Financial Viability / Co-funding Contribution

Guide

**General Notes on Financial Viability / Co-funding Contribution**

**Financial Viability**

1. Grant applications will sometimes require documentation demonstrating that an organisation is financially viable. This is usually demonstrated in one of two ways:
	1. Providing copies of annual financial statements. Usually, the latest annual financial statement is sufficient, but sometimes up to three years of statements may be requested. These can simply be attached to the application in the relevant place.
	2. A simple financial viability statement can be obtained by the organisation’s chief financial officer (CFO), accountant or auditor. In some cases, the application may require this to come from an external accountant or auditor.
2. The applicant should check in with their CFO, accountant or auditor to obtain the appropriate documentation if the application calls for confirmation of an organisation’s financial viability.

A sample financial viability letter is provided below as a guide.

**Co-funding Contribution Confirmation**

1. If co-funding is a grant requirement, then the application will need to provide evidence confirming co-funding amounts. This can be done in a number of ways.
2. Applicant. Co-funding may come from the organisation itself, in which case a letter confirming the capacity of the organisation to meet the co-funding requirements can be signed by the organisations CFO or accountant (see below).
3. Third party. If the co-funding is coming from a third party, then a letter confirming the contribution of the third party will need to be provided (see below).

Note, the applicant will need to check that the funding from a third party can be counted as a co-funding contribution. For example, many Australian Government grant opportunities that require co-funding contributions will not count other Australian Government funding as a co-funding contribution.

1. In some cases, co-funding contributions will come from multiple parties (including the applicant) and these commitments will all need to be evidenced.

It is important to check in early with both the relevant decision makers within the applicant’s organisation to determine if co-funding is available; as well as any external co-funding contributors to determine if they are willing to support the project being applied for and provide confirmation of their co-funding contribution.

**Co-funding Contribution Exemption**

1. In some cases, although a co-funding requirement may be part of the application process, the funder provides an option for applicants to apply for an exemption from having to provide a co-funding contribution as part of the application requirements.
2. This may require the applicant to explain and/or provide evidence as to why they are not able to provide co-funding towards the project. This is usually due to financial hardship or other circumstances (such as the organisation’s funding is already committed and to provide a co-funding contribution may cause the organisation to be at risk of becoming financially unviable or co-funding has already been spent, e.g. to purchase land for a capital works project).
3. Organisations should consider the impact of not being able or willing to provide a co-funding contribution towards their project as it *may* place them at a disadvantage in the application assessment process (note this is not always the case). However, the final decision to contribute or not should be based on the organisation's actual financial capacity. Advice from the organisations CFO or accountant should be sought to determine the best course of action.

**Sample Letter of Financial Viability**

Please note, your CFO or accountant will more than likely have their own standard letter which should be used. This example is provided in lieu of this.

To be placed on relevant organisation’s letterhead

Addressed to the Funding organisation:

To whom it may Concern / Program Manager etc

Your Organisation Name

Your Organisation Address

**RE: Organisation’s Name Financial Viability**

Dear Mr/Mrs/Ms XXXX or To whom it may concern,

I am writing to advise that I have been the Chief Financial Officer **OR** we have acted as accountants and taxation agents for organisation’s name for X years.

Organisation’s name has cash and financial facilities available of in excess of insert amount.

Organisation’s name has insert relevant description e.g., no, low, manageable, … external debt.

I/we confirm that organisation’s name is a financially viable organisation and will continue to do so during the period of the project.

If you require any confirmation of the above mentioned, please do not hesitate to contact the under

Regards

Name

Signature Block

**Sample Letter Confirming Co-Funding Contribution (Internal)**

To be placed on relevant organisation’s letterhead

Addressed to the Funding organisation:

To whom it may Concern / Program Manager etc

Your Organisation Name

Your Organisation Address

**RE: Project Name Co-Funding Contribution**

Dear Mr/Mrs/Ms XXXX or To whom it may concern,

I am writing to advise that I have been the Chief Financial Officer **OR** we have acted as accountants and taxation agents for organisation’s name for X years.

Organisation’s name has cash and financial facilities available of in excess of insert amount.

Organisation’s name has insert relevant description e.g., no, low, manageable, … external debt.

I/we have been advised that organisation’s name will contribute $insert amount in cash to the insert project name project and I/we can confirm that these funds are available to organisation’s name for this purpose.

I/we confirm that organisation’s name is a financially viable organisation and will continue to do so during the period of the project.

If you require any confirmation of the above mentioned, please do not hesitate to contact the under

Regards

Name

Signature Block

**Sample Letter Confirming Co-Funding Contribution (External)**

Please note, the external co-funding organisation will more than likely have their own standard letter which should be used. This example is provided in lieu of this.

To be placed on relevant organisation’s letterhead

Addressed to the Funding organisation:

To whom it may Concern / Program Manager etc

Your Organisation Name

Your Organisation Address

**RE: Project Name Co-Funding Contribution**

Dear Mr/Mrs/Ms XXXX or To whom it may concern,

I am writing to advise that I am the [insert relevant details of the person’s position e.g., director, CEO etc] of co-funding organisation’s name.

I can advise that co-funding organisation’s name has contributed /will contribute $insert amount in cash to insert organisation’s name for the insert project name project and I can confirm that these funds are / will be made available to organisation’s name for this purpose.

[Any other relevant details should also be included in this letter by the co-funding organisation.]

If you require any confirmation of the above mentioned, please do not hesitate to contact the under

Regards

Name

Signature Block