



## Consulting Collaborative Finance “Best Practices” Self-Evaluation

Finance management is a critical element that is the key to the growth, sustainability and profitability for all companies. This one page self-evaluation checklist will help determine if your company is focused on the financial results necessary to support the company’s Strategic Business Plan and profitability expectations. It’s based upon “Best Practices” and on “you can’t manage what you can’t measure”.

Check only what is fully implemented and practiced at your company. Please be 100% candid.

- ( ) There is a current and long term cash flow forecast prepared on a weekly basis.
- ( ) Financial statements are prepared on a monthly basis including a Balance Sheet and Income Statement.
- ( ) A monthly Dashboard Report is utilized summarizing the key business measurements and financial indicators on a one-page document.
- ( ) Annual Financial Statements are audited by an independent accounting firm.
- ( ) Operating budgets are prepared annually and compared monthly to actual expenditures.
- ( ) The management team meets to review financial statements and budgets on a regular basis.
- ( ) There are written procedures for approval levels for purchases, new hires and payroll.
- ( ) Prior to payment of accounts payable invoices a three-way match is conducted to the purchase order, receiving report and supplier invoice.
- ( ) Bank statements are reconciled to account ledgers and signed off on a monthly basis.
- ( ) Company credit card users are required to complete regular expense reports with receipts.
- ( ) Production reporting is completed daily and results communicated to all parties involved.
- ( ) Company financial goals are communicated to all employees and actual results reviewed regularly.
- ( ) Salary and hourly payroll increases as well as incentive compensation are tied to the company’s strategic goals and employee objectives.
- ( ) Fringe benefit packages are universal and consistent for all employees.
- ( ) Upper management meets regularly with bank officials and audit firm.

If only one to eight criteria for success are checked, you need to make significant changes to maximize your financial strength and controls. If nine to twelve are checked you may need to fine tune your financial processes. If you checked thirteen or more you have a good process that should be periodically updated for continuous improvement to the finance process.