



COLLABORATION SERIES

Subrecipient Monitoring and Self-Assessment Guide



Intergovernmental Partnership
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CONTRIBUTORS

Intergovernmental Partnership Steering Committee Members

Corrine Eilo, Chief Financial Officer, Denali Commission

Douglas Godesky, Senior Grants Officer and Policy Advisor,
Corporation for National and Community Service

Merril Oliver, CGMS, Executive Vice President & Chief Operating
Officer, eCivis, Inc.

AGA

Ann M. Ebberts, MS, PMP, Chief Executive Officer

Maryann Malesardi, Director of Marketing and Communications

Lyndsay McKeown, Marketing and Graphics Manager

Helena Sims, Director of Intergovernmental Relations



AGA is *the* member organization for government financial management professionals. We lead and encourage change that benefits our field and all citizens. Our networking events, professional certification, publications and ongoing education help members build their skills and advance their careers.



About AGA's Intergovernmental Partnership

AGA established the Intergovernmental Partnership to open the lines of communication among all levels of government with the goal of improving performance and accountability. Top-level officials from the federal, state and local levels of government and higher education comprise the partnership, which is dedicated to identifying and solving some of the most vexing management and accountability issues facing governments today. AGA provides staff support, serving as a neutral third party in fostering cooperation and communication among different levels of government.



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INTRODUCTION

Why this guide?

AGA's Intergovernmental Partnership members developed this guide to provide a consistent approach for pass-through entities to monitor a grant subrecipient's compliance with federal administrative requirements. It is designed for use in monitoring the administration of grant dollars provided by federal awarding agencies. This guide is not intended to take the place of an audit; instead, it provides a framework for understanding where a subrecipient is at risk of non-compliance with federal administrative requirements. With the knowledge of potential risk areas, subrecipients can effectively focus their attention and provide technical assistance where it is needed most. Subrecipients may also use it as a self-assessment tool.

How to use this guide

The guide is intended for use with the Intergovernmental Partnership's Risk Assessment Tool, both of which are available on AGA's website at www.agacgfm.org/intergov.

Each user can customize the set of provided questions to meet specific needs and some sections, such as procurement, can be eliminated if the section is irrelevant to a specific entity. There is no absolute rule for interpreting the collective answers to the questions included within this guide. Users of the guide are asked to answer questions with a "YES" or "NO" response. Occasionally, "Not Applicable" (N/A) may also be an appropriate response. Throughout this guide, a "YES" response is desired, indicating the subrecipient has appropriate policies, procedures or controls in place. However, no specific number of "YES" answers indicates a subrecipient is deemed in compliance with all federal award requirements. Rather, "NO" answers help pass-through entities, or entities conducting self-assessments, determine areas in which compliance may be an issue and may require additional attention.

While this tool is designed for use by pass-through entities, it can also be instructive for federal awarding agencies in monitoring non-federal entities or non-federal entities that want to conduct a self-assessment.

AGA's Intergovernmental Partnership, which was established in conjunction with the U.S. Office of Management and Budget in 2007 to open the lines of communication among governments, developed a previous guide in 2009. This updated guide is now consistent with 2 CFR Chapter I, Chapter II, Part 200, et al. "Uniform Administrative Requirements, Cost Principles and Audit Requirements," commonly referred to as the Uniform Guidance, which is referred to as the UG throughout this document. The UG, issued by the Office of Management and Budget in December 2013, is intended to provide a

uniform framework for federal grants management. Throughout this guide the UG is used as guidance, either verbatim or paraphrased for ease of use. Most questions in this guide are based on the UG, with the relevant requirement(s) referenced. References, such as UG §200.69, point the user to sections of the UG where additional content and context can be found.

This guide may also assist to:

- determine whether federal grant purposes are being met;
- identify and remedy problems before an audit; and
- provide pass-through entities and subrecipients a better understanding of program requirements, and insight as to whether necessary policies and procedures are in place.

This guide is *not* intended to:

- establish federal monitoring requirements;
- duplicate audit functions;
- serve as an audit guide;
- be used by an auditor in performing audits; nor
- result in an opinion being rendered.

Pass-through entities are expected to use professional judgment in evaluating risk and determining the level of monitoring needed for subrecipients. Monitoring agencies should document the rationale for their level of monitoring.

Please note, not all items within this guide are applicable to all federal programs or subrecipients. Items that do not apply should be marked "Not Applicable."

In using this document, it is important to understand the following UG terms, as they define key roles in the grants management process:

§200.69 Non-federal entity.

Non-federal entity means a state, local government, Indian tribe, institution of higher education (IHE) or nonprofit organization that carries out a federal award as a recipient or subrecipient.

§200.74 Pass-through entity.

Pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

§200.92 Subaward.

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

§ 200.93 Subrecipient.

Subrecipient means a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

Prior to issuing the award, the pass-through entity should already have conducted a risk assessment of the subrecipient, we encourage using AGA's Risk Assessment Tool. Section 200.331(b) of the UG requires pass-through entities to evaluate each subrecipient's risk of noncompliance to determine appropriate subrecipient monitoring. Section 200.331(d) further requires pass-through entities to monitor subrecipient activities to ensure the subaward is used for authorized purposes, in compliance with federal statutes, regulations and the terms and conditions of the subaward. Under the same subsection, the pass-through entity must monitor the subrecipient to determine whether performance goals are achieved.

To help users assess whether subrecipients are complying with provisions of the UG in key areas, the information is divided into sections:

- Administration
- Compliance with Programmatic Requirements
- Program Budgeting and Finance
- Cross-cutting Issues.



