

early warning guide



DEVELOPMENT
TRUSTS
ASSOCIATION

transforming communities for good

so you'll
never have
to say...
“I wish
I'd said
something
sooner”



FUNDED



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This guide is intended for use by board members and senior managers of third sector organisations - from the very small to the very large.

If you cannot answer some of the questions make sure that you find out the answer from someone who does know.

The guide is only meant to help you start to ask questions; it is not intended to be an exhaustive list. Not all the questions have obvious answers but they should stimulate discussions between staff and board that either reassure or warn you.

Use the guide on a regular basis to see if progress is being made. If you get any red lights talk to...

A critical friend

The Development Trusts Association has a network of regional development managers experienced in giving business advice from a non-judgemental point of view and able to signpost you to other resources.

Funders

Don't keep your funders in the dark – they can't help if they don't know until the last minute.

Suppliers

If you are having cash flow difficulties talk to your major suppliers and HM Revenue and Customs; it can buy you time.

Professionals

There will be professional help available (at a cost!) from auditors, bankers and solicitors.

Useful resources

www.dta.org.uk

www.charity-commission.gov.uk

www.comm-alliance.org

Alternatively email us at earlywarning@dta.org.uk

**Do annoyed suppliers ring us
chasing unpaid bills?**



Nearly every day...



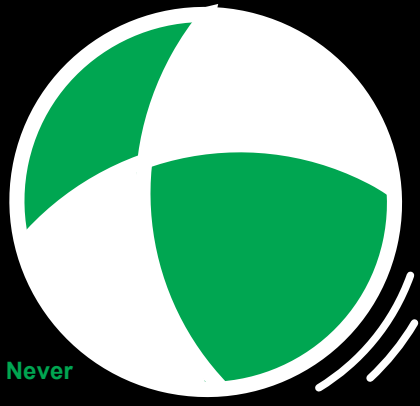
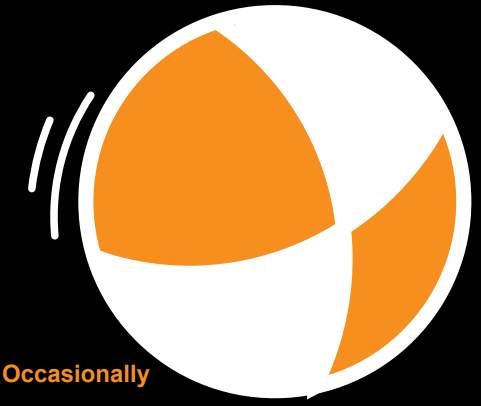
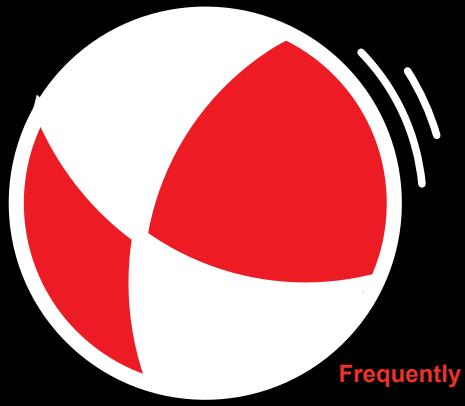
...at least once a week



...not often

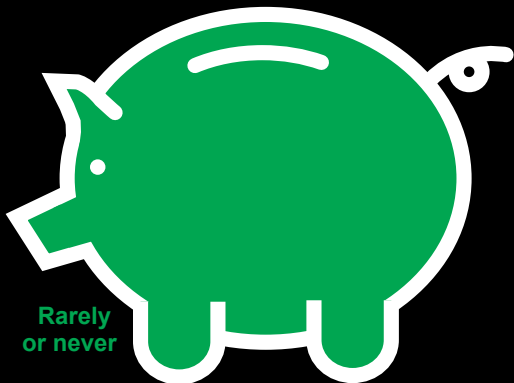
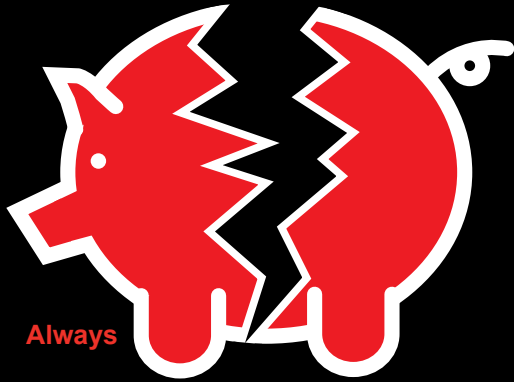
Notes

