

# NONPROFIT AUDIT CHECKLIST

## What to Fix Before August

*A practical checklist for Executive Directors, Finance Directors, and Development Teams*

Most nonprofit audit issues don't start during the audit. They start months earlier with small gaps that go unnoticed. Use this checklist to get ahead of them before August so audit season is smooth and stress-free.

### 1 Bank Reconciliations

- All bank accounts reconciled through fiscal year-end
- Old or uncleared checks reviewed and resolved
- Bank balances match the general ledger

### 2 Grant Tracking

- Active grant schedule updated with amounts, restrictions, and deadlines
- Grant expenses coded to correct programs in accounting system
- Financial reports match what is being reported to funders
- CRM and accounting system telling the same story

### 3 Coding Accuracy

- Expenses consistently coded to correct programs and departments
- Unused or duplicate accounts cleaned up
- Financial reporting matches program structure

### 4 Restricted vs. Unrestricted Funds

- Restricted funds tracked separately or clearly coded
- Documentation on file for every restricted gift (letters, grant agreements, donor correspondence)
- Restricted funds spent only on designated purposes

### 5 Payroll Records & Allocations

- Time-tracking records or written allocations for employees split across programs
- Payroll expenses coded correctly in the general ledger
- Contractor agreements signed and W-9s on file

### 6 Board Meeting Minutes

- ☐ Minutes complete and on file for every board meeting in the past fiscal year
- ☐ Annual budget formally approved by the board
- ☐ Significant financial decisions documented in the minutes

## 7 Fixed Assets

- ☐ Fixed asset list up to date
- ☐ Depreciation schedules current through fiscal year-end
- ☐ Disposed or written-off assets reflected in the records

## 8 Financial Statements

- ☐ Financial statements clearly show the organization's financial position
- ☐ Program expenses broken out in a meaningful way
- ☐ Unusual line items reviewed and ready to explain to the board

### **Need help getting audit-ready? We're here for you.**

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