ADMINISTRATION

A. Subrecipient's Profile

1. Name and physical address of non-federal entity:

2. Non-federal entity's program contact:

Name: _____

Email: _____

Work Phone: _____

Cell Phone: _____

3. Non-federal entity's finance contact:

Name: _____

Email: _____

Work Phone: _____

Cell Phone: _____

4. Type of organization (check one):

- ☐ College or university
- ☐ State or local government
- ☐ Hospital
- ☐ Other non-profit organization
- ☐ School district
- ☐ For-profit organization
- ☐ Other; please describe: _____

5. Approximate total organization-wide annual operating budget:

	Previous Fiscal Year	Current Fiscal Year
Federal Funds	_____	_____
Non-Federal Funds	_____	_____

6. Other information about non-federal entity: _____

B. Monitor's Profile

Name: _____

Title: _____

Organization: _____

Email: _____

Work Phone: _____

Cell Phone: _____

C. Date of Site Visit



This section addresses requirements and processes designed to maintain control and accountability over federal awards.



D. Internal Controls

In July 2017, the Council on Federal Assistance Reform, whose responsibilities have since been assumed by the Chief Financial Officers Council, issued a Frequently Asked Questions (FAQs) document on the UG. The FAQs provide clear explanation as to what non-federal entities must do with regard to internal controls and federal guidance that must be followed: “The requirement is that the non-federal entity must establish and maintain effective internal controls over federal awards that provide reasonable assurance that awards are being managed in compliance with federal statutes, regulation and the terms and conditions of the federal award.”

For best practices, the UG also refers non-federal entities to:

- *Standards for Internal Control in the Federal Government* (Green Book) issued by the Comptroller General
- “Internal Control — Integrated Framework” issued by the Committee on Sponsoring Organizations
- Appendix XI, Compliance Supplement — Part 6 Internal Control

“While non-federal entities must have effective internal control, there is no expectation or requirement that the non-federal entity document or evaluate internal controls prescriptively in accordance with these three documents, or that the non-federal entity or auditor reconcile technical differences between them. They are provided solely to alert the non-federal entity to source documents for best practices. Non-federal entities and their auditors will need to exercise judgment in determining the most appropriate and cost effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with federal program requirements.” (UG §200.303)

1. Describe the organization-wide segregation of responsibilities in context of checks and balances, and attach any controlling policies or procedures regarding segregation of responsibilities. _____

2. Are specific officials designated to approve payrolls and financial transactions at various dollar levels? ☐ YES ☐ NO

3. Do the procedures for cash receipts and disbursements include the following safeguards?

a. Receipts are promptly logged, restrictively endorsed and deposited in an insured bank account. ☐ YES ☐ NO

b. Bank statements are promptly reconciled to the accounting records, and are reconciled by someone other than the individuals handling cash, disbursements and maintaining accounting records ☐ YES ☐ NO

c. All disbursements (except petty cash or electronic funds transfer disbursements) are made by pre-numbered checks. ☐ YES ☐ NO

d. Supporting documents (e.g., purchase orders, invoices, etc.) accompany the checks submitted for signature, and are marked paid or otherwise prominently noted after payments are made. ☐ YES ☐ NO

e. Checks drawn to “cash” and advance signing of checks are prohibited. ☐ YES ☐ NO

f. Multiple signatures are required on checks. ☐ YES ☐ NO

4. Are individuals in a position of trust required to take leave and delegate their duties to others while on leave? ☐ YES ☐ NO

5. Are proposals for federal awards coordinated with and approved by the organization’s business management officials prior to submission to sponsoring agencies? ☐ YES ☐ NO

E. Accounting

The state and other non-federal entity's financial management systems must be sufficient to permit:

- preparation of reports required by general and program-specific terms and conditions; and
- tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and its terms and conditions (UG §200.302).

In monitoring financial management systems, it is important to examine whether the non-federal entities' records are documented in compliance with federal statutes, regulations and the award's terms and conditions.

1. Does the organization have written accounting policies and procedures to assure uniform practice in the following areas?

a. Procurement	☐ YES ☐ NO
b. Contract administration	☐ YES ☐ NO
c. Payroll	☐ YES ☐ NO
d. Records to justify costs of salaries and wages	☐ YES ☐ NO
e. Inventory	☐ YES ☐ NO
f. Vendor payments	☐ YES ☐ NO
g. Federal draws	☐ YES ☐ NO
h. Grants budgeting and accounting	☐ YES ☐ NO
i. Cash management	☐ YES ☐ NO
j. Audit resolution	☐ YES ☐ NO
k. Cash receipts	☐ YES ☐ NO
l. Disbursements	☐ YES ☐ NO
m. Records retention	☐ YES ☐ NO

2. Does the organization use the same policies and procedures for accounting for, and expending, federal funds as it does for its state funds? ☐ YES ☐ NO ☐ N/A

3. Are all appropriate accounting staff trained on current federal policies, procedures and instructions on accounting for, and expending, federal funds? ☐ YES ☐ NO

4. What accounting system does the non-federal entity use (e.g., QuickBooks, Visual Bookkeeper, Socrates Media, Peachtree or a custom proprietary system)?

5. Which accounting basis is by the non-federal entity (check one)?

☐ Cash basis ☐ Accrual basis ☐ Modified accrual

6. To ensure open invoices and amounts for goods and services received are properly accrued, recorded or controlled, does the non-federal entity use checklists for statement-closing procedures? ☐ YES ☐ NO

7. How are federal funds identified and tracked in the accounting system?

8. Are sources of non-federal funds identified and tracked in the accounting system? ☐ YES ☐ NO

9. Does the non-federal entity use a chart of accounts and accounting manual? ☐ YES ☐ NO

10. For each federal grant, does the accounting system provide information on the following?

a. Authorizations ☐ YES ☐ NO

b. Obligations ☐ YES ☐ NO

c. Funds received ☐ YES ☐ NO

d. Program income ☐ YES ☐ NO

e. Subawards ☐ YES ☐ NO

f. Outlays ☐ YES ☐ NO

g. Unobligated balances ☐ YES ☐ NO

11. Are obligations recorded by:

a. Funding source ☐ YES ☐ NO

b. Object code ☐ YES ☐ NO

12. Does to accounting system allow for the liquidation of prior-year obligations? ☐ YES ☐ NO

If NO, what is the subrecipient's policy for the liquidation of prior-year obligations?

