

## Public Funding Readiness Checklist

### Preparing your nonprofit organization for success in managing government funds

Public funding can come in many formats, from grants to contracts with city, county, state or federal agencies. While the exact requirements will vary depending on the source of funds, this is a list of common elements to have in place for success in complying with public funding requirements.

#### General Compliance

- Articles of Incorporation**
- Bylaws**
- IRS nonprofit determination letter**
- IRS tax filing/IRS Form 990 (annual)**
- State Charitable Solicitation License or Exemption (annual)**

#### Financial

- Nonprofit bookkeeping practices** in compliance with Generally Accepted Accounting Principles (GAAP) & Financial Accounting Standards Board (FASB) standards
- Financial management system** including ability to treat public funds as restricted
- Written financial policies & procedures** (common elements include: accounts payable; accounts receivable; banking; budget preparation; cash management; cost allocation; credit cards; expense reimbursement; fixed assets; fund accounting; independent contractors; invoicing; journal entries; mileage/travel; operating reserve; reconciliation; sales tax; signatory authority)
- Ability to produce **financial reports** of statement of financial position (balance sheet), statement of activities (profit & loss), and cash flow
- Annual **audited financial statements** prepared by an external firm, or for smaller nonprofits a Review or Compilation in accordance with applicable Statements on Accounting and Review Services (SSARS).
- Board-approved **annual budget**

#### Risk Management

- Insurance coverage** (such as: directors & officers; general liability; workers compensation; and other coverage depending on the nature of the work)

#### Governance

- Board of directors** that meets regularly & operates in compliance with bylaws
- Defined **oversight roles** including chair/president and treasurer/finance committee

#### Internal Controls

- Adopted structure for **internal controls**
- Written **policies and procedures** (common non-financial policies include: equipment; inventory; drug-free workplace; non-discrimination; segregation of duties; record retention; conflict of interest)

#### Personnel

- Personnel policies/employee handbook** (recruitment, benefits, leave, compensation, grievance/ whistleblower, discipline, separation, conflict of interest)
- Organizational chart & job descriptions**
- Employee time and effort tracking** system or other approved process for allocating personnel costs (time sheets including sign-off from supervisors corresponding with payroll records)
- Structure for issuing **tax forms** (W-2 statements for employees and 1099s for contractors)

#### Programmatic

- Written **program standards**
- Training and quality assurance** to ensure consistent practices
- Data collection plan** for performance metrics

Buncombe County is committed to supporting organizations throughout the Community Investment Grant process. Please visit [www.buncombecounty.org/grants](http://www.buncombecounty.org/grants) for additional resources and tools.