Do we use new funds or reserves to pay old debts?



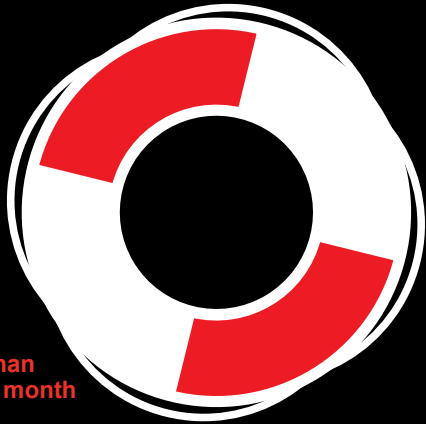
Notes

Leading up to payday, do we chase every scrap of cash?

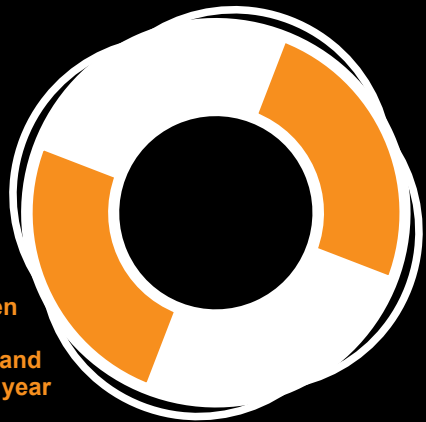


Notes

How often do we use our overdraft facility?



More than
once a month



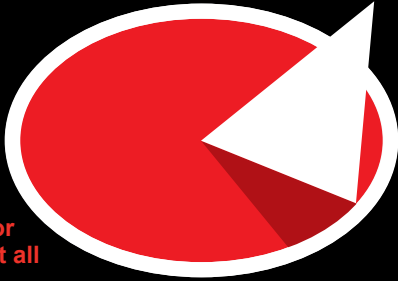
Between
once a
month and
once a year



Less than
once a year

Notes

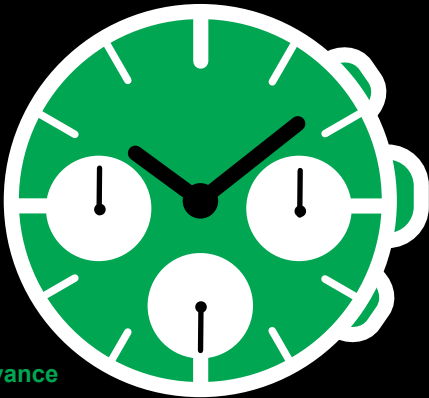
When are financial reports presented to us?



