**PRE-AWARD RISK ASSESSMENT CHECKLIST**

Section 2 CFR 200.415 requires prospective subrecipients to certify to pass-through entities that financial information submitted to the pass-through entity is complete and accurate. The following is a checklist to be completed and signed by the applicant prior to being issued a subaward.

All documents and reports should be signed by someone who has authority to legally bind the applicant.

|  |
| --- |
| *A subrecipient is a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a federal award. The pass-through entity is responsible for ensuring the subrecipient's compliance with regulations. The pass-through entity must assess risk and monitor subrecipient accordingly.* |
| Applicant Name: |

|  |
| --- |
| **GENERAL INFORMATION** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Has the applicant received a federal award or subaward to conduct programs similar to those in this subaward in the last two (2) fiscal years? *If yes, provide a list with dates of all such awards, Agency awarding funds, Grant Numbers or Contract Numbers.*
 |  |  |  |  |
| 1. Does the applicant have an information technology system in place which will adequately prevent fraud and waste?
 |  |  |  |  |
| 1. Has an annual independent audit been completed for last fiscal year?
 |  |  |  |  |
| 1. Was applicant required to comply with the Single Audit requirements of the Uniform Guidance in the last two (2) fiscal years? *(Subrecipient spends $1,000,000 or more in federal funds in a fiscal year).*
 |  |  |  |  |
| 1. If the answers to either of the previous two questions is yes, were there any findings or questioned costs in the last two (2) fiscal years? E*xplain or provide documentation.*
 |  |  |  |  |
| 1. Has appropriate and timely action to remedies been taken to address any prior findings?
 |  |  |  |  |
| 1. Does applicant have an existing negotiated indirect cost agreement with a federal agency? *If yes, please include a copy of the agreement with the application.*
 |  |  |  |  |
| 1. Is applicant currently claiming de minimis rate for indirect costs?
 |  |  |  |  |
|  |  |  |  |  |
| **BOARD OF DIRECTORS** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Does applicant have a board of directors? *If no box checked, move to next section.*
 |  |  |  |  |
| 1. Does board meet routinely and maintain minutes of their meetings? *Please provide details in the Explanation/Comment column.*
 |  |  |  |  |
| 1. Does the applicant do business with any board members or board member’s relatives?
 |  |  |  |  |
| 1. Are there employees that are voting board members?
 |  |  |  |  |
| 1. Is there a board sub-committee on finance?
 |  |  |  |  |
| 1. When is board approval required for expenditures of the applicant? *Please provide details in the Explanation/Comment column.*
 |  |  |  |  |
| 1. Has a delegated authority for purchasing been set by the board? *If yes, please provide details in the Explanation/Comment column.*
 |  |  |  |  |
| 1. Does the board provide management and staff oversight regarding integrity and ethical values?

*If yes, please describe the type of oversight in the Explanation/Comment column.* |  |  |  |  |
| 1. Has the board adopted formal codes of conduct for the applicant?
 |  |  |  |  |
| 1. Are penalties or disciplinary actions imposed for violation of the formal codes of conduct?
 |  |  |  |  |
| 1. Are mechanisms in place to encourage employees to report suspected violations of the codes of conduct?

