

United Way of Eastern Maine Grant Funding Financial Review

Thank you for participating in the FY 20-22 United Way of Eastern Maine Financial Review Process.

The online application review consists of 10 questions. All questions will be answered by using the following scoring matrix:

- Strong evidence to support this statement – 4 points
- Good evidence to support this statement – 3 points
- Fair evidence to support this statement – 2 points
- Very little evidence to support this statement – 1 point
- No evidence to support this statement – 0 points

For each question you should select the rating option that most directly represents your assessment of alignment with the question statement provided.

You should complete your review and all surveys by end of day Friday, March 29, 2019.

Should you have critical questions for an agency please email those to Jesse (jessem@unitedwayem.org) as soon as you can to all time for follow up with the Agency.

Required Documents List:

1. Administrative and Financial Review Form
2. Most recent IRS Documentation (Form 990):
 - a. Form 990 – gross receipts greater than or equal to \$200,000 or total assets greater than or equal to \$500,000 at the end of the tax year.
OR
 - b. Form 990-EZ – gross receipts less than \$200,000 and total assets at the end of the tax year less than \$500,000.
OR
 - c. Form 990-N (“postcard”) – gross receipts less than \$50,000.
3. Financial Audit, Review or Compilation:
 - a. Gross Receipts of \$500,000 or more = Audit
OR
 - b. Gross Receipts of \$25,000-\$500,000 = A Review of Financial Statements from an external accountant OR Audit. Reviews of Financial Statements are not accepted for agencies with gross receipts above \$500,000
OR
 - c. Gross receipts below \$25,000 = Compilation *or* Review *or* Audit

NOTE: Staff has conducted an initial review to assure that requirements outside of the Financial Review Team prevue have been met:

Agency Agreement Form
Board of Directors List
New applicants: Bylaws and 501(c)3 Determination Letter
Complete program funding application

Questions for you to answer for each agency:

1. The applicant completed the Administrative and Financial Review Form completely and provided all required materials for UWEM Funding Review. (See list of requirements on page 1)
2. There are no warning signs or red flags raised as a result of reviewing the Administrative and Financial Review form (ex. 990 not filed, inconsistencies between form and supporting documents etc)
3. The Agency's "Current Ratio" is 1 or above.
Calculation of Current Ratio: $\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$
4. The Agency's "Cash on Hand" will cover a minimum of 3 months operation.
Calculation of Cash on Hand Ratio: $(\text{Cash on Hand}) \text{ Unrestricted Cash \& Equivalents} / (\text{Annual Expenses (less depreciation)} / 4)$
5. The Agency has a positive unrestricted net assets balance (aka fund balance) at the end of the most recent fiscal year.
Note: Do not differentiate between designated and undesignated net assets.
6. The Agency's "Debt Ratio" is under 25%.
Calculation of Debt Ratio: $\text{Debt Ratio} = \text{Total Liabilities} / \text{Total Assets}$
7. The Agency's "Overhead Percentage" is under 20%.
Calculation of Overhead Percentage: $\text{Overhead Percentage} = \text{Management \& General Expenses} / \text{Total Expenses}$
8. No one funding source makes up more than 30% of the Agency's total revenue (not including program fees or earned income).
9. Information provided on the Administrative and Financial Review Form matches or agrees with the financial statements provided.
NOTE: If multiple points are missing or inconsistent must designate a low score.
10. Based on your complete review of this Agency what is your recommendation? (4 points cleared for funding, 2 points flagged for further review, 0 points no funding)

Remember: The focus of the Financial Review is not if the agency "needs" UWEM dollars but if the entity is viable and will be good stewards of UWEM donor dollars.