Mid-Year Performance Checklist Whitepaper

Six Key Steps to Year-End Success

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Saxon Advisors LLC is a high-performance strategy and implementation consultancy. We work to build elite-level non-profit organizations committed to making a social impact and scaling their mission.

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A Note From Henry Saxon

After more than three decades advising nonprofit organizations from rural community-based to multi-million-dollar operations. I have learned one truth that holds regardless of sector, budget size, or geography: the organizations that finish strong are the ones that pause at mid-year to take stock. This white paper presents six structured checklist items that I consider essential to sound nonprofit governance and management in the second half of the fiscal year. They span financial stewardship, Board accountability, executive performance, program effectiveness, and strategic plan progress. For each item, I have included not only what to review, but the specific trigger thresholds that, in my experience, signal the need for immediate intervention not deferred action.

These are not theoretical frameworks. They reflect the conversations I have had with many Boards, executive directors, finance committees, and funders over the course of my career. I offer them in the spirit of practical guidance from a trusted advisor.

Checklist Item 1 — Budget Reforecasting: Revenue & Expenses

Why This Matters at Mid-Year

The approved budget your Board adopted last fall was built on assumptions about earned revenue, contributed income, program costs, and staffing. By July, those assumptions have met reality. The National Council of Nonprofits reports that more than 60% of nonprofits operate with fewer than three months of cash reserves, which means any meaningful variance left unaddressed at mid-year can quickly become a crisis by Q4.

A rigorous mid-year re-forecast is not simply a reporting exercise it is a decision-making tool. It tells the Board and CEO where to hold, where to cut, and where to accelerate.

Revenue Reforecasting

- Compare actual year-to-date revenue by source against the pro-rated budget for each month elapsed
- Re-project full-year revenue using confirmed commitments, signed grant agreements, and realistic fundraising pipeline
- Flag any revenue category where actual receipts trail budget by more than 10% at mid-year
- Identify revenue that is uncommitted but anticipated — and assign a probability weighting
- Assess whether any major revenue source carries concentration risk above 25% of total revenue

Expense Reforecasting

- Compare actual year-to-date expenses line-by-line against budget
- Identify deferred spending (positions unfilled, projects delayed) that will accelerate in H2
- Project full-year expenses incorporating known commitments, contract escalations, and seasonality
- Assess whether any discretionary expense lines can be reduced if revenue projections decline
- Present a revised full-year operating projection to the finance committee, with at least two scenarios: base case and downside

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Our practice is committed to catalyzing mission success and driving social change. By partnering with organizations dedicated to making a difference, we leverage our expertise, experience, and insights to amplify their impact and create sustainable solutions. Our unwavering commitment to mission success fuels our passion and drives us to make meaningful impact.

⚠️ **Trigger Thresholds: When to Take Immediate Action**

- Revenue trails full-year budget projection by more than 15% with less than six months remaining convene the finance committee within 30 days to adopt a contingency spending plan.
- Any single revenue source representing more than 20% of total budget is at risk of delay, reduction, or non-renewal notify the Board chair immediately and brief the full Board at the next meeting.
- Projected full-year operating deficit exceeds 5% of total expenses management must present a remediation plan to the Board within 45 days.
- Personnel costs are tracking more than 8% over budget with no offsetting revenue a staffing review must be initiated before the end of Q3.
- Unrestricted net assets are projected to fall below 60 days of operating expenses at year-end reserve replenishment must be incorporated into the next budget cycle.

Checklist Item 2 — Board Governance: Individual Trustee Performance

Performance Against Annual Expectations

Effective Board governance is not measured at the institutional level alone it is ultimately a function of how individual trustees are performing against the specific expectations they agreed to when they joined, or at the start of the governance year. Board Source's Leading with Intent study consistently finds that nonprofits with high-functioning Boards establish clear individual expectations and hold trustees accountable to them.

A mid-year trustee performance review is not punitive. It is a professional development and accountability tool one that the Board chair or governance committee should conduct with respect, structure, and transparency.

