organization is launching. In-person meetings are preferred, but one could be by phone. Electronic distribution of requests for votes does not constitute one of these regular board meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Payments to board members. Directors may be reimbursed for their direct expenses of attending board meetings, or provided a per diem allowance for expenses. Subject to resource availability, a small and reasonable fee may be paid to directors for their board service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Duties. The board performs the following duties: sets the direction for the organization, approves the strategy and all major decisions, hires the chief executive and reviews his/her performance at least annually and sets his/her compensation, sets financial policies, reviews financial statements at least quarterly, approves or denies transactions with related parties and those involving a conflict of interest (see item 15 above), checks that all actions taken are legal, and ensures that the ministry functions with full integrity at all times.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Minutes. Written minutes of board meetings are kept and are available for review. These identify the matters discussed, provide a brief commentary on the issues considered, and record any motions made and votes taken and whether the motion passed or failed. They are written in such a way as to provide a useful reference document for those who later seek information about the board's actions—they are neither too brief nor too long and detailed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Degree of compliance		
		Fully	Partially	Non
SENIOR EXECUTIVE				
<p><i>The senior executive is the highest ranking employee of the ministry. Many different titles are used, including: director or executive director, chief executive officer, and president. Church organizations and local congregations often have unique titles corresponding to denominational terminology. The following points apply to the senior executive irrespective of his/her title.</i></p>				
21.	Employee. The senior executive is employed by the organization; the board of directors selects and appoints him/her—this is the case whether or not the senior executive is paid a salary. He/she reports to the board and it may fire him/her at any time. The board does not report to the senior executive, and the senior executive has no control over the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22.	Chairman. The senior executive is not the chairman of the board (see item 10 above). The chairman and the senior executive seek to foster a healthy working relationship.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23.	Accountability. The senior executive is accountable to the board, and in particular, to the chairman. He discloses all significant pending decisions to the chairman along with events and actions that may affect the wellbeing of the ministry.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24.	Job description. The senior executive’s responsibilities and duties are written in a 2-3-page job description. The board has approved it and reviews it every year or two.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25.	Organizational chart. Management prepares an organizational chart that shows at least the board, the senior executive, and other key persons and their reporting relationships. This is updated at least annually.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26.	Performance review. The board or a sub-committee reviews the senior executive’s job performance, including how well he/she carried out the duties on his/her job description (see item 24 above) and the degree to which the plan and budget were achieved (see items 32 & 33 below). This review is in writing and treated with confidentiality. The board may assign the review to a person or committee to perform, but the whole board is informed of the senior executive’s job performance, once assessed, and there is opportunity for discussion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27.	Conflict of interest. The senior executive discloses any business dealings he/she has or contemplates with the ministry. The board, without the vote of the senior executive, approves or denies these (see items 15 & 19 above).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HUMAN RESOURCE MANAGEMENT				
28.	Job descriptions. Each employee position has a written job description which is kept current as duties change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Degree of compliance		
	Fully	Partially	Non
29. Performance appraisals. Managers conduct a formal employee performance appraisal at least annually. This involves a written review noting areas of strength and those needing improvement. This is presented to the employee during a live meeting (not merely mailed or emailed).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Employee conflict of interest. The organization has a policy outlining procedures pertaining to employee conflicts of interest. This policy specifies that employees must promptly disclose any conflict of interest, and that a manager may not make a decision on any matter that directly affects him/herself, or his/her immediate or extended family; that is, where the employee has a conflict of interest. Such matters are referred to the conflicted employee's supervisor. (See also item 15 above.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Employee conflict of interest practices. The employee conflict of interest policy is systematically implemented (see also item 16).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PLANNING & BUDGET			
32. Ministry plan preparation. The senior executive works with staff to prepare an annual plan for ministry programs which identifies key projects and priorities. The board of directors approves the plan and monitors its implementation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Budget preparation. An annual budget is prepared by or at the direction of the senior executive, prior to the beginning of each fiscal year. This corresponds to the ministry plan (see item 32 above). The budget projects sources of income, and expenses by project, by expense category, and by time period (month or quarter). It realistically estimates what is expected to occur; it is not a "wish list" of items or programs desired or hoped for.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34. Review & approval. Management staff and those responsible for implementation of items in the budget contribute to its preparation and approve it prior to its finalization and presentation to the board. It is a team document, not a "top down" plan from the senior executive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35. Board approval. The senior executive presents the annual budget to the board once a year for the following financial year and answers any questions about it. The board may require changes. Once it is acceptable, the board officially votes to approve it and records the approval in its minutes (see item 20 above).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36. Basis for reporting. The financial statements provided to the board (see items 19 above & 49 below)—either monthly or quarterly— show actual financial performance in comparison to the budget. This is achieved by presenting the two sets of numbers side-by-side in parallel columns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37. Budget changes. A proposed change to a budget is not authorized unless the board approves it. When donation income or other sources of funds fall short of the budget, or when expenses exceed the budget, the board initiates a revision.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Degree of compliance		
