

Risk Assessment Workbook for Nonprofits

BY HEATHER GARLAND



Why do you need this workbook?

This workbook is designed to help nonprofit leaders identify, assess, and mitigate risks that could impact their organization's mission, funding, operations, and reputation. It can also help promote a culture of proactive risk awareness among staff, board members, and volunteers.

Work through the sections of this workbook in sequence or select the tools most relevant to your nonprofit's current risk needs.

WHO SHOULD USE THIS?

- **Executive Directors**
- **Board Members**
- **Program Managers**
- **Finance Directors**
- **Development Officers**
- **Compliance Committees**

WHEN TO USE?

- **Strategic planning sessions**
- **Annual reviews**
- **Pre-program launch**
- **Board or staff workshops**

SECTION 1

UNDERSTANDING NONPROFIT RISKS

Risks come in many forms: financial, operational, reputational and more. In this section, you'll explore common types of risk specific to nonprofits, helping you build awareness of potential vulnerabilities in your organization's work, structure, and environment.

DEFINITIONS (NONPROFIT)

- **Risk:** Any uncertainty that could impact your ability to deliver your mission or maintain trust
- **Risk Assessment:** A systematic process for evaluating potential threats to your operations or impact
- **Mitigation:** Steps to lessen the effect or likelihood of a risk
- **Likelihood:** The chance a risk will occur (based on past data or trends)
- **Impact:** The potential consequences on programs, finances, people, or reputation

COMMON TYPES OF NONPROFIT RISKS

- **Strategic:** Misalignment with mission, leadership turnover, ineffective board governance
- **Operational:** Program delivery failures, volunteer management, facility safety
- **Financial:** Grant dependency, poor internal controls, donor fraud
- **Compliance & Legal:** IRS reporting errors, HR violations, restricted funds misuse
- **Technological:** Donor data breaches, CRM failures, outdated software
- **Reputational:** Negative media coverage, ethical lapses, stakeholder dissatisfaction
- **Environmental:** Natural disasters affecting service delivery or fundraising events

TASK: COMPLETE THE RISK CATEGORIES WORKSHEET

[DOWNLOAD RISK
CATEGORIES WORKSHEET](#)

SECTION 2

RISK IDENTIFICATION

You can't manage what you haven't identified. This section includes worksheets and checklists to help your team identify potential risks through brainstorming, stakeholder input, and organizational reflection. It encourages open dialogue and cross-functional thinking. Questions to ask can include "What could jeopardize our ability to serve our mission?" and "What would stop us from operating tomorrow?" After completing the checklist, complete the stakeholder input worksheet.

Risk Sources Checklist

Category	Description	Example Issues
<i>Example: Financial</i>	<i>Revenue, expenses, grants</i>	<i>Grant misreporting, donor loss</i>
<i>Example: Leadership & Governance</i>	<i>Board oversight and decision-making</i>	<i>Board turnover, conflict of interest</i>

[DOWNLOAD STAKEHOLDER
INPUT TEMPLATE](#)

SECTION 3

RISK EVALUATION

Not all risks are equal. Here, you'll assess the severity and probability of each identified risk using a simple scoring method. This process will help you distinguish between low-level concerns and critical threats that require immediate attention.

This section includes completion of the risk rating matrix, which defines level of impact for nonprofits. Then complete the risk assessment template. This includes categories specific to nonprofits such as mission impact, donor/ grantor sensitivity, compliance risk, and public perception.



TASK: COMPLETE RISK RATING MATRIX AND RISK ASSESSMENT TEMPLATE.

[DOWNLOAD RISK RATING MATRIX](#)

[DOWNLOAD RISK ASSESSMENT TEMPLATE](#)

SECTION 4

RISK PRIORITIZATION

With your risks scored and categorized, it's time to prioritize. This section provides tools like a heat map and summary worksheet to help you visualize which risks could significantly impact your mission, services, or funding, and which ones to address first.

This section includes the following tasks:

1) Complete the high-risk focus worksheet. Identify:

- Which risks could shut down services?
- Which risks would result in loss of 501(c)(3) status?
- Which risks affect vulnerable populations?

2) Complete the risk heat map template. It is used to help create a visual tool for board presentations or fundraising committee discussions.

3) Create a "Top 5 Risks Summary" page. Include the potential impact on clients/communities served, financial sustainability, and fundraising and donor confidence.

TASK: COMPLETE HIGH-RISK FOCUS WORKSHEET AND RISK HEAT MAP TEMPLATE

[DOWNLOAD HIGH RISK
FOCUS WORKSHEET](#)

[DOWNLOAD RISK HEAT
MAP TEMPLATE](#)

SECTION 5

RISK RESPONSE PLANNING

Now that you've identified and prioritized your risks, what can you do about them? In this section, you'll create action plans for each significant risk, selecting strategies like avoidance, reduction, transfer, or acceptance, and assigning owners and timelines.

Risk Mitigation Strategies for Nonprofits:

Avoid: Don't take on overly complex grant requirements

Reduce: Add dual approval for check signing

Transfer: Purchase D&O or cybersecurity insurance

Accept: Maintain a reserve fund for unpreventable risks

Complete the Risk Response Plan Template. It's customized to track grant-specific compliance measures, donor relationship communications, and volunteer safety protocols.

TASK: COMPLETE RISK RESPONSE PLAN TEMPLATE

[DOWNLOAD RISK
RESPONSE PLAN TEMPLATE](#)

SECTION 6

ONGOING RISK MONITORING

Risk assessment isn't a one-time task. This section helps you build an ongoing monitoring system using checklists, review templates, and a risk register. It also introduces Key Risk Indicators (KRIs) to track signs of emerging risk. Complete the Risk Monitoring Checklist first.

Risk Monitoring Checklist

Monitoring Task	Description	Frequency	Responsible Role
<i>Example: Internal controls check</i>	<i>Confirm dual approval processes, reconciliations, and audit trail reviews</i>	<i>Monthly</i>	<i>Finance Director</i>

[DOWNLOAD KEY
RISK INDICATOR
WORKSHEET](#)

SECTION 7

ACTION PLAN

This section helps you operationalize your risk response strategies. Use the templates here to schedule mitigation activities, assign responsibilities, communicate updates, and track completion. It ensures your team follows through on what matters.

Complete the implementation timeline, roles and responsibilities matrix, communication plan, and accountability tracker.



TASK: COMPLETE IMPLEMENTATION TIMELINE, ROLES AND RESPONSIBILITIES MATRIX, COMMUNICATION PLAN, AND ACCOUNTABILITY TRACKER

[DOWNLOAD IMPLEMENTATION
TIMELINE TEMPLATE](#)

[DOWNLOAD ROLES &
RESPONSIBILITIES MATRIX](#)

[DOWNLOAD COMMUNICATION
PLAN TEMPLATE](#)

[DOWNLOAD
ACCOUNTABILITY TRACKER](#)

About Us

Synergy Pathfinders, LLC (SP) was established with the mission of addressing the unique challenges small business owners encounter when seeking to grow or striving to implement best practices within their operations.

Our founder, Heather Garland, brings over 25 years of extensive experience, including more than a decade spent in public accounting. Prior to launching SP, Heather served as the inaugural Chief Operating Officer at Alaska's locally-owned certified public accounting firm. Her proven track record includes successfully guiding organizations through crucial improvements in both accounting and operational efficiency. "My passion is working with companies to find solutions for their obstacles - including the ones they don't know they have," says Heather.



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