STRENGTHENING FINANCIAL MANAGEMENT IN BERMUDA'S NONPROFITS

Strong stewardship turns vision into viability.

In Bermuda's nonprofit sector, mission drives everything we do — but without sound financial management, even the most inspiring work can become unsustainable. Financial practices aren't administrative burdens; they're acts of stewardship that build trust, resilience, and impact. Here's how to strengthen your organisation's financial management.

1 BUILD A CULTURE OF ACCOUNTABILITY

Financial management begins with shared responsibility.

- Clarify financial roles and fiduciary duties for the Executive Director, Treasurer, and Board.
- Empower the Board to lead as fiduciary stewards — approving budgets, reviewing statements, and overseeing audits.
- Recruit people with financial skills to your Finance Committee or Board.
- Foster transparency and integrity as core organisational values.

✓ ***Accountability is not a task — it's a culture.***

2 STRENGTHEN INTERNAL CONTROLS

Internal controls protect both resources and reputation.

- Separate financial duties so no single person manages all parts of a transaction.
- Require dual signatures on cheques and dual authorisations for online payments.
- Reconcile bank statements monthly and have a second reviewer verify allocations.
- Maintain strong cash-handling procedures and documented financial policies.

✓ ***Integrity depends on prevention, not correction.***

3 PLAN AND BUDGET STRATEGICALLY

A mission-driven budget is your most powerful planning tool.

- Align your budget with your strategic plan and fundraising goals.
- Connect your programme, operational, and fund development plans so they reinforce one another.
- Be realistic in projecting revenue and conservative in estimating donations.
- Diversify income — mix grants, donations, partnerships, earned revenue, and events.

✓ ***Strategic planning turns aspiration into sustainability.***

4 MONITOR, MANAGE & INVEST RESPONSIBLY

Resilience depends on balance — across income, spending, and reserves.

- Budget for a surplus to build at least three months of operating reserves.
- Track key financial indicators (KPIs) to monitor strategic progress.
- Establish an investment policy aligned with your mission and risk tolerance.
- Review financials monthly or quarterly through the Board or Finance Committee.
- Adjust quickly when circumstances change to avoid deficits.

✓ ***You can't manage what you don't measure.***

5 BUILD SYSTEMS & FINANCIAL LITERACY FOR SUSTAINABILITY

Behind every strong nonprofit is a strong financial system — and leaders who understand it.

- Use reliable accounting software and track restricted funds separately.
- Train management and Board members to read and interpret financial statements.
- Schedule annual audits (for budgets $450K+) or independent reviews (under $450K).
- Foster data-driven decision-making and continuous learning.

✓ ***Financial literacy transforms anxiety into empowerment.***

TAKEAWAY

When nonprofits manage money with integrity, they reinforce trust. When they plan strategically, they build sustainability. And when they align budgets with mission and reality, they embody accountability.

Strong financial management isn't just good practice — it's good mission.

Nonprofit Alliance OF BERMUDA

Learn more at nonprofitalliance.bm