13. Are accounting records supported by source documentation (e.g., canceled checks, paid bills, payrolls, contract and subaward documents, etc.)? ☐ YES ☐ NO

14. Are payment vouchers identified by:

a. Grant number ☐ YES ☐ NO

b. Expense classification ☐ YES ☐ NO

c. Funding source ☐ YES ☐ NO

d. Transaction date ☐ YES ☐ NO

15. Are purchasing and payment functions separate? ☐ YES ☐ NO

16. Do accounting staff review the following items prior to entry into the system:

a. Authorizations	☐ YES ☐ NO
b. Purchase orders	☐ YES ☐ NO
c. Payments	☐ YES ☐ NO

17. Are there controls to preclude:

a. Over-obligation	☐ YES ☐ NO
b. Under- or overstatement of unliquidated obligations	☐ YES ☐ NO
c. Duplicate payments	☐ YES ☐ NO
d. Inappropriate charges to grants	☐ YES ☐ NO

18. Are all reports prepared on the same basis as the accounting system?

☐ YES ☐ NO

F. Program Income

Does the non-federal entity have effective control over, and accountability for, all funds, property and other assets? The non-federal entity must adequately safeguard all assets and assure they are used solely for authorized purposes (UG §200.302).

1. Is program income deposited daily? ☐ YES ☐ NO

If NO, how often is it deposited?

2. Does the non-federal entity have policies and procedures to ensure that the time elapsing between the transfer of funds and the disbursement of those funds is minimized? ☐ YES ☐ NO

3. Is the cash receipts function performed by someone other than the person who is responsible for signing checks, reconciling bank accounts or maintaining noncash accounting records? ☐ YES ☐ NO

4. Are bank statements reviewed and reconciled by someone other than the person who disburses funds from the account? ☐ YES ☐ NO

5. Are bank statements reconciled at least monthly? ☐ YES ☐ NO

6. Are paid checks examined for date, name cancellation and endorsements at the time the reconciliation is prepared? ☐ YES ☐ NO

7. Are vouchers or supporting documents identified by grant, number, date and expense classification? ☐ YES ☐ NO

8. Are checks submitted for signature accompanied by supporting documents? ☐ YES ☐ NO

9. Are supporting documents canceled to prevent reuse? ☐ YES ☐ NO

10. Are invoices or vouchers approved in advance by authorized officials? ☐ YES ☐ NO

11. Are voided checks properly canceled and retained for future examination? ☐ YES ☐ NO

12. Are blank checks secured? ☐ YES ☐ NO

13. Is the practice of drawing cash payable to “cash” or “bearer” prohibited? ☐ YES ☐ NO

14. Are procedures in place to prevent checks from being issued on verbal authority? ☐ YES ☐ NO

15. Are blank checks and credit cards secured in a locked drawer or cabinet? ☐ YES ☐ NO

16. For credit cards:

a. Does the bank provide the subrecipient with a list of credit-card users? ☐ YES ☐ NO

b. Are the balances of credit cards capped? ☐ YES ☐ NO

c. Were all credit cards used for business purchases? ☐ YES ☐ NO

If NO, have reimbursements been made? ☐ YES ☐ NO

17. Are employees prohibited from having custody of any unrecorded cash or negotiable instruments of the non-federal entity? ☐ YES ☐ NO

G. Audit Requirements

A non-federal entity that expends (as opposed to receives) \$750,000 or more in federal awards during the non-federal entity’s fiscal year must have a single or program-specific audit conducted for that year (UG §200.501). The auditee must:

- procure or otherwise arrange for the audit required (UG §200.509) and ensure that it is properly performed and submitted when due (UG §200.512);
- prepare appropriate financial statements, including the schedule of expenditures of federal awards (UG §200.510);
- promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan (UG §200.511);
- provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit (UG §200.508).

1. Was the subrecipient required to obtain a single audit for its most recently completed fiscal year? ☐ YES ☐ NO

If YES,

a. Did the subrecipient obtain the required audit? ☐ YES ☐ NO

b. Did the reviewer obtain the subrecipients’ audit? ☐ YES ☐ NO

2. Were audit reports free of findings? ☐ YES ☐ NO

3. Has the subrecipient assigned any individual or office the responsibility for resolving audit findings and questioned costs? ☐ YES ☐ NO

If YES, who or what office?

4. Did the subrecipient submit a timely response to the audit, including a plan for correcting any conditions reported in sustained findings? ☐ YES ☐ NO

5. Were audit reports free of questioned costs? ☐ YES ☐ NO

If NO,

a. Were any questioned costs allowed? ☐ YES ☐ NO

b. For questioned costs not allowed, did the subrecipient remit payment within the negotiated time? ☐ YES ☐ NO

6. Was a corrective action plan required? ☐ YES ☐ NO

If YES,

a. Did the subrecipient's plan call for submission of progress reports? ☐ YES ☐ NO

If YES, did the subrecipient submit them as required? ☐ YES ☐ NO

b. Does the subrecipient maintain records detailing the implementation of its corrective action plan? ☐ YES ☐ NO

If NO, why not?

c. Do the subrecipient's records and/or observable evidence support its claims to have implemented its corrective action plan? ☐ YES ☐ NO

If NO, why not?

7. Have additional on-site reviews or audits other than single audits been conducted on the subrecipient? ☐ YES ☐ NO

If YES, did these inspections disclose the continued presence of deficiencies the subrecipient had reported corrected? ☐ YES ☐ NO

H. Record Retention and Access

Financial records, supporting documents, statistical records and all other non-federal entity records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report. Alternatively, for federal awards renewed quarterly or annually, they must be retained from the date of the submission of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-federal entities (UG§ 200.333).

The federal awarding agency, inspectors general, the comptroller general of the United States, and the pass-through entity (or any authorized representatives) must have the right of access to any documents, papers or other records of the non-federal entity pertinent to the federal award for audits, examinations, excerpts and transcripts. This right also includes timely and reasonable access to the non-federal entity's personnel for discussion related to such documents (UG§ 200.336).

