



Nonprofit Toolbox

5 Ways to Strengthen Your Nonprofit's Finance Functions

If you're wondering whether your organization's finance function is as strong as it could be, here are five practical ways to start building greater confidence and stability.

1. Move Finance Conversations Beyond the Treasurer

Financial health is a leadership responsibility that benefits from broader involvement. Program leaders, executive directors, development staff, and board members all make decisions that impact the organization's finances. **Ask yourself: Do the right people understand what these numbers mean?**

2. Pay Attention to Trends, Not Just Today's Numbers

A single month's financial report only tells part of the story. What often matters more is the direction you're heading. **Looking for patterns can help you identify opportunities and challenges long before they become urgent.**

3. Ask "What If?" More Often

One of the most valuable habits small nonprofits can develop is scenario planning. What if a major grant isn't renewed? What if demand for services increases unexpectedly? You don't need to predict the future. **The goal is to understand how different situations might affect the organization so you're prepared to respond with confidence.**

4. Make Financial Information Easier to Understand

Financial reports are only helpful if people can interpret them. **Encourage your finance team to translate financial data into plain language. When people understand the story behind the numbers, they make better decisions.**

5. View Finance as a Mission Partner

This may be the most important shift of all. In healthy organizations, finance helps leaders find sustainable ways to say yes. **A strong finance function helps ensure programs can continue serving communities not just this year, but for years to come.**