*If yes, please describe the mechanisms in the Explanation/Comment column.* |  |  |  |  |
| 1. Are policies and procedures approved by the board, reviewed annually, and revised as needed? *Please note the last date of approval in the Explanation/Comment column.*
 |  |  |  |  |
| **FINANCIAL POLICIES AND PROCEDURES** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Are Policy and procedures that written to successfully administer Federal grant programs, including, but not limited to:
* Pay Rates and Benefits
* Travel
* Leave
* Purchasing/Procurement
* Inventory Control
 |  |  |  |  |
| 1. Is there a Written Conflict of Interest policy for all employees? *Is it reviewed annually with employees?*
 |  |  |  |  |
| 1. Are sufficient internal controls in place to protect against waste, fraud and abuse of federal funds (segregation of duties, etc.)?
 |  |  |  |  |
| 1. Is the same policy and procedures for accounting and spending federal funds also used for other funds?
 |  |  |  |  |
| 1. Are all accounts reconciled based on established processes and documented procedures?
 |  |  |  |  |
| 1. Does the applicant have written accounting policies and procedures?
 |  |  |  |  |
| 1. Are there formal written policies covering approval authority for financial transactions, such as purchasing or travel?
 |  |  |  |  |
| 1. Does applicant have a cost allocation plan for indirect costs and/or cost allocation methodology for distributing shared costs?
 |  |  |  |  |
| 1. Does the applicant have an ethics statement and employee training that include policies and procedures addressing dishonest or unethical behavior, including an anti-fraud program? *Policies that define and describe: (a) unethical conduct, (b) states how unethical acts will be addressed, (c) provides information on reporting unethical conduct, (d) identifies correction action for engaging in unethical conduct. and (e) signed acknowledgement from employees stating they have received the training and understand the policies.*
 |  |  |  |  |
| **FINANCIAL POLICIES AND PROCEDURES** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Does senior management exhibit and encourage ethical behavior?
 |  |  |  |  |
| 1. Does the applicant provide employees, vendors, and customers with a confidential system for reporting suspected violations of the ethics and anti-fraud policies?
 |  |  |  |  |
| 1. Has the applicant implemented an ongoing process for regular identification of the significant fraud risks to which it is exposed?
 |  |  |  |  |
| 1. Are procedures and/or systems used to identify the processes, controls, and other procedures needed to mitigate fraud risk? *If yes, please provide a description in the Explanation/Comment column*.
 |  |  |  |  |
| 1. Are fraud incidents promptly and thoroughly investigated?
 |  |  |  |  |
| 1. Does the applicant maintain a record of fraud incidents including documentation of investigative activities and final disposition of each incident?
 |  |  |  |  |
| 1. Are audits of internal controls compliance done periodically?
 |  |  |  |  |
| 1. Other than financial statements, has any of applicant’s program activities been subject to an audit, examination, or monitoring within the last two (2) years by a governmental agency (e.g., Office of Inspector General, state or local government auditors, state agency, etc.)? If yes, please explain any audit or monitoring findings or deficiencies regarding an award or subaward to conduct programs similar to those covered by this proposed subaward agreement?
 |  |  |  |  |
| 1. Are employees required to complete an annual disclosure document that includes business ownership, income, and investment information?
 |  |  |  |  |
|  |  |  |  |  |
| **FINANCIAL POLICIES AND PROCEDURES** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Are all policies and procedures made available to staff? *Please note how those are made available in the Explanation/Comment column.*
 |  |  |  |  |
| 1. Does the applicant employ an adequate number of accounting employees to allow for proper segregation of duties?
 |  |  |  |  |
| 1. Are the duties related to authorization, custody of assets, and recording or reporting of transactions segregated?
 |  |  |  |  |
| 1. Is each of the following responsibilities assigned to a separate employee: general ledger entries, cash receipting and accounts receivable billing?
 |  |  |  |  |
| 1. Does the financial management system provide records that can identify the source and application of funds for award-supported activities?
 |  |  |  |  |
| 1. Is the employee who prepares the check prohibited from signing the check?
 |  |  |  |  |
| 1. Does applicant's financial system provide for the effective control over and accountability for all funds, equipment, property, and other assets (including but not limited to: (a) comparison of expenditures with budget amounts for each award; and (b) recording of each grant/contract by the budget cost categories shown in the approved budget)?
 |  |  |  |  |
| 1. Does the applicant restrict access to computer systems with sensitive documents (such as accounting software, inventory, and payroll) and create a system to provide an audit trail of access?
 |  |  |  |  |
| 1. Does the applicant restrict access to areas with high value assets, supply rooms, storerooms, confidential files and cash?
 |  |  |  |  |
| 1. Does the applicant use recording or monitoring equipment to monitor entries, exits, areas with sensitive materials or high value assets?
 |  |  |  |  |

