

Financial Readiness Assessment

Is an agency in a financial position to take on a facility project and/or debt?

Red Flags:

Factors that may inhibit provider from obtaining needed funding, meeting commitments, repaying loans

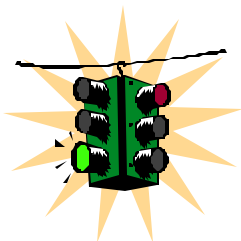
Green Lights:

Factors that suggest project success



Financial Readiness Red Flags

- Difficulty meeting payroll or taxes
- Borrowing from officers/directors
- Unable to pay bills promptly
- Large amount of uncollected receivables
- Deficits in recent years
- Leader doesn't understand financial position
- Leader can't explain audit
- There is no cushion or cash reserve



Financial Readiness Green Lights

- ✓ Services are constrained by lack of space
- ✓ Provider is financially strong and growing
- ✓ Provider has shown success identifying and obtaining new funding sources each year
- ✓ Financial systems are strong and in place
- ✓ Leadership understands and guides financial position