What to Assess for Each Trustee

- Meeting attendance: actual attendance rate against the Board's established minimum (typically 75–80%)
- Committee participation: active engagement in at least one standing committee as agreed upon at the start of the governance year
- Give/Get fulfillment: personal giving and fundraising activity against the individual commitment established at Board orientation or annual pledge
- Ambassador activity: whether the trustee has made introductions, attended events, or represented the organization externally in ways consistent with their stated role
- Policy and fiduciary literacy: whether the trustee is actively engaging with financial statements, consent agenda items, and governance materials or consistently arriving unprepared
- Strategic contribution: whether the trustee has contributed substantively to discussions on strategy, risk, or organizational direction

⚠️ **Trigger Thresholds: When to Take Immediate Action**

- A trustee's meeting attendance falls below 50% through the first six months the Board chair should initiate a private conversation within 30 days to assess commitment and determine whether a leave, role adjustment, or transition off the Board is appropriate.
- A trustee has made no personal gift and fulfilled zero fundraising activity through mid-year against an agreed Give/Get expectation the governance committee chair should follow up directly before the end of Q3.
- Three or more trustees are in any single performance category that falls below threshold at mid-year this indicates a systemic governance gap; the full governance committee should convene to reassess expectations, recruitment, and onBoarding practices.
- A trustee is consistently not engaging with financial materials or arriving unprepared to committee meetings a targeted Board financial literacy session should be scheduled before the fall governance cycle.

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Integrity: We believe in conducting all our work with honesty, transparency, and ethical standards. Integrity is the foundation of our relationships with our clients, partners and communities.

Checklist Item 3 — CEO/Executive Director Mid-Year Performance Review

Excellence: We are dedicated to delivering high-quality services and solutions that exceed expectations. We strive for excellence in everything we do, from the advice we provide to the outcomes we help our clients receive.

The Board's Most Important Oversight Responsibility
The Board's single most consequential personnel responsibility is the hiring, evaluation, and support of the CEO or Executive Director. Yet in too many organizations, the formal evaluation happens only annually and often without a structured framework. A mid-year check-in against agreed-upon performance goals is not a bureaucratic exercise; it is the Board's most direct lever for ensuring organizational health.

Compass Point's research on executive transitions has found that a leading predictor of CEO turnover is not performance failure it is the absence of structured feedback, support, and clarity about expectations. A mid-year review protects both the organization and the executive.

What the Mid-Year Review Should Cover

- Progress against annual goals established in the CEO's performance plan (ideally scored or rated, not simply narrative)
- Financial stewardship: is the CEO managing the organization's resources in alignment with Board-approved budgets and policies?
- Staff leadership and culture: is there evidence of a stable, high-functioning team? What does turnover data and team feedback suggest?
- Funder and stakeholder relationships: is the CEO actively maintaining and growing the organization's external relationships?
- Board partnership: is the CEO providing the Board with timely, accurate, and transparent information? Is communication proactive?
- Personal development: is the CEO investing in their own professional growth in ways that benefit the organization?

⚠️ Trigger Thresholds: When to Take Immediate Action

- The CEO is tracking below expectations in three or more goal areas at mid-year the Board chair and governance/HR committee should meet privately with the CEO within 30 days to establish a written improvement plan with defined milestones.
- Staff turnover in leadership or program roles exceeds 20% annualized through mid-year the Board should request a culture and retention assessment and discuss root causes in executive session.
- The CEO has not provided the Board with accurate financial reports on a consistent schedule this is a governance and fiduciary concern that requires immediate documented follow-up from the Board chair.
- A pattern of material omissions or delayed disclosures to the Board is identified the full Board should convene in executive session (without the CEO) to assess confidence and determine next steps.
- The CEO has expressed intent to depart, or indicators of disengagement are present the governance committee should activate a confidential succession planning review immediately.

Checklist Item 4 — Program Reviews: Outcomes, Efficiency & Alignment

Are Your Programs Performing and Aligned?

A mid-year program review is about more than counting outputs. It is about asking whether the organization's programs are delivering meaningful outcomes, operating efficiently, and critically whether they remain aligned with the organization's current strategic direction.

For organizations with an active strategic plan that has not expired, program reviews must include a formal assessment of how each program maps to the plan's stated priorities and objectives. A program that was central to last year's strategy but is not reflected in the current strategic plan deserves particular scrutiny. Conversely, programs that are advancing strategic goals but are under-resourced should be flagged for investment.

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Drive: We have a relentless drive to make positive change in our communities. Our team is motivated by a passion for social good and a determination to create meaningful outcomes for our clients.