Late or not at all



Tabled



In advance

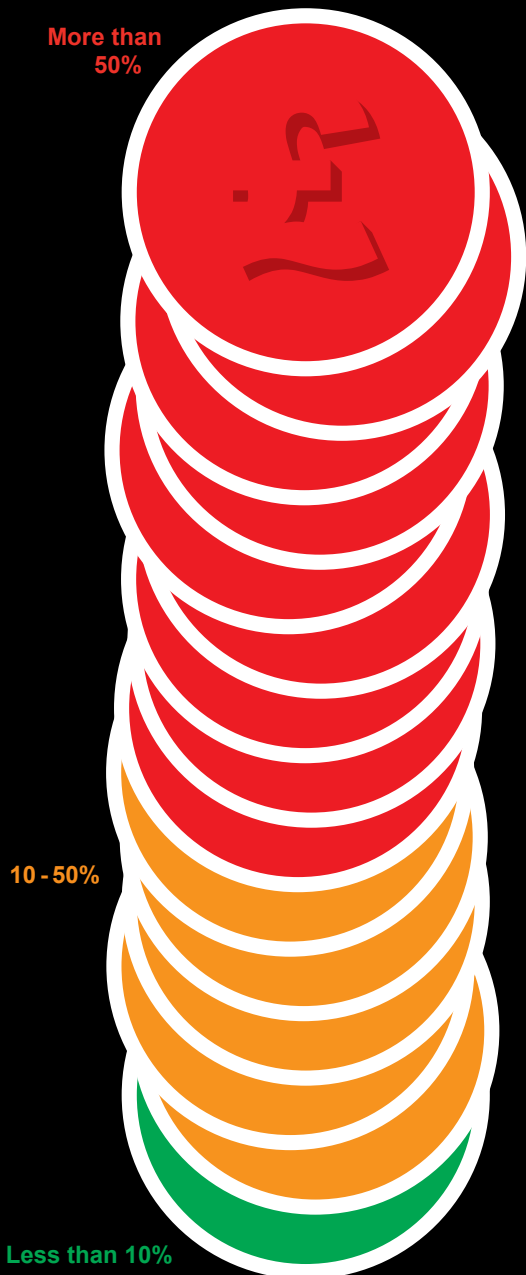
Notes

Do we all understand the financial figures presented to us?

Notes

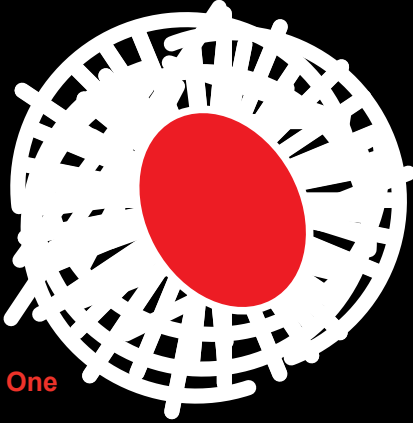


What proportion of our income is at risk in the next 12 months?



Notes

How many significant sources of income do we have?



One



Two or three



Four or more

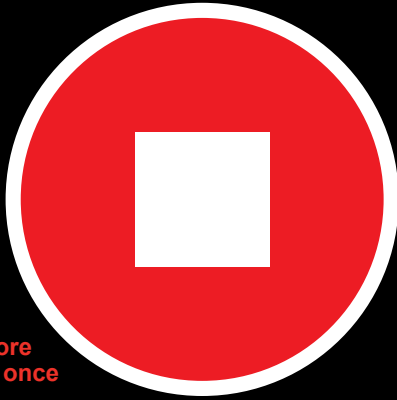
Notes

Have we ever sought an income-generating opportunity even though it was not central to our core mission and values?



Notes

Has the chief executive ever cancelled a board meeting?



More
than once



Once



Never

Notes

Do our board members have a full range of business skills?



No or
not sure



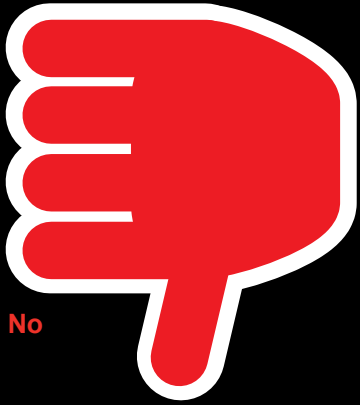
Mostly,
but there
are some gaps



Yes

Notes

Do the chair and chief executive have a constructive relationship?



No



Most of the time



Yes

Notes

Are board vacancies filled quickly?

No,
almost impossible



Yes,
but have to work
hard to get the
right people



Yes,
good people are
always keen to join



Notes

Are board members able to raise issues and resolve them?

