

## **Financial Statement Policy for Partner Agencies and Programs Of the United Way of New River Valley**

Partner agencies and programs of the United Way of New River Valley shall be required to agree to the following requirements in regards to the preparation and provision of organizational financial statements:

Partner agencies and programs with annual gross revenues of \$1 million or more are required to have audited financial statements\* performed according to Generally Accepted Accounting Practices by a Certified Public Accountant, who is independent of the organization, on an annual basis;

Partner agencies and programs with annual gross revenues less than \$1 million and at least \$750,000 are required to have a review of their annual financial statements\* prepared according to Generally Accepted Accounting Practices by a Certified Public Accountant, public accountant, or consulting accountant who is independent of the organization on an annual basis;

Partner agencies/programs with annual gross revenues of less than \$750,000 and at least \$250,000 are required to have a compilation of their annual financial statements\* prepared according to Generally Accepted Accounting Practices by a public accountant or consulting accountant who is independent of the organization on an annual basis.

Partner agencies/programs with annual gross revenue of less than \$250,000 are required to present annual financial statements\* prepared by the organization's treasurer, or internal auditor or committee.

All UWNRV partner agencies and programs will provide an accompanying IRS Form 990 for the same fiscal year, even if it is a pro forma (unfiled) one.

*\*The financial statements should cover a period ending not more than 18 months prior to the January of the current funding year. Financial statements are generally defined as an Income/Expense statement, balance sheet, statement of cash flows, and notes to financial statements.*

If a partner agency is not in compliance with this policy, the United Way of New River Valley reserves the right to withhold distribution of allocation payments until the partner agency/program is in compliance. Partner agencies/programs may request a temporary exemption from the above policy. This request must be made to the Finance Review Team which must be subsequently approved by the Community Investment Team.

In addition, partner agencies or programs must also comply with Section 57-49 of the Code of Virginia. Section 57-49.6 requires any non-profit organization which solicits funds in Virginia and is registered with the Virginia Office of Consumer Affairs to provide financial information. **Agencies/programs receiving federal, local government funds, or other funds may also be required to meet other standards not in tandem with this policy.**

Approved 2014: Revision to allow consulting accountants or public accountants to provide compilations for revenues under \$100,000 of total revenue; include definition of financial statement coverage period (consistent with Combined Federal Campaign, and Combined Virginia Campaign).

Approved by the Board of the United Way of Montgomery County & Radford, June 21, 1994

Revision Note: May 21, 1996; addendum for withholding of allocation payments if agency is not in compliance with the audit policy.

Revision Note: June 17, 1997; addendum to help agencies with annual revenue of \$10,000 or less comply with the audit policy.

Correction Note: January, 1999; correction in official terminology made from "Generally Accepted Auditing Standards" to "Generally Accepted Accounting Practices"