

Red Flags of Financial Problems

Has your nonprofit been flying financial red flags? If any of these flags sound all too familiar, it may be time for an intervention. Contact Nonprofits Assistance Fund to help point you back in the right direction.

- 🚩 Your organization consistently spends more money than it receives in revenue.
- 🚩 You are not paying payroll taxes when they are due.
- 🚩 Payables (the money you owe others) are mounting up and going unpaid.
- 🚩 You regularly dip into restricted or funds for today's expenses, coming up short later when the special project is ready to go.
- 🚩 Fifty percent of your accounts receivable (the money others owe you) are 120 days or older.
- 🚩 You consistently borrow from board members or the executive director to pay bills or payroll.
- 🚩 The executive director and staff regularly hold paychecks until there is enough cash in the bank.
- 🚩 You have no idea how your organization got into such a financial mess and do not know where to start to pull out of it.
- 🚩 You do not know how much money the organization owes and do not know how to find out.
- 🚩 Lack of money has become the focus and dominant point of conversation at staff and board meetings.