		Fully	Partially	Non
ACCOUNTING & FINANCES				
38.	Bank account. The ministry has one or more bank accounts that are in its own name, totally separate from other organizations and from its founder, leader, or key employees. All monies are deposited directly into an organizational bank account; all payments for expenses are made from an organizational account.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39.	Cash management. Ministry leadership manages spending to be less than the amount of income received. There is not a practice of borrowing and “spending in faith” that more money will come in. Leadership exercises patience and spends money after it is received, not in anticipation of getting more funds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40.	Incurring expenses. All purchases and expenses are approved prior to being incurred. This may be done by the board’s approval of a budget, or by the approval of a designated senior executive. The board may also set up other ways of approving expenses such as a board committee or strict rules for larger expenses which may involve multiple bids. No expense is incurred that has not been properly approved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41.	Spending limits. The board has set spending limits for each person authorized to incur an expense. For example, managers may be allowed to spend up to \$1,000, senior leadership up to \$5,000, and beyond that board approval is required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42.	Paying bills. Invoices and bills are only paid after being approved in writing by an authorized person. Generally, this is a signature and date on an invoice, indicating that payment is authorized.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43.	Signing checks. All checks and bank fund transfers above a designated threshold require signature by two persons. No person may be the sole signer on checks written to him/herself. The board authorizes who may sign checks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44.	Receipting. All donation income is receipted promptly (usually within a week); receipts indicate any designated purpose for which a donation will be used. This applies to funds received by all methods, including wire transfer, electronic funds transfer, automated credit card charges, transfer from a brokerage, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45.	Separation of duties. The person who deposits checks in the bank account is different from the person who prepares and sends receipts, and these two are separate from the person who records the income in the accounting system. Also, these principles are adapted and used for the receipt of electronic transfers. When a small staff makes this impractical, duties are separated insofar as possible (e.g., the bank deposit is made by a different person).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46.	Accounting System. The ministry uses a thorough and professional accounting system. This may start as a basic, manual system, but once funds exceed \$25,000 per year, this is a computer-based system using professional accounting software.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Degree of compliance		
		Fully	Partially	Non
FINANCIAL REPORTING				
47.	Monthly reports. A qualified person with financial training and experience prepares monthly financial statements. The statements consist of at least an income statement showing income and expenses, a balance sheet showing assets and liabilities; and ideally they include a cash flow statement that reconciles net income and cash, and a general ledger showing details of each transaction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48.	Financial statement basis. Financial statements are prepared on an accrual basis, not a cash basis, and conform to Generally Accepted Accounting Principles (GAAP).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49.	Review of statements. The ministry leader and his/her leadership team (not simply one person) review the financial statements monthly. If there are questions, they are openly discussed by the leadership team and the person who prepared the statements. The board receives and reviews financial statements at least quarterly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50.	Year-end financial statements. A qualified outside accountant prepares financial statements at the end of the financial year. This is a professional accountant who is independent of the organization and its leadership—not a friend or family member.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51.	Annual audit. Organizations with at least \$500,000 in annual income have an audit of the financial statements prepared annually by a qualified independent accounting firm. The audit verifies the accuracy of accounting records through testing, ensures compliance with GAAP standards, and examines the existence of reasonable accounting controls. Smaller organizations may start with a “compilation” or “review” of financial statements prior to incurring the cost of a full audit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
52.	Project reporting. Each project that a donor supports has its own simplified income statement showing income from donors and any other sources, and expenses by key categories. This may be achieved in accounting software through the use of “funds,” or in QuickBooks with the use of “classes,” and could also be handled for small organizations with an Excel schedule. This indicates to a donor how much of a project he/she paid for, and how the money was used (see also item 61 below).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
