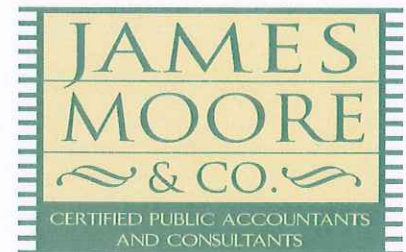


# Red Flags to indicate there are financial problems

Mark Payne, CPA  
James Moore & Co., P.L.

1. Continued losses year after year.
2. Payroll tax deposits not being made timely.
3. Sales tax deposits not being made timely.
4. Management trying to say things are better than the financial statements say they are.
5. Concentrations from one grantor/contributor.
6. High turnover in the accounting department.
7. Board is unable to speak with the CFO and all conversations must go through ED.
8. Accounts payables continue to grow each month.
9. Financial statements coming from an excel spreadsheet and not out of the accounting software packages.
10. Delayed audit reports.
11. Last minute financial information provided day of board meeting.
12. Line of credit being tapped out.
13. Continual debt restructuring.
14. Credit cards not being paid off at the end of each month.
15. Board asking questions and the responses seemed vague or no response at all.
16. Board members assuming the treasurer has everything under control.
17. CPA continues to have the same finding year after year and issues never seem to get corrected.
18. Bank statement shows a negative balance.
19. Lack of working capital.
20. Receivables are showing as 90 days plus past due.



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## Surviving In Tough Economic Times

Mark Payne, CPA  
James Moore & Co., P.L.

1. The “Magic Pill”
2. Work “on” not “in”
3. Don’t reduce your office supplies
4. Driving home a different way
5. Sit in a different seat
6. Cash is king
7. Those who know there numbers will survive
8. Mortgage prepayment
9. Line of credit
10. Having a clean desk
11. It’s not my fault
12. Watching the bank balance
13. “The Creature from Jekyll Island” Edward Griffin
14. [www.RichDadPoorDad.com](http://www.RichDadPoorDad.com)
15. The “right” thing

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