

Financial Eligibility Criteria for VCS Organisations applyir

Information Required from Organisation:

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

| Category | Red |
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| 1. Income covers expenditure | Income is over 20% greater than expenditure; Income is over 20% less than expenditure |
| 2. Appropriate level of reserves | Reserves respresent 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. |

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|------------------------------------|--|
| 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 |

| | |
|--------------|---|
| RED | VCS is either a) financially unsta going concern b) There is little € management c) They are too fir mitigating circumstances that st Contribution Scheme. |
| GREEN | 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

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| Green |
| 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. |

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| 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.**