1. Identify the types of organization-level policies and procedures governing the retention of records:

- ☐ Fiscal record retention
- ☐ Programmatic record retention policy
- ☐ A single policy for the retention of all record types

2. Do subrecipient's policies meet federal retention requirements for:

- a. general retention requirements (three years from the final expenditure report, the quarterly or annual financial report or other action, whichever is later)? ☐ YES ☐ NO
- b. real property and equipment (three years after final disposition)? ☐ YES ☐ NO

3. Has the subrecipient retained all records related to litigation, claims or audits started before the expiration of the three-year period until all litigation, claims or audit findings have been resolved and final action taken? (UG §200.333) ☐ YES ☐ NO

COMPLIANCE AND PROGRAMMATIC REQUIREMENTS

Pass-through entities should assess a subrecipient's compliance with programmatic requirements and monitor those requirements posing the greatest risk for non-compliance. A specific reference to the UG is identified as a way of providing a context for conducting compliance and monitoring activities.

1. Is the organization's management aware of the regulations and policies governing the award (e.g., the UG, program regulations, manuals, etc.)? (UG §200.300) ☐ YES ☐ NO
2. Does the organization have procedures to monitor the performance of federally supported projects to determine whether adequate progress is being made in meeting the project objectives? (UG §200.301) ☐ YES ☐ NO

PROGRAM BUDGETING AND FINANCE

This section addresses program budgeting and finance, including matching requirements and the treatment of program income.

A. Budget Formation and Administration

1. Does the subrecipient have an operating budget for each of its grants? (UG §200.302) ☐ YES ☐ NO
2. Who are the key people responsible for developing and reviewing the budget(s) for the subrecipient?
Names and titles:

3. Do the budgetary estimates of revenues and expenditures consider trends established in recently completed budget periods and general economic conditions? ☐ YES ☐ NO
4. Does the organization have fiscal controls that result in (UG §200.303):
 - a. control of expenditures within the approved operating budget? ☐ YES ☐ NO
 - b. management review and approval prior to issuing budget amendments or incurring obligations or expenditures that deviate from the operating budget? ☐ YES ☐ NO
5. Is there timely, periodic financial reporting to management that permits (UG §200.308):
 - a. comparison of actual expenditures with the budget for the same period? ☐ YES ☐ NO
 - b. comparison of revenue estimates with actual revenue (including program income, if applicable) for the same period? ☐ YES ☐ NO

6. Is the responsibility for maintaining budget control established at all appropriate levels? ☐ YES ☐ NO

7. What steps would be taken if projected revenues were insufficient to cover actual expenditures?

8. Are line item costs for the subaward consistent with the budget approved by its awarding agency? ☐ YES ☐ NO ☐ N/A

9. Does the subaward have an established policy/threshold related to moving expenditures between cost categories? ☐ YES ☐ NO

If YES, did the subrecipient stay within the threshold for each cost category? ☐ YES ☐ NO

10. Were there expenditures recorded in cost categories not approved by the program office? ☐ YES ☐ NO

11. Additional comments for this section:

B. Matching

(UG §200.306)

BREAKDOWN OF NON-FEDERAL MATCH FROM OTHER SOURCES FY 20____

1. Does the subrecipient have a subaward that requires matching funds?

If NO, skip to Section C. Program Income.

If YES, please list all non-federal sources of funds and the amount received:

a. Political subdivisions	\$ _____
b. Transfers from other entities	\$ _____
c. Non-federal cooperative agreements (certified expenditures)	\$ _____
d. Establishment projects	\$ _____
e. Construction projects	\$ _____
f. Gifts and bequeaths	\$ _____
g. Additional sources (e.g., set-aside)	\$ _____
h. Third party in-kind	\$ _____
Total non-federal revenue funds (a-h)	\$ _____

Additional comments for this section:

C. Program Income

Non-federal entities are encouraged to earn income to defray program costs, where appropriate. (UG §200.307)

1. Does the subrecipient receive program income as the result of activities of federal programs? ☐ YES ☐ NO

If NO, do not respond to this section; skip to CROSS-CUTTING ISSUES.

If YES, identify the programs and activities that generate program income.

2. Does appropriate staff know how program income should be reported when using the deduction and addition alternatives? ☐ YES ☐ NO

3. Does the subrecipient have written policies and procedures on the receipt and obligation/expenditure of program income? ☐ YES ☐ NO

4. Is an individual assigned the responsibility for the receipt of program income funds? ☐ YES ☐ NO

5. Is an individual assigned the responsibility for the obligation of program income funds? ☐ YES ☐ NO

6. Are the individuals listed in response to questions No. 4 and 5 different people? ☐ YES ☐ NO ☐ N/A

7. Do the subrecipient's policies and procedures assure that program income is obligated properly? ☐ YES ☐ NO

8. For the fiscal year(s) under review, provide the dollar amounts for each source of program income.

SOURCE OF INCOME	DOLLAR AMOUNT

9. Were there any costs incidental to the generation of program income? ☐ YES ☐ NO

If YES, were costs deducted from gross income to determine net program income? ☐ YES ☐ NO

10. Was any interest earned on any program income received? ☐ YES ☐ NO

If YES, was that interest added to the program income account that gave rise to that interest income? ☐ YES ☐ NO

