



Recommended Best Practices for Nonprofits*

The board of directors of the Catholic Community Foundation believes that public trust and accountability are fundamental to their legal and fiduciary responsibilities. To be considered for funding, the Foundation requires potential grantees follow recommended best practices of the Panel on the Nonprofit Sector:

Form 990.

The board, or audit committee, must review the nonprofit's Form 990 tax return each year before submission.

Audit.

A nonprofit with \$1 million or more in annual revenue must have an independent annual audit and should establish an audit committee with financially literate membership.

CPA review.

A nonprofit with annual revenues between \$250,000 and \$1 million must have financial statements reviewed by an independent CPA.

Conflict of interest.

The nonprofit must adopt a strict conflict of interest statement that the staff and board annually review and sign.

CEO compensation.

The full board of the nonprofit must approve any change in the compensation of the CEO.

Travel reimbursement.

The nonprofit must have travel policies with clear guidelines on types of expenses that can be reimbursed and documentation required for reimbursement.

Board size.

The nonprofit must have a minimum of three members on its governing board, and at least one-third of the members should be independent.

Whistleblower policy.

The nonprofit must establish policies and procedures that encourage individuals to come forward with credible information about illegal actions or violations of adopted policies.

*Subordinate Catholic organizations fall under 2011 IRS/USCCB group ruling.