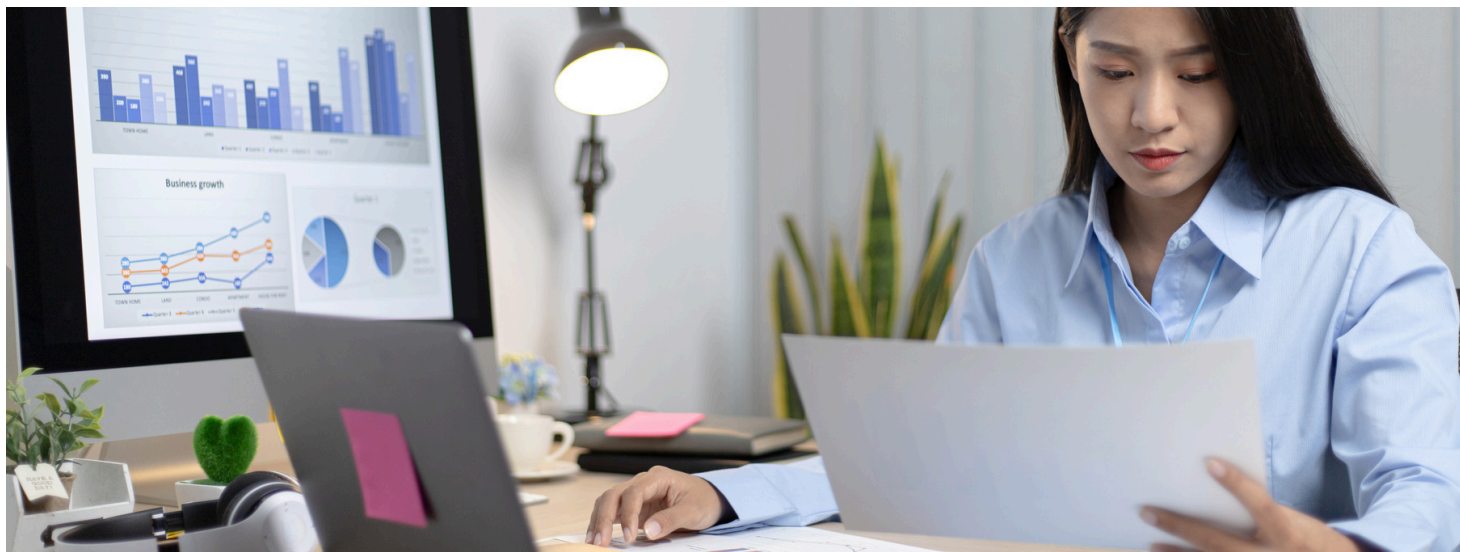


Your Nonprofit Year End Checklist

Year-end can be particularly stressful for nonprofit organizations, which manage both calendar and fiscal year-end functions. To assist with planning and streamline the process, a checklist has been created to help teams prepare for financial sustainability as they navigate these year-end tasks.

A Year End Checklist can help:

- Standardize processes
- Increase accuracy
- Strengthen efficiency
- Grow the team's knowledge and confidence
- Ensure regulatory compliance
- Reduce cost and improve audit readiness



Before the Calendar Year End

Regardless of when your year end is, as a nonprofit, the end of the calendar year is a critical fundraising and planning time for you. Plan ahead for year end giving campaigns. Schedule some type of seasonal messaging to your customers, donors, and constituents. Your budgets are probably wrapped up by now and you can utilize this time to gain alignment for your organization's vision and goals. This is a great time to schedule a board meeting and get support for the next years initiatives. And you will still have lots of calendar year end activities that you have to do even if it is not fiscal year-end for you!

- ☐ Donor acknowledgements
- ☐ Make sure that any in-kind donations have been properly tracked and recorded
- ☐ Grant and contract reporting requirements for calendar year
- ☐ Grant and expense tracking for calendar year requirements
- ☐ Vendor and contractor verification for 1099s
- ☐ Payroll and W4 verification for W2s
- ☐ Plan for any year end bonuses or gifts. Handle gifts to clergy, volunteers, and employees carefully and note if taxable.



Year End Checklist

Activities

- ☐ Payroll: Enter all payroll and related taxes and benefits for year end
- ☐ Reconcile all revenue and expenses received are posted prior to year end
- ☐ Donations: post all donations received by end of year
- ☐ Complete normal month end checklist and bank and credit card reconciliations for final month of the year
- ☐ For organizations with physical inventory, schedule and complete a physical inventory count recording adjustments accordingly. Include documentation to the valuation methods and reconciliation process.
- ☐ Review fixed asset control list or register. Update for any additions, disposals, or transfers. Verify existence and condition of assets and document any changes to the FA register.

Tax Compliance

- ☐ Prepare IRS Form 990 and other relevant tax forms. Ensure all federal, state, local, and grantor compliance requirements are met.
- ☐ Complete Contribution Statements by January 31
- ☐ Complete IRS Form 1099 by January 31

Financial Overview

- ☐ Prepare annual reports and review for accuracy
- ☐ In addition to the annual financial reports, include key performance indicators and financial ratios and trend data.
- ☐ Use insights from these reports to inform your budget and strategic planning
- ☐ Meet with your Board of Directors to review performance, budget, and strategy for upcoming year.
- ☐ Review and confirm bank balances
- ☐ Confirm fund balances carried into the new year
- ☐ Verify grantor funding requirements and compliance
- ☐ Confirm account signatories are still valid
- ☐ Review insurance policies and risk assessments



Year end can be **challenging**.

There is often inaccurate or missing data and documentation, along with unreconciled data. Additionally, you often have to deal with different systems. Manual processes complicate this even more.

With audit and compliance requirements and expectations increasing, it is more important than ever to leverage the technology tools that will provide the best value as you seek build that financial sustainability plan for your nonprofit organization.

At Martus, our goal is to constantly innovate to provide you with the tools you need to have the most efficient, effective, and impactful organization possible. We would love to show you how our tools can help you budget, plan and report in an automated way – *while getting you out of manual processes and spreadsheets.*