11. Does the subrecipient have procedures to identify and record program income to the correct accounts? ☐ YES ☐ NO

12. Was the program income used in accordance with an authorized use? ☐ YES ☐ NO

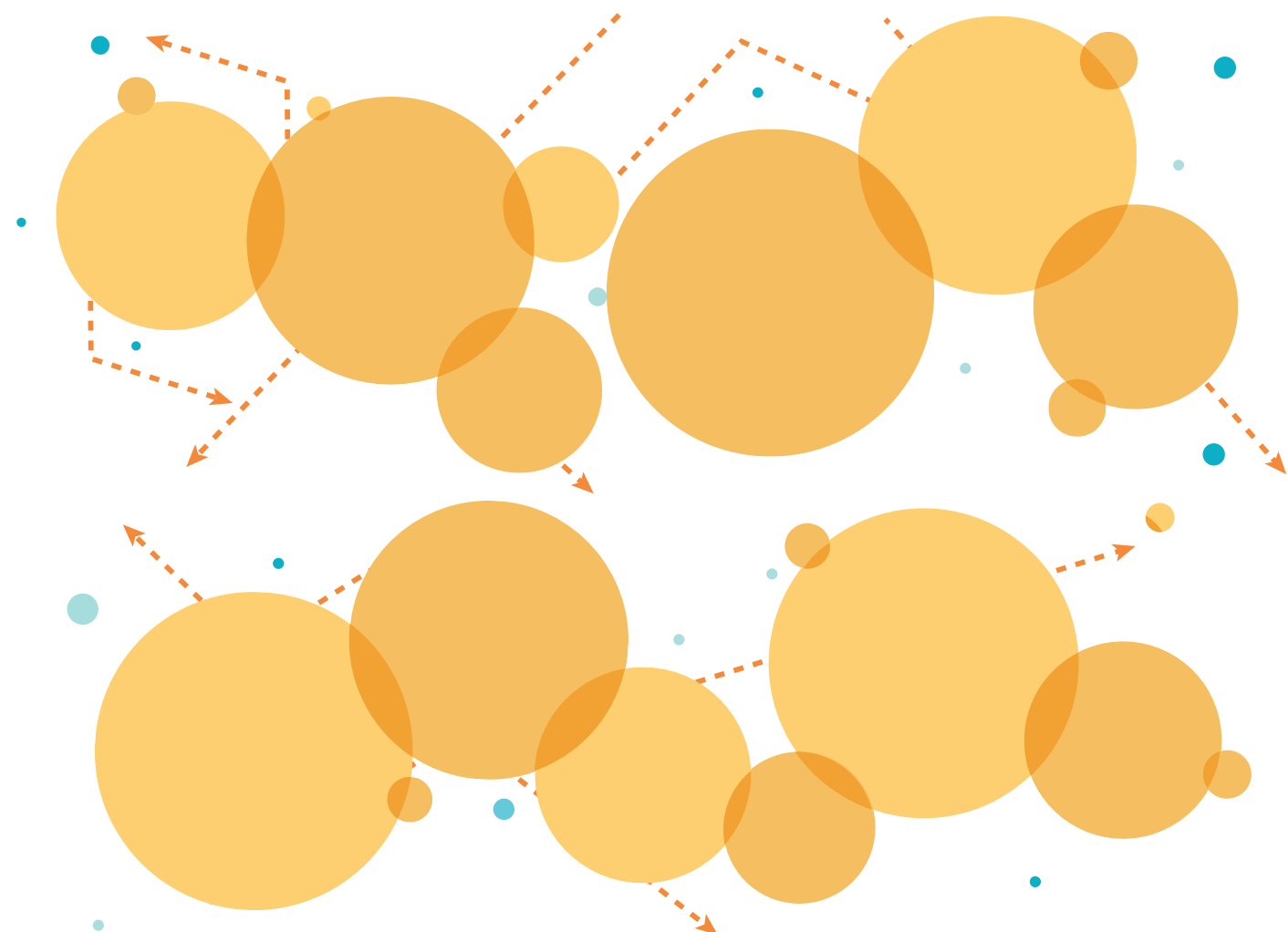
13. Was program income reported on the financial status reports and Schedule of Expenditure of Federal Awards, or any successor form, for the fiscal year(s) under review?

☐ YES ☐ NO

14. If any program income counted toward satisfying the non-federal share requirement for the fiscal year(s) under review, was there prior authorization by the pass-through entity?

☐ YES ☐ NO

15. Additional comments for this section:



CROSS-CUTTING ISSUES

Subpart E - Cost Principles

A. Documentation of Personnel Expenses

(UG §200.430, 431)

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed.

If the answers to questions in this section are YES, it is likely the subrecipient has provided sufficient support or documentation for the work performed; unless the work is performed by nonexempt employees, in which case, the records must indicate the number of hours worked each day. Where a subrecipient's records do not meet the standards contained in this section, the federal government may require personnel activity reports, including prescribed certifications, or equivalent documentation that support the records.

1. Are there written policies and procedures for the documentation of personnel compensation? ☐ YES ☐ NO

2. Are the subrecipient's records: :

a. supported by a system of internal control that provides reasonable assurance the charges are accurate, allowable and properly allocated? ☐ YES ☐ NO

b. incorporated into the subrecipient's official records? ☐ YES ☐ NO

c. reasonably reflective of the total activity for which the employee is compensated? ☐ YES ☐ NO

d. encompassing of both federally assisted and all other activities compensated by the subrecipient on an integrated basis? (Note: Subsidiary records may be used in accordance with the subrecipient's written policies.) ☐ YES ☐ NO

e. in compliance with established accounting policies and practices of the subrecipient? ☐ YES ☐ NO

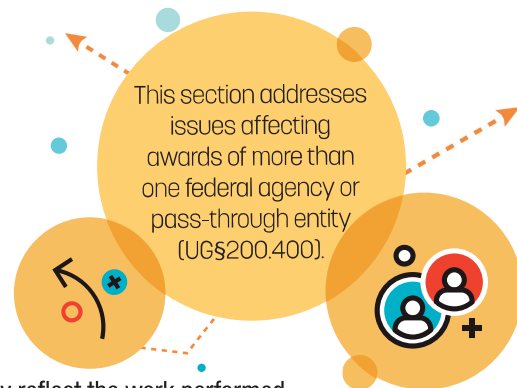
f. supportive of the distribution of the employee's salary or wages among specific activities or cost objectives? (Note: This distribution applies whether the employee works on more than one federal award; a federal award and a non-federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.) ☐ YES ☐ NO