Notes

No, issues are always raised by the same one or two individuals



Issues are raised but not resolved



Yes

When did we last review
our organisation's strategic
objectives?

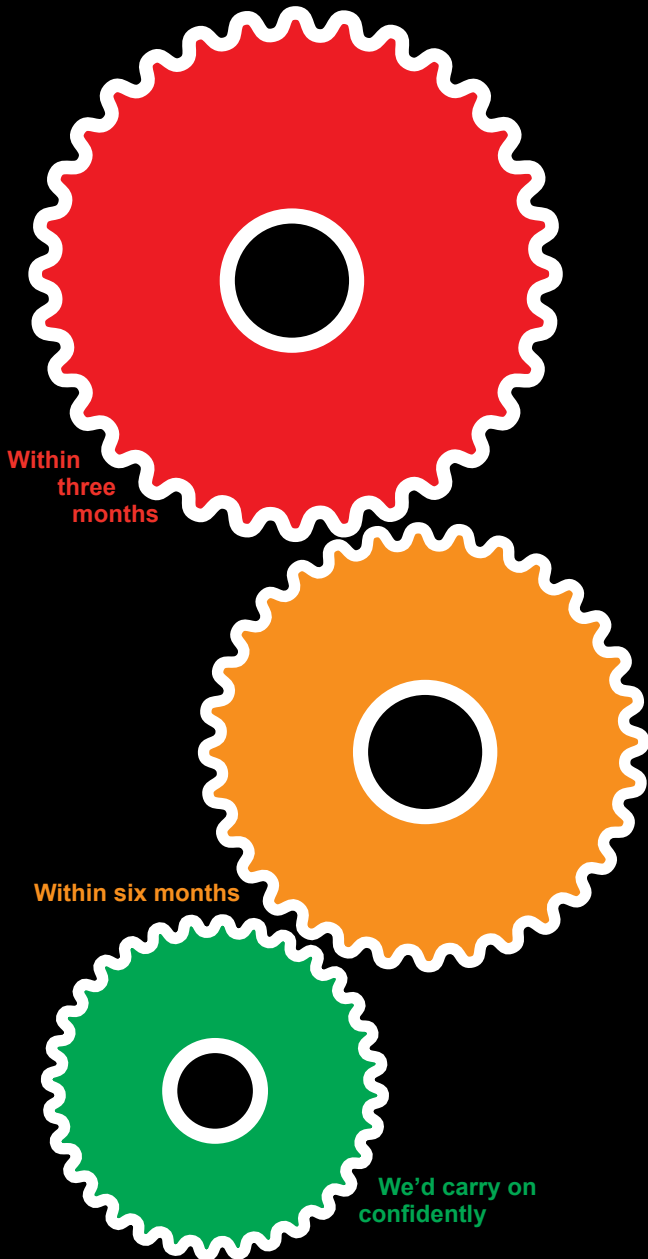
*More than three
years ago*

*One to three
years ago*

In the last year

Notes

If our chief executive left tomorrow would the organisation grind to a halt?



Notes

Are visitors greeted by smiling,
friendly staff?



Not often



Some of
the time

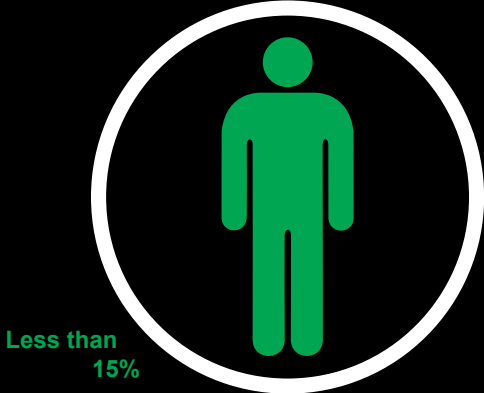


Always

Notes

What is the staff turnover?

Notes



Summary / actions

Date
Number of reds
Number of ambers
Number of greens

Summary / actions

Date
Number of reds
Number of ambers
Number of greens



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