

United Way Financial Review Guide - New Applicants

Overview

To ensure that United Way of Central Iowa (UWCI) invests donor dollars responsibly, the organization conducts financial assessments on funded partners. These assessments are intended to give UWCI insight into a partner's financial stability, capacity and transparency.

IRS filing thresholds determine the *minimum* reporting required for non-profits and UWCI uses these thresholds as a general indicator of organization size and maturity. UWCI sets additional documentation requirements to ensure responsible investments. Funding limits' eligibility increases based on the type of financial statements an organization can provide, and the level of independent verification those statements receive.

Eligibility Requirements

To be eligible for funding, an organization must:

- Be recognized as a 501(c)(3) nonprofit or have an approved fiscal sponsor
- Be in compliance with all IRS filing and reporting requirements
- Be financially solvent
- Submit the required financial documentation (outlined below)

Government entities and affiliates are exempt from these requirements due to their public oversight structures.

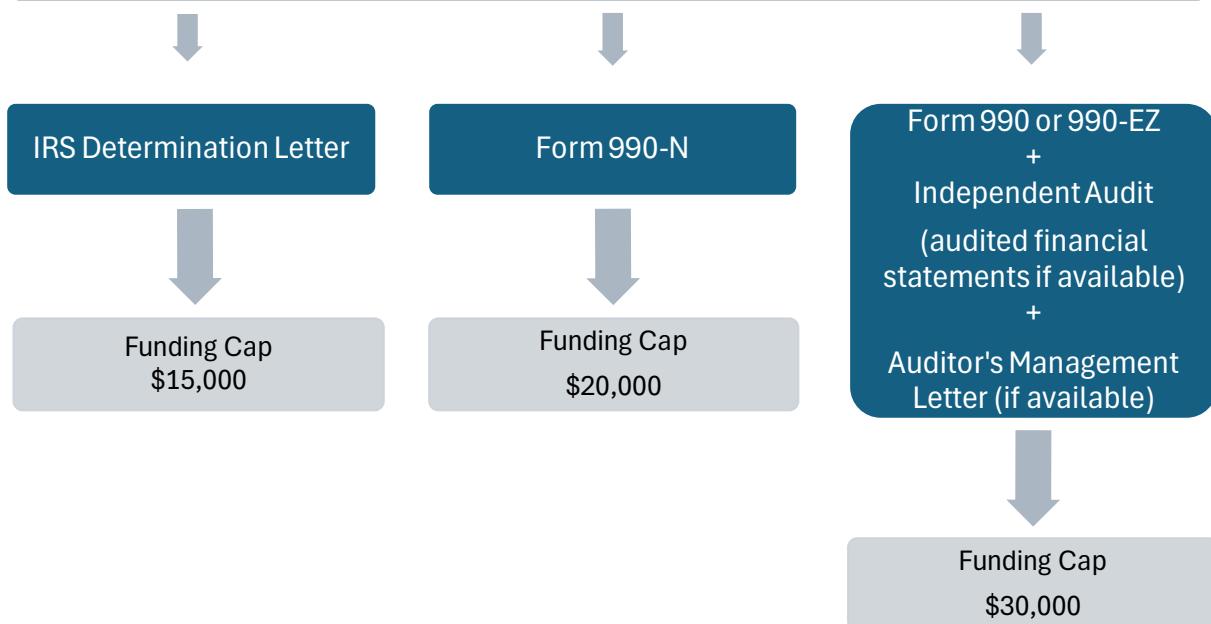
Local organizations that are branch offices of large regional and national organizations will be reviewed on a case-by-case basis.

Application Documentation Requirements

UWCI establishes funding caps based on the financial documentation you submit. Funding caps are organizational-level limits and reflect the total amount you may request across all proposed programs in the funding cycle. Funding is not guaranteed to the level of the funding cap.

Please review the chart below to determine the documents required and the maximum funding you're eligible to request.

What documentation does my organization have?



Any organization receiving federal funds of \$750,000 or more is also expected to provide a Single Audit (FKA: A-133 Government Audit Report) to demonstrate compliance.

We encourage all organizations to obtain Independent Auditor Reports with management letters and share these whenever possible.

Financial Assessment Ratings

UWCI assigns financial assessment ratings based on a review of the documents you submit. The assessment considers attributes indicative of your organization's sustainability (1), efficiency (2), governance (3), and audit status (4). The preferred range/value for each attribute is shown in the table below:

Attribute	Preferred Range or Value
Sustainability Attributes:	
Debt Payment/Covenants - current	Yes or not applicable
Use of Line of Credit	No
Use of Endowment	No
Working Capital Ratio – using 990 (Unrestricted + Temp restricted net assets) / Total Expense	Greater than or equal to 75%
Change in Net Asset: Deficit – using 990 (Change in Net Asset / Working Capital, see above)	Greater than or equal to -14%
Liability Ratio – using 990 (Total Liabilities / Working Capital, see above)	Less than 50%, adjusted for capital intensive organizations
Efficiency Attributes:	
Revenue Growth – using 990 ((Total Revenue current year/ Total revenue prior year)-1)	Greater than or equal to 0
Program Expense Ratio – using 990 (Program expense / Total expense)	Greater than or equal to 75%
United Way Funding to Total Revenue – using 990 (United Way Funding / Total revenue)	Less than 25%
Governance Attributes:	
CEO Salary Ratio – using 990 (CEO Salary /Total Revenue)	Less than 10%
Independent Board – using 990	100%
Paid Board Members – using 990	No
Loans to officers, directors, key employees – using 990	No
Material diversion of assets – using 990	No
Media findings – based upon web searches	No
Audit Attributes:	
Audit Opinion - unqualified	Yes
GAAP Financial Statements	Yes
A-133 Reportable Conditions	No
Management Letter Comments	None
Challenges pulling information – see note	No