3. If budget estimates are used to support personnel expense charges to federal awards, are they used for accrual purposes only? ☐ YES ☐ NO

If YES

a. Does the subrecipient's system for establishing estimates produce reasonable approximations of the activity performed? ☐ YES ☐ NO

b. Are significant changes in the corresponding work activity identified and entered into the records in a timely manner? (Note: Fluctuations of one or two months need not be considered, if the distribution of salaries and wages over the long term is reasonable.) ☐ YES ☐ NO



c. Does the subrecipient's system of internal controls include processes to review after-the-fact interim changes made to a federal award that was based on budget estimates? (Note: All necessary adjustments must be made so that the amounts charged to the federal award reasonably reflect actual effort expended on the award.) ☐ YES ☐ NO

4. If an activity does not constitute a full workload, do records reflect categories of activities expressed as a percentage distribution of total activities? (Note: Because practices vary, records may reflect categories of activities expressed as a percentage of the total, particularly for institutions of higher education. Further, a precise assessment of factors, such as teaching, research, service and administration, may not be possible, nor is it expected, when recording wages charged to federal awards for these institutions.) ☐ YES ☐ NO

5. Are salaries and wages of employees used in meeting cost-sharing or matching requirements on federal awards supported in the same manner as those claimed for reimbursement? ☐ YES ☐ NO

6. If the subrecipient uses a substitute system for allocating salaries and wages to federal awards, was the substitute system approved by the federal cognizant agency for indirect costs? ☐ YES ☐ NO

7. For multiple federal awards of similar purpose or in instances of approved blended funding, does the subrecipient account for the awards' combined use through performance-oriented metrics contained in a performance plan? (UG §200.328) ☐ YES ☐ NO

If YES:

a. Was the performance plan approved in advance by the federal awarding agencies? ☐ YES ☐ NO

b. Did the subrecipient receive the necessary waivers from applicable requirements from the involved federal awarding agencies? ☐ YES ☐ NO

8. Does the subrecipient have written policies to identify employee(s) with professional activities outside of its own employment of the employee(s)? (UG §200.430(c)) ☐ YES ☐ NO

9. Does the subrecipient have written policies for incentive compensation (UG §200.430(f))? ☐ YES ☐ NO

B. Procurement

For use in monitoring all subrecipients.

1. Has the non-federal entity requested or received a review of its procurement systems by the federal awarding agency or pass-through entity? ☐ YES ☐ NO

If YES, has the result of a review been issued? ☐ YES ☐ NO ☐ Pending

If NO or pending, has the non-federal entity issued a self-certification of its procurement systems in compliance with the UG procurement rules? ☐ YES ☐ NO

All non-state subrecipients should proceed to questions No. 2 through 5. (UG §200.318).

All state government entity subrecipients, proceed to question No. 6. (UG §200.317).

For use in monitoring non-state subrecipients (local government, Indian tribe, institution of higher education or nonprofit organization).

2. Does the non-state subrecipient have policies and procedures in place for the procurement of goods and services that ensure full and open competition by:

a.	excluding from competition individuals and firms that developed the specifications, requirements or statements of work to be offered?	☐ YES	☐ NO
b.	avoiding unreasonable requirements to qualify to do business?	☐ YES	☐ NO
c.	avoiding requiring unnecessary experience?	☐ YES	☐ NO
d.	avoiding requiring excessive bonding?	☐ YES	☐ NO
e.	prohibiting name-brand-only requirements?	☐ YES	☐ NO
f.	prohibiting the use of statutory- or administrative-based geographical preferences except where federal rules permit or encourage?	☐ YES	☐ NO

3. When reviewing procurement methods:

a.	Do the policies define different procurement methods?	☐ YES	☐ NO
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If YES, list the procurement methods used by the organization and the associated dollar range, if any:

PROCUREMENT METHOD TYPE	DOLLAR RANGE, IF ANY

b.	Do the organization's procurement methods align with the types and dollar ranges specified in the UG, including prohibited types? See Figure 1.	☐ YES	☐ NO
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If NO, describe non-alignment:

FIGURE 1: FEDERAL UG RECIPIENT PROCUREMENT STANDARDS

Procurement Method	Dollar Range, if Any	Minimum Standard
Micro-purchase	<+\$3,500	May be awarded without soliciting competitive quotations, if the non-federal entity considers the price to be reasonable
Small Purchase Procedures	<+ to the current simplified acquisition threshold (FAR 2.101) of \$150,000	Price or rate quotations must be obtained from an adequate number of qualified sources
Sealed Bids (Formal Advertising)	None Specified	The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price
Competitive Proposals	None Specified	Generally used when conditions are not appropriate for the use of sealed bids
Non-competitive	None Specified	May be used only when one or more of the following circumstances apply — only a single source; emergency; written request and written federal approval; determination of inadequate competition (sources).
Cost Plus Percentage of Cost	N/A	Not permitted
Percentage of Construction Cost	N/A	Not permitted

4. Does the organization:

- a. prohibit procurement from proceeding under conditions that do not comply with its procurement system's policies? ☐ YES ☐ NO

If NO, please describe the circumstances under which a procurement may proceed, including identifying any required approvals.