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Results: Our practice is committed to delivering tangible, measurable results that make a difference. Our focus is on achieving performance that drive success for our clients and lasting change in the communities they serve.

Program Review Framework

- Outcomes tracking: what measurable outcomes has each program produced through mid-year against stated annual targets?
- Efficiency analysis: what is the cost-per-participant, cost-per-outcome, or other relevant unit cost metric? How does it compare to prior year and sector benchmarks?
- Funder compliance: is each program delivering on the commitments made in grant applications and contracts?
- Demand and reach: is program enrollment, utilization, or reach trending at, above, or below projections?
- Strategic alignment: for organizations with an active strategic plan is this program explicitly referenced in the plan, or does it support a stated strategic priority? If not, what is the rationale for continued investment?
- Staff capacity: do program staff have the capacity and competencies to deliver on commitments through year-end?

⚠️ Trigger Thresholds: When to Take Immediate Action

- A program is tracking below 60% of its mid-year output or outcome targets management must present a written remediation plan to the CEO and, if funder-facing, proactively notify the relevant program officer.
- A program’s cost-per-unit-of-service has increased more than 20% year-over-year without a corresponding improvement in outcomes a formal program efficiency review should be initiated before Q3 budget planning.
- A program cannot be mapped to any objective or priority in the organization’s current strategic plan it should be formally reviewed by the CEO and Board program committee to determine whether continuation, redesign, or sunsetting is appropriate.
- Funder deliverables for any active grant are projected to be unmet at year-end funder notification and a revised scope or timeline must be initiated immediately; do not wait for a reporting deadline.
- Program staff turnover in a single program exceeds 30% annualized a root cause analysis and retention plan must be developed within 60 days.

Checklist Item 5 — Strategic Plan Review: Priorities, Pillars & Progress

Mid-Year Is the Moment of Strategic Accountability

A strategic plan that is reviewed only annually is not a plan it is a document. The mid-year mark is the organization's most important opportunity to assess whether its strategic priorities are being actively pursued, whether the pillars of the plan are resourced and on track, and whether any external changes in the environment require an adjustment to the plan's direction.

For organizations with an active strategic plan that has not expired, the mid-year review does not replace the plan's framework it uses that framework as the primary lens. The specific priorities, pillars, or focus areas articulated in the active plan become the organizing structure for this checklist item. For each priority or pillar, the review should assess progress, accountability, and resource alignment.

For organizations that do not currently have an active strategic plan, this checklist item serves as a reminder to evaluate whether the absence of a plan is itself a strategic risk and to consider the steps needed to initiate a planning process in the coming year.

For Organizations WITH an Active Strategic Plan

- Board engagement: does the Board have a clear, current view of strategic plan progress, or is strategy treated as a management matter that rarely surfaces in the Boardroom?
- Integration with program review: are the programs identified in Checklist Item 4 explicitly mapped to the plan's priorities? Any programs operating outside the plan's scope should be reviewed for continued strategic relevance.

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We're committed to elevating non-profits to elite-level impact by providing proven field-tested strategic guidance for our client's sustainable growth and social impact. Together, we can shape a better future for all.

Our consultancy stands at the forefront of innovation, offering a suite of services designed to enhance governance, craft strategic plans, elevate operational effectiveness, develop talent, and execute startegies.

For Organizations WITHOUT an Active Strategic Plan

The absence of a current strategic plan does not eliminate the need for strategic clarity. Organizations in this position should use the mid-year review to address the following:

- Assess whether the organization's programs and resource investments are aligned with a coherent and shared sense of mission priority even in the absence of a formal plan
- Identify the most significant organizational challenges and opportunities that a strategic planning process should address
- Determine whether the Board and CEO have alignment on the organization's direction for the next three to five years
- Establish a timeline and budget for initiating a formal strategic planning process, with Board adoption as a governance priority for the coming year