|  |
| --- |
| **GENERAL FINANCIAL** |
| **Question** | **Yes** | **No** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Is there a descriptive chart of accounts with sufficient classification of accounts?
 |  |  |  |  |
| 1. Are cost centers established in the accounting system for each program and do you maintain separate cost centers or funds for revenues received from state and federal sources?
 |  |  |  |  |
| 1. Is there an accounting manual or written accounting instructions?
 |  |  |  |  |
| 1. Is the accounting system a double entry system? *Please indicate in the Explanation/Comment column if the accounting system is based on a cash or accrual basis?*
 |  |  |  |  |
| 1. Are journal entries/registers posted to the general ledger? *Please indicate in the Explanation/Comment column who can post to the general ledger.*
 |  |  |  |  |
| 1. Are subsidiary ledgers maintained where needed and balanced to the general ledger?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who has a password to access the financial system.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column how often balance sheets and operating statements are prepared.
 |  |  |  |  |
| 1. Are financial statements completed on a timely basis? *Please indicate in the Explanation/Comment column who approves monthly financials.*
 |  |  |  |  |
| 1. Is there a budget system?
 |  |  |  |  |
| 1. Are comparative statements between budget and actuals completed on a timely basis?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who reviews monthly budgets to actual monthly expenditures.
 |  |  |  |  |
| 1. Please identify in the Explanation/Comment column what training is provided to accounting staff to ensure staff have a good understanding of the all accounting and reporting processes.
 |  |  |  |  |
| **GENERAL FINANCIAL** |
| **Question** | **Yes** | **No** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Please note in the Explanation/Comment column the form of the applicant. (for-profit, non-profit, 501(c)(3), corporation, etc.)
 |  |  |  |  |
| 1. Are articles of incorporation and bylaws available?
 |  |  |  |  |
| 1. Have annual reports been filed with the Secretary of State?
 |  |  |  |  |
| 1. Are property records maintained?
 |  |  |  |  |
| 1. Are inventory records maintained?
 |  |  |  |  |
| 1. Has a recent inventory of equipment, grant funded equipment, listing serial numbers and descriptions, been completed?
 |  |  |  |  |
| 1. Are depreciation schedules prepared?
 |  |  |  |  |
| 1. Are offices with sensitive information locked during non-business hours?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who posts monthly/year end accruals.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who reviews monthly/year end accruals.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who approves allocation/distribution percentages.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who calculates allocation percentages.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column what types of financial and other management reports management reviews and how often the reports are reviewed.
 |  |  |  |  |
| 1. Are unused checks stored in a secure location with limited access to authorized personnel only?
 |  |  |  |  |
|  |  |  |  |  |
| **EXPENDITURES** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Is a staff person responsible for reviewing policies and procedures for compliance with Federal and State rules*? Please indicate in the Explanation/Comment column position responsible for reviewing.*
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column how expenditures are authorized.
 |  |  |  |  |
| 1. Is a purchase order system used*? Please indicate in the Explanation/Comment column what authorizations and approvals are necessary to make a purchase.*
 |  |  |  |  |
| 1. Are purchase orders and receiving documents compared to invoices before payment is made?
 |  |  |  |  |
| 1. Is a payment voucher system used?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column what approvals are necessary to make a payment.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who prepares the checks.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who signs expenditure checks.
 |  |  |  |  |
| 1. Are two signatures required for check issuance? *Please indicate in the Explanation/Comment column any dollar amount requiring two signatures.*
 |  |  |  |  |
| 1. Are all expenditures formally recorded in an expenditures journal?
 |  |  |  |  |
| 1. Is the expenditure journal periodically totaled and balanced?
 |  |  |  |  |
| 1. Are direct and indirect expenditures being classified as to cost centers, type of expenditure, type of service and location of service?
 |  |  |  |  |
| 1. Are all expenditures accompanied by proof-of-expenditure documents, i.e., original invoices?
 |  |  |  |  |
| 1. Are invoices stamped with received date?
 |  |  |  |  |
| **EXPENDITURES** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Are invoices stamped with date posted?
 |  |  |  |  |
| 1. Are invoices stamped with date paid?
 |  |  |  |  |
| 1. Are original documents supporting the expenditure maintained in a manner which will allow association and identification with payment?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column what documents are reviewed when approving payments.
 |  |  |  |  |
| 1. Are known nonallowable costs identified and separated?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who reviews expenditures for compliance with the grant requirements.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column what is the process of how supplies, services, and equipment are procured and paid for.
 |  |  |  |  |
| 1. Are grant expenditures separated from other operating expenditures (including matching funds)? *If so, explain how in the Explanation/Comment column.*
 |  |  |  |  |
| 1. Are competitive bids required for purchases over a specific amount? *If so, indicate amount in the Explanation/Comment column.*
 |  |  |  |  |
| 1. Do employee expense reimbursement claims receive a detailed review before payment is made?
 |  |  |  |  |
| 1. Are employees required to submit detailed expense reports with receipts and other documentation?
 |  |  |  |  |
| 1. Are supervisors required to review and approve all expense reimbursement reports?
 |  |  |  |  |