- b. require a cost or price analysis for every procurement action in excess of the simplified acquisition threshold? ☐ YES ☐ NO

If YES, does the required analysis include having established independent estimates before receiving offers and bids? ☐ YES ☐ NO

- c. require an attempt to obtain the most economical purchase, including purchase versus lease comparison? ☐ YES ☐ NO

- d. require purchases to include a description of: ☐ YES ☐ NO

i. services to be performed or goods to be delivered? ☐ YES ☐ NO

ii. dates when services will be performed or goods delivered?	☐ YES ☐ NO
iii. locations where services will be performed or goods will be delivered?	☐ YES ☐ NO
e. require bonding under all construction and facility improvement contracts and sub-contracts over the simplified acquisition threshold?	☐ YES ☐ NO
If YES, has the federal awarding agency or pass-through entity accepted the bonding policies of this subrecipient?	☐ YES ☐ NO
If NO, does the subrecipient's bonding policies require a minimum of (a) bid guarantees from each bidder equal to 5 percent of the bid price; (b) a performance bond for 100 percent of the contract price; and (c) a payment bond for 100 percent of the contract price?	☐ YES ☐ NO
f. specify steps required to assure minority businesses, women's business enterprises and labor surplus area firms are used, when possible?	☐ YES ☐ NO
g. require profit be negotiated as a separate element of price for any contract in which there is no price competition being required and when a cost analysis is performed?	☐ YES ☐ NO
If YES, do the policies take into consideration the complexity of the work, risk borne by the contractor, contractor's investment, subcontracting required, quality of past performance and industry profit rates for similar work in the surrounding geographical area?	☐ YES ☐ NO
h. limit time and materials type contracts to circumstances when no other contract type is suitable?	☐ YES ☐ NO
i. require any time and materials contract to include a ceiling price that the vendor exceeds at its own risk?	☐ YES ☐ NO
j. include the following internal controls in the subrecipient's procurement system:	☐ YES ☐ NO
i. compliance with the organization's procurement policies and procedures is regularly assessed and documented?	☐ YES ☐ NO
ii. policies or internal controls specify an evaluation process to ensure that awards are only given to responsible contractors?	☐ YES ☐ NO
iii. oversight activities are conducted to ensure contractors perform in accordance with the terms, conditions, and specifications within the relevant contracts or purchase orders?	☐ YES ☐ NO
iv. specific oversight is conducted to guard against fraud, waste and abuse?	☐ YES ☐ NO
v. a review of the excluded parties list system or equivalent review is performed to ensure suspended or debarred entities are excluded from being awarded a contract?	☐ YES ☐ NO
vi. a separation of responsibility exists between authorization to purchase and the subsequent authorization to pay?	☐ YES ☐ NO
vii. verification that contractors are performing in accordance with the terms, conditions and specifications of the contract?	☐ YES ☐ NO
viii. payments are based on written invoices that include a description of:	
a. services performed or goods delivered?	☐ YES ☐ NO

b. dates services were performed or goods delivered?	☐ YES ☐ NO
c. the location services were performed or goods delivered?	☐ YES ☐ NO
ix. procedures are in place to avoid unnecessary purchases (e.g., duplicate, oversupply, obsolete, etc.)?	☐ YES ☐ NO
k. procurement records fully detail the history of each procurement, at minimum the rationale for the method of procurement, selection of contract type, contractor selections and rejections, and the basis for accepting the price?	☐ YES ☐ NO
l. limits are set on the dollar amount of a procurement of supplies and equipment for which an official may be solely responsible?	☐ YES ☐ NO
m. a written code of conduct for the organization's employees involved in procurements exists?	☐ YES ☐ NO
If YES, does the code of conduct address conflicts of interest?	☐ YES ☐ NO
5. Does the non-state or state subrecipient include the following provisions on all federally funded contracts?	☐ YES ☐ NO
a. Contracts exceeding the simplified acquisition threshold must address administrative, contractual or legal remedies in instances where contractors violate or breach contract terms, and provide for appropriate sanctions and penalties.	☐ YES ☐ NO
b. Contracts greater than \$10,000 must address termination for cause and for convenience by the non-federal entity, including how it will be effected and the basis for settlement.	☐ YES ☐ NO
c. Except as otherwise provided under 41 CFR Part 60, all contracts meeting the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246 — Equal Employment Opportunity.	☐ YES ☐ NO
d. When required by federal legislation, all prime construction contracts greater than \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act, as amended (40 U.S.C. 3141-3148).	☐ YES ☐ NO
e. Where applicable, all contracts — awarded by a non-federal entity — greater than \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by U.S. Department of Labor regulations (29 CFR Part 5), Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).	☐ YES ☐ NO
f. If the federal award meets the definition of "funding agreement" under 37 CFR §401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small-business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental or research, the recipient or subrecipient must comply with the requirements of 37 CFR Part 401 and any implementing regulations issued by the awarding agency, Rights to Inventions Made Under a Contract or Agreement.	☐ YES ☐ NO
g. Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-federal award agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).	☐ YES ☐ NO

h. Mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan, are issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201). ☐ YES ☐ NO

i. With Debarment and Suspension (Executive Orders 12549 and 12689), a contract or sub-contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide Excluded Parties List System in the System for Award Management. ☐ YES ☐ NO

j. With Byrd Anti-Lobbying Amendment (31 U.S.C. 1352), contractors that apply or bid for an award of \$100,000 or more must file the required certification. ☐ YES ☐ NO

k. Recipients and subrecipients must comply with reporting requirements contained within the relevant federal authorizing statute, regulations and guidance. ☐ YES ☐ NO

l. Federal agencies or the comptroller general of the United States must have access to records of the contractor, as provided for in 31 U.S.C. 716. ☐ YES ☐ NO

m. Retention of records for three years after grant expiration and submission of grantee's final reports (UG 200.517a). ☐ YES ☐ NO

n. Policies must require the previous items (question No. 5, a - m) be included in procurements, when appropriate. ☐ YES ☐ NO

Additional comments:

For use in monitoring state subrecipients only:

6. Does the state have policies requiring compliance with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation Act, that:

a. direct the procurement of only items designated by the U.S. Environmental Protection Agency at 40 CFR Part 247, that contain the highest percentage of recovered materials practical (recycled content), whenever the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the prior state fiscal year exceeded \$10,000; ☐ YES ☐ NO

b. require procuring solid waste management services that maximize energy and resource recovery; and ☐ YES ☐ NO

c. require the use of an affirmative procurement program for the purchase of recovered materials (recycled content) identified in the EPA guidelines. ☐ YES ☐ NO

C. Indirect Costs

(UG §200.56; 57; 306(a); 331(1)(xiii); 414(f))

1. For the fiscal year(s) being monitored, does the subrecipient have an approved, current:

a. negotiated indirect cost rate agreement? ☐ YES ☐ NO

b. cost allocation plan? ☐ YES ☐ NO

If YES to either question No. 1a. or 1b., which federal or state agency approved the rate or plan?