⚠️ **Trigger Thresholds: When to Take Immediate Action**

- Two or more strategic priorities or pillars have no documented progress and no active owner as of mid-year the CEO must present a written status report to the Board within 30 days and assign clear accountability before the end of Q3.
- The strategic plan's financial projections are materially misaligned with the current operating budget reforecast (Checklist Item 1) the CEO and finance committee must assess whether the plan's assumptions remain viable and recommend adjustments to the Board.
- A major external development (loss of a primary funder, significant policy change, shift in community need) has rendered one or more strategic priorities obsolete or unachievable the Board should convene a formal strategic conversation, facilitated or otherwise, within 60 days.
- The strategic plan is within 18 months of its stated expiration and no renewal process has been initiated the governance committee should place strategic planning initiation on the Board's H2 agenda.
- The organization does not have an active strategic plan and has not had one for more than 24 months this represents a material governance gap; the Board should formally authorize a planning process before fiscal year-end.
- Board members report low familiarity with the strategic plan's priorities in a governance survey or at a meeting a facilitated Board strategy session must be scheduled before the annual retreat or year-end cycle.

Checklist Item 6 — Second-Half Planning: Setting the Table for Year-End Success

Turning Insights Into Action

The work of the prior five checklist items is only valuable if it produces decisions. The second half of the year is not simply the continuation of the first it is an opportunity to course-correct, accelerate, and set the organization up to enter the following year from a position of strength.

The American Institute of Certified Public Accountants' (AICPA) guidance on nonprofit financial stewardship emphasizes that year-end audit readiness begins with mid-year discipline. Organizations that use mid-year findings to drive concrete second-half commitments consistently produce cleaner audits, stronger results, and more confident Boards.

Second-Half Planning Priorities

- Adopt the revised revenue and expense reforecast as the operating framework for H2, with Board approval
- Confirm all grant reporting deadlines for Q3 and Q4 are calendared and assigned to responsible staff
- Finalize the annual audit engagement timeline and begin organizing PBC (prepared-by-client) documentation
- Schedule the CEO's formal annual performance review for Q4, building on the mid-year check-in
- Confirm that the annual fund calendar, year-end giving campaign, and major donor cultivation are on track
- Begin the next-year budget development process no later than October, using mid-year actuals as the baseline
- Ensure the Board's governance calendar for H2 includes dedicated time for strategic plan progress review not only financial reporting
- If the strategic plan is approaching expiration, initiate the planning process timeline and engage the Board in scoping the renewal
- Schedule annual Board retreat

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Saxon Advisors LLC's practice areas are characterized by their depth of expertise, innovative strategies, and meaningful impact. Our team is dedicated to providing tailored solutions that address the unique challenges faced by non-profit organizations, ensuring sustainable growth and success.

> ⚠️ **Trigger Thresholds: When to Take Immediate Action**
> - The Board has not formally adopted a revised H2 budget or reforecast by August 31 this represents a governance gap; the finance committee chair must schedule a special meeting.
> - Year-end audit engagement letter is not executed by September 30 contact your auditor immediately to confirm capacity and timeline.
> - Annual fund and year-end campaign plans are not finalized by September 1 a revenue shortfall in Q4 will be extraordinarily difficult to recover from without adequate planning lead time.
> - Next-year budget development has not commenced by November 1 the CEO should place this on the Board's agenda as a standing item until adoption.
> - Strategic plan renewal has not been scoped or initiated within 18 months of the plan's expiration a planning process authorization should be included in the Board's H2 work plan.

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At Saxon Advisors LLC, our advisors have a combined 150 years nonprofit organizational development experience.

Sources & Further Reading

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Closing Thoughts From Henry Saxon

The nonprofits I have watched thrive over the course of my career are not always the ones with the most resources. They are the ones with the most discipline the willingness to look honestly at what the data says, engage the Board and CEO in candid accountability, and make decisions while there is still time to matter.

The six checklist items in this white paper represent my distillation of what that discipline looks like in practice. They are not a substitute for judgment every organization's context is different. But they are a proven framework for the mid-year conversation that separates the organizations that drift from the ones that lead.

If Saxon Advisors LLC can support your organization's mid-year review, strategic plan assessment, Board governance work, or second-half planning, I welcome the conversation.

Henry Saxon
Managing Principal, Saxon Advisors LLC

I love non-profit work. Few things in life are more noble and fulfilling than serving your community to help others to build capacity to lead great lives.

Saxon Advisors LLC

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Saxon Advisors LLC works with nonprofit boards, executive directors, and finance leaders to build the governance and financial strategies and implementation pathways that sustain mission-driven organizations.

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