|  |
| --- |
| **RECEIPTS** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Are receipts formally recorded in a receipts journal?
 |  |  |  |  |
| 1. Are receipts journal periodically reviewed, totaled and balanced?
 |  |  |  |  |
| 1. Are different funding sources clearly identified in your accounting system?
 |  |  |  |  |
| 1. Are receivables recorded in your accounting system prior to receipt of payment?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column how in-kind contributions are documented and recorded.
 |  |  |  |  |

|  |
| --- |
| **BANK ACCOUNTS** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Please indicate in the Explanation/Comment column how many bank accounts are used.
 |  |  |  |  |
| 1. Are prenumbered checks used?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column what approval is required on checks.
 |  |  |  |  |
| 1. Are checks ever pre-signed?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who has access to blank checks.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who has custody of blank checks?
 |  |  |  |  |
| 1. Are bank statements reconciled on a timely basis? *Please indicate in the Explanation/Comment column who prepares bank statement reconciliations.*
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who approves/reviews bank reconciliations.
 |  |  |  |  |
| 1. Are the receipts and expenditure journals tied into the bank reconciliation?
 |  |  |  |  |
| 1. Are cancelled check retained and filed with monthly statements?
 |  |  |  |  |

|  |
| --- |
| **PERSONNEL** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Does the applicant conduct pre-employment background checks before offering employment?
 |  |  |  |  |
| 1. Are employees provided formal written job descriptions?
 |  |  |  |  |
| 1. Is applicant experiencing high employee turnover? *Please indicate in the Explanation/Comment column the turnover of key management and identify turnover rate during the past 12 months?*
 |  |  |  |  |
| 1. Have an unusually high number of employees left the applicant recently? *Please provide any measures taken to reduce turnover in the Explanation/Comment column.*
 |  |  |  |  |
| 1. Are employees required to take annual vacations?
 |  |  |  |  |

|  |
| --- |
| **PAYROLL** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Are time records maintained to support payroll expenditures?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who conducts the review of policies and procedures for compliance and how often.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column what approvals are required prior to payment.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who signs payroll checks.
 |  |  |  |  |
| 1. Are all payroll expenses recorded in separate system?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who reviews the validity of payroll expenditures?
 |  |  |  |  |
| 1. Are payroll taxes being withheld reported and remitted?
 |  |  |  |  |
| 1. Are employer contributions properly recorded, reconciled, and remitted?
 |  |  |  |  |
| **PAYROLL** |
| **QUESTION** | **YES** | **NO** | **N/A** | **EXPLANATION/****COMMENT** |
| 1. Please indicate in the Explanation/Comment column who prepares the 941 payroll tax returns.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who determines employee classifications (exempt or non-exempt).
 |  |  |  |  |
| 1. Do you have formal policies and procedures for hiring and terminating employees, pay rates, vacation, overtime, bonuses, and paid leave?
 |  |  |  |  |
| 1. Are timesheets approved by supervisors?
 |  |  |  |  |
| 1. Do timesheets identify each program an employee could work for and other non-billable activities?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who approves the CEO/Executive Director’s pay.
 |  |  |  |  |
| 1. Is any part of the payroll process contracted out?
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who ties the payroll register to the general ledger.
 |  |  |  |  |
| 1. Please indicate in the Explanation/Comment column who has custody of unclaimed payroll checks.
 |  |  |  |  |

By its authorized signatory below, the applicant certifies and attests to the accuracy of the above responses and all corresponding information attached.

**Authorized Signature:**

**Printed Name:**

**Title:**

**Date:**