2. Were indirect costs claimed during the fiscal year(s) in accordance with the approved indirect cost rate agreement or plan for the:

a. unrestricted program? ☐ YES ☐ NO

b. restricted program? ☐ YES ☐ NO

c. other; please specify: ☐ YES ☐ NO

3. Were provisional indirect cost rates used for charging awards? ☐ YES ☐ NO

If YES, were expenditure adjustments made once final rates were determined? ☐ YES ☐ NO

4. Does the subrecipient use the di minimus rate? ☐ YES ☐ NO

D. Property Management

UG §200.310-316

1. Does the organization have written policies and procedures covering the use, management (including insurance coverage) and disposition of property acquired under federal programs? ☐ YES ☐ NO

If NO, why not?

2. Do the organization's policies and procedures distinguish the following classes of property?

a. Real property (land and buildings) ☐ YES ☐ NO

b. Personal property:

i. Equipment tangible personal property with a unit acquisition cost of \$5,000 (or a lesser amount set by the organization) and a useful life of one year (or longer set by the organization). (Ref. 200.33) ☐ YES ☐ NO

ii. Valued, Non-Capitalized Property (VNCP) (tangible personal property that does not rise to the level of equipment but which is nevertheless vulnerable to theft (laptops, personal computing devices, cell phones, etc.). ☐ YES ☐ NO



iii. Supplies (tangible personal property that is neither equipment nor VNCP, and which is consumed and with an aggregate value of \$5000 or less). (Ref. 200.94) ☐ YES ☐ NO

c. Intangible property (copyrightable payroll programs, training materials, etc.). (Ref. 200.315) ☐ YES ☐ NO

3. Regarding property records, do the organization's policies and procedures require equipment records include:

a. description of the equipment? ☐ YES ☐ NO

b. serial number or other identification number? ☐ YES ☐ NO

c. source? ☐ YES ☐ NO

d. who holds title? (If not the organization, why not?) ☐ YES ☐ NO

e. acquisition date? ☐ YES ☐ NO

f. cost of equipment? ☐ YES ☐ NO

g. percentage of federal participation in cost? ☐ YES ☐ NO

h. location? ☐ YES ☐ NO

i. use? ☐ YES ☐ NO

j. condition of equipment? ☐ YES ☐ NO

k. disposition data (date of disposition, sale price of equipment, etc.) ☐ YES ☐ NO

l. What records does the organization maintain on VNCP?

m. What records does the organization maintain on supplies?

4. Control over and accountability for property:

a. Equipment

i. Does the organization require a physical inventory, or equipment and reconciliation of the inventory results with equipment records, at least every two years? ☐ YES ☐ NO

If YES, when was the last inventory completed?

If NO, why not?

ii. Does the organization maintain a system of internal controls that provides reasonable assurance against loss, theft, damage or unauthorized use of equipment? ☐ YES ☐ NO

iii. Does the organization investigate loss, theft, damage, etc.? ☐ YES ☐ NO

b. Other personal property

i. What policies and procedures does the organization employ to obtain reasonable assurance against the risk of loss, theft, etc. to VNCP?

ii. Does the organization maintain a perpetual inventory system for supplies? ☐ YES ☐ NO

If NO, how is the issuance and use of supplies controlled?

c. Maintenance of property: Do the organization's policies and procedures provide for keeping equipment in good condition? ☐ YES ☐ NO

d. Regarding disposition of property, do the organization's policies and procedures address:

i. disposition of property when no longer needed for any federally assisted activities? ☐ YES ☐ NO

ii. sales procedures for ensuring the highest possible return? ☐ YES ☐ NO

iii. compensation to the awarding agency for its share of the disposed property? ☐ YES ☐ NO

iv. equipment with a per-unit fair market value of \$5,000 or more? ☐ YES ☐ NO

v. residual inventory of unused supplies with an aggregate fair market value of \$5000 or more? ☐ YES ☐ NO

KEY RESOURCES ON UNIFORM GUIDANCE IMPLEMENTATION AND GRANTS MANAGEMENT

The “Uniform Guidance”—2 CFR 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
<https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

Information Provided by the CFO Council—including webinars, crosswalks/text comparisons to previous guidance, exceptions granted, training and Frequently Asked Questions about the UG
<https://cfo.gov/grants/>

Federal Awarding Agency Regulatory Implementation of the “Uniform Guidance,” December 19, 2014—joint interim final rule implementing the “Uniform Guidance” for all federal award-making agencies
<https://www.gpo.gov/fdsys/pkg/FR-2014-12-19/pdf/2014-28697.pdf>

GAO’s Standards for Internal Control in the Federal Government, known as the “Green Book,” sets the standards for an internal control system for federal agencies
<http://www.gao.gov/greenbook/overview>

AGA’s intergov site—Tools to help government financial managers do their jobs better, including tools for fraud prevention, internal controls, cooperative audit resolution and more
<https://www.agacgfm.org/intergov/home.aspx>

Single Audit Data Collection Form, Federal Audit Clearing House—Form SF-SAC Worksheet & Single Audit Component Checklist
https://harvester.census.gov/facides/Files/2015_2018%20Checklist%20Instructions%20and%20Form.pdf

The AICPA’s Government Quality Audit Center—promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services, including tips for performing Single Audits under the UG
<http://www.aicpa.org/InterestAreas/GovernmentalAuditQuality/Pages/default.aspx>

National Association of State Auditors Comptrollers and Treasurers—webinars
<http://www.nasact.org/>

Thompson’s Grants Compliance Expert Suite—explains federal grants and related guidance
<http://grants.thompson.com/Grants-Expert-Complete-Suite>

National Grants Management Association—live webinars on grants management
<http://ngma.org/training/live-webinars/>

