

**Financial Eligibility Criteria for VCS Organisations applyir**

**Information Required from Organisation:**

- Charity Reports and Accounts
- Management Accounts
- Budget
- Cash flow forecast
- Business Plan

<b>Category</b>	<b>Red</b>
1. Income covers expenditure	Income is over 20% greater than expenditure; Income is over 20% less than expenditure
2. Appropriate level of reserves	Reserves represent either 1-3 months of normal expenditure or more than 2 years of normal expenditure
3. Financial Cover for Liabilities (Current Asssets / Current Liabilities)	Less than 0.5 or above 2
4. Effective Financial Management	Accounting information not always submitted on time, limited management information produced to support decision making, limited information on financial procedures
5. Security of Income	Over reliance on once source of income. No plans for dealing with highlighted risks to income sources.

Questions re security of income	- Is the charity over-reliant on o - What sources of income are n
Questions for financial management	- Does the charity have good ir (Management accounts should
Mitigating circumstances	- Where the above analysis ind

<b>RED</b>	VCS is either a) financially unsta going concern b) There is little € management c) They are too fir mitigating circumstances that st <b>Contribution Scheme.</b>
<b>GREEN</b>	Overall the VCS is financially sta greater value to the residents of of strong and effective financial circumstances that offset any in

**ing to Financial Contribution Scheme**

<b>Green</b>
Income broadly covers expenditure with 10% tolerance
More than 4 months of normal expenditure but less than 2 years
Above 0.5 but less than 2
Required accounting requirements are met, adequate management information produced to support decision making, adequate information on financial procedures
Different sources of income with a clear plan of alternative strategies for highlighted income risks.

one source of income?
most at risk and how does the organisation plan to deal with this?
internal financial information, produced in a timely manner? (be well presented and show progress against the budget)
indicates that the organisation does not need a subsidy or is not

able and there are uncertainties about whether it can function as a  
evidence to suggest there is strong and effective financial  
financially strong for a contribution. In all cases there are no  
uggest this is a temporary position. **Not eligible for Financial**

able but evidence shows that a subsidy will enable them to provide  
f Westminster and the Council's strategic aims. There is evidence  
management and forward planning. There are mitigating  
individual concerns. **Eligible for Financial Contribution Scheme.**