53.	Government filings. The ministry makes all financial filings with government agencies in an accurate and timely manner. This includes the Form 990 (not required of churches) and the A-133 audit if the level of federal government grant income warrants it (see also item 7 above).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Degree of compliance		
	Fully	Partially	Non
ACCOUNTABILITY TO DONORS			
54. Grant agreement. If requested and prepared by a donor (individual, business, government agency, or foundation), once reviewed, the ministry signs a grant agreement which outlines spending and reporting responsibilities, and commits the ministry to spend the money only for the grant's specified charitable purpose.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
55. Restricted income. The organization uses donated funds only for the purpose for which they were donated. Records are kept that show that this occurred, or will occur.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
56. Overhead allowance. An allowance for project management and/or organizational administrative costs may be included in grant requests to donors and, if included, are identified in the project budget.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
57. Excessive project income. If more money is raised for a project than it requires, the organization seeks permission from donors to use the funds for a different purpose, or returns the funds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
58. Responsiveness. The ministry responds to donor requests for information regarding how their donation is used by providing well-organized, detailed, clear data. In outstanding cases, this may include providing copies of receipts explaining expenditures (see items 52 above & 61 below).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
59. Financial disclosure. Upon request, the organization provides a donor the organization's financial statements (both last year-end and most recent year-to-date, see items 47, 50, & 51 above), and any project income statements for projects to which the donor has contributed (see item 52 above). If audited statements are available, these are provided. If there is an auditor's "management letter," it too is provided if requested (see also item 62 below).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
60. Thank you letter. Within a few weeks of receiving funds, a formal written acknowledgement is sent to each donor. It states how the funds will be used; and this corresponds to how they are recorded in the organization's financial records. This may accompany or be the receipt, or be independent (see item 44 above).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
61. Progress reports. Progress reports are provided as requested and at the end of each project for which funds have been received, and for lengthy projects spanning a year or more they will be provided at each year-end. Interim reports may vary from a detailed and lengthy document to a letter to a short email. Project end and year-end reports are detailed and show project income and expenses and explain how much of the project has been achieved (see item 52 above).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Degree of compliance		
	Fully	Partially	Non
TRANSPARENCY & DISCLOSURE			
62. Transparency. The ministry makes a copy of its annual financial statements publicly available, preferably on its website. Making the organization's Form 990 readily available is adequate (see also item 59 above).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
63. Clarity in reporting. Claims for work done can be confusing and misleading, particularly when there are partners involved. The ministry is clear and precise when stating what it has done and what others have done. It accurately reports the degree of completion of projects.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
64. Other information. The ministry answers questions about finances, management practices, legal issues, or other items of interest to a donor or prospective donor. This includes disclosing all compensation paid to the senior executive and other leaders, all financial arrangements between them and the ministry, and all compensation and financial deals with their family members or companies in which they have an interest.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
65. Annual report. At the end of each financial or calendar year, the ministry prepares an annual report of at least two pages that spells out the following: <ul style="list-style-type: none"> a. The mission of the ministry b. The strategy and programs to achieve the mission c. Recent activities and what was achieved, including numbers d. Composition of the board e. Key staff members f. Summary year-end financial statements g. Specific future funding needs (projects or general administration and capacity building) It may also contain additional information. This report is freely available to the public and all donors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
66. Website. Unless unrealistic, the ministry maintains a current and accurate website with photos and detailed information on its projects and work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMITMENTS TO DONORS			
<i>Well run organizations make dependable pledges to those who fund them and thus make their work possible. Some entities have even created a donor "Bill of Rights." The following five items refer to commitments the ministry should have to donors. These may or may not be formally written; however, if they are not, it would be very reassuring to donors to have them in writing from the board.</i>			
67. Communication style. The ministry will communicate in an objective, factual, level-headed manner that is accurate and precise. It will not exaggerate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
68. Compliance with IRS regulations. The ministry will fully comply with IRS regulations to enable donors to receive proper tax treatment for their donations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Degree of compliance		
	Fully	Partially	Non
69. Designated funds. The ministry will use funds strictly in accordance with donor designations, will maintain a system to enable this, and will prepare reports to demonstrate it (see item 55 above).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
70. Access to information. The ministry will make all information and reports, as described above at “Transparency & Disclosure,” readily available to donors. Some will be provided automatically, others will be available on request. For international operations, photos will be provided if requested.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
71. Opportunity to inspect. The ministry will permit donors to inspect the work of the ministry, within security limitations, and to examine financial and other organization records.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Completed by:

Senior Executive

Date

Name:

Name: