Financial and Administrative Monitoring Tool

AGA Partnership for Intergovernmental Management and Accountability

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Financial and Administrative Monitoring Tool
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I. INTRODUCTION

This Financial and Administrative Monitoring Tool is the result of an intergovernmental partnership established by AGA in cooperation with the US Office of Management and Budget. The purpose of this tool is to provide uniform guidance for subrecipient monitoring. It is designed to be applicable across federal granting authorities as well as across state entities. It is intended to be used by state agencies as a guide in establishing subrecipient monitoring programs and should be used in conjunction with the Risk Assessment Monitoring Tool, which is available on AGA’s website at http://agacgfm.org/intergovernmental/resources.aspx. This tool and the Risk Assessment Monitoring Tool may also be used by subrecipients to assess their compliance with grant requirements.

This tool should assist with the following:

• Determining that the federal grant purposes are being met;
• Identifying and remedying problems before an audit;
• Ensuring that recipients and subrecipients understand program requirements and have policies and procedures in place to meet them;

This tool is simply a guide. It 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.

This tool is designed to be comprehensive to meet the needs of any recipients and should be used in combination with a risk assessment of subrecipients. Monitoring agencies 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.

Not all items in this tool are applicable to all federal programs or all recipients. Items that do not apply should be marked “Not Applicable.” Agencies should provide a brief justification for items determined to be not applicable. Program requirements are not included in this tool. Grant recipients should augment this tool as necessary to meet their monitoring needs and program requirements.
II. ADMINISTRATION

A. Background

1. Name, physical address, email address and telephone number of organization
   ___________________________________________________________________
   ___________________________________________________________________

2. Type of organization (circle one):
   a) College or university
   b) State or local government
   c) Hospital
   d) Other non-profit organization
   e) Commercial firm
   f) School District
   g) Other, please describe: _____________________________________________

3. Approximate total operating funds:

   Last Fiscal Yr.       Current Yr. (est.)

   Federal*              Non-Federal

   *Indicate name of agency. If there is more than one agency, list major agencies
   and approximate amount for each.
   ___________________________________________________________________
   ___________________________________________________________________
   ___________________________________________________________________

4. Major organizational functions (e.g., research, health services, etc.)
   ___________________________________________________________________
   ___________________________________________________________________
   ___________________________________________________________________

5. Senior Officers
   a) Members of governing board
      ___________________________________________________________________
      ___________________________________________________________________
      ___________________________________________________________________
   b) Chief executive officer _____________________________________________
   c) Chief business officer or Chief Financial Officer ___________________
   d) Chief program officer _____________________________________________
   e) Other contacts on business operations _______________________________
6. Organization Chart with position numbers (including the committee structure of the governing board.) *If the space provided below is not sufficient, please attach additional sheets to this tool.*

7. Related party transaction

8. Additional comments on this section:

B. **Internal Controls**

To the maximum extent possible, the organization should segregate responsibilities for receipt and custody of cash and other assets; maintaining accounting records on the assets; and authorizing transactions. In the case of payroll activities, the organization, where possible, should segregate the timekeeping, payroll preparation, payroll approval, and payment functions.

1. Briefly describe the segregation of responsibilities to provide an adequate system of checks and balances? Please attaché any written policies or procedures that have been developed.

2. Are specific officials designated to approve payrolls and other major transactions?  
   Yes_____ No_____  

3. Do the procedures for cash receipts and disbursements include the following safeguards?  
   a. Receipts are promptly logged in, 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 EFT disbursements) are made by pre-numbered checks.  
      Yes_____ No_____  
   d. Supporting documents (e.g., purchase orders, Invoices, etc.) accompany 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. Are multiple signatures required on checks?
   Yes___ No____

4. Are employees and other individuals in positions of trust covered by adequate fidelity bonds?
   Yes___ No____

   Are individuals in a position of trust required to take vacations and their duties performed by others while on vacation?
   Yes___ No____

   What position(s) (give title and position number) performs the duties when vacation is taken?
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

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____

6. Additional Comments:
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

C. Accounting

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

   If so, are the policies/procedures mandated by the cognizant agency, Federal or State?

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<td>Procurement</td>
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<td>Contract Administration</td>
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<td>Vendor Payments</td>
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<td>Federal Draws</td>
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<td>Grants Budgeting and Accounting</td>
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<td>Cash Management</td>
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<td>Supplanting</td>
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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____

3. Are all appropriate accounting staff trained on, and have access to, current federal policies, procedures, and instructions on accounting for and expending Federal funds?
   Yes____ No____

4. What system does the organization use to record accounting transactions? (i.e. QuickBooks, Visual Bookkeeper, Socrates Media, Peachtree or a custom Proprietary System)?
   __________________________________________________________________________

5. Identify key accounting staff by position number and specific responsibilities.

<table>
<thead>
<tr>
<th>Position</th>
<th>Responsibilities</th>
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<td>Procurement</td>
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<td>Supplanting</td>
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<tr>
<td>Maintenance of effort</td>
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<tr>
<td>Allowable costs</td>
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<tr>
<td>Indirect costs</td>
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</table>
8. Is the entity’s accounting system on a (check appropriate answer)?
   A. ___ Cash Basis
   B. ___ Accrual Basis
   C. ___ Modified Accrual

9. If the agency reports on the modified accrual basis, are there adequate controls, such as checklists for statement-closing procedures, to ensure that open invoices and amounts for goods and services received are properly accrued or recorded in the books or controlled through worksheet entries?
   Yes___ No___ N/A___

10. A. How are Federal funds identified and tracked in the accounting system?
    ________________________________________________________________
    ________________________________________________________________

    B. Are sources of non-Federal funds identified and tracked in the accounting system?
    Yes___ No___

11. Does the entity use a Chart of Accounts and Accounting Manual required by the state or cognizant agency?
    Yes___ No___

12. Is there sufficient detail in the entity’s Chart of Accounts to meet federal reporting requirements?
    Yes___ No___ Not Sure___

13. A. Does the entity’s accounting manual describe the criteria for an obligation?
    Yes___ No___ N/A___
B. If YES, obtain a copy of the description.

14 For each Federal grant, does the accounting system provide information on the following?

A. Authorizations Y / N
B. Obligations Y / N
C. Funds received Y / N
D. Program Income Y / N
E. Subawards Y / N
F. Outlays Y / N
G. Unobligated balances Y / N

15. Are obligations recorded by:

A. Funding Sources Y / N
B. Object code Y / N

16. A. Does the accounting system allow for the liquidation of prior-year obligations?
   Yes____ No____

   B. If NO, what is the entity’s policy for the liquidation of prior year obligations?

   __________________________________________________________________________
   __________________________________________________________________________

17. A. Are accounting records supported by source documentation (e.g., canceled checks, paid bills, payrolls, contract and subgrant award documents, etc.)
   Yes____ No____

   If not, why not?
   __________________________________________________________________________
   __________________________________________________________________________

   B. Who is the custodian of the accounting records for the organization?

   __________________________________________________________________________

18. Are payment vouchers identified by:
A. Grant Number? Y / N
B. Expense classification? Y / N
C. Funding source? Y / N
D. Transaction date? Y / N

19. Are purchasing and payment functions separate? Y / N

20. Do accounting staff review the following prior to entry into the system:
   A. Authorizations Y / N
   B. Purchase Orders Y / N
   C. Payments? Y / N

21. Are requests for payment to the grantor based on information from the accounting system?
    Yes____ No____

    If not, how are such requests determined?
    __________________________________________________________________________
    __________________________________________________________________________

22. Does the system provide for prompt and timely recording and reporting of all financial transactions?
    Yes____ No____

23. Are there controls to preclude
   A. Over-obligation Y / N
   B. Under- or Overstatement of unliquidated obligations Y / N
   C. Duplicate payments? Y / N
   D. Inappropriate charges to grants Y / N

24. Are all reports prepared on the same basis as the accounting system (cash, accrual, modified accrual)? Y / N

25. A. During each state fiscal year(s), did the organization comply with the requirement to liquidate outstanding obligations within 90 days of the end of the grant period, in the time frame stated in the award or as proscribed in a program regulation? Yes____ No____

    B. If NO, was a waiver obtained from the grantee? Yes____ No____
26. Additional Comments on this Section:

________________________________________________________________________

________________________________________________________________________

D. Cash Management

1. Does the entity receive advances or receive cash or checks for this grant?
   Yes____ No____
   
   If the answer is NO, the rest of this section is NOT APPLICABLE and need not be completed.

2. A. Are all receipts (e.g., Federal grant funds and all other funds including program income) deposited daily?
   Yes____ No____
   
   If no, how often are they deposited?__________________________________________

   B. Are all receipts deposited intact?
   Yes____ No____

3. Are receipts controlled by registers?
   Yes____ No____

4. A. 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, such as accounts receivable, the general ledger, or the general journal?
   Yes____ No____

   B. Who performs the cash receipts function?
   Name and Title______________________________________________________________

   C. Who signs the checks?
   Name and Title______________________________________________________________

   D. Who maintains the accounts receivable, the general ledger and the general journal?
   Name and Title______________________________________________________________

5. Does the organization 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____

6. Are bank statements received directly, unopened by the person who prepares the bank reconciliation?
Yes____ No____

7. a) Are bank statements reconciled at least monthly?
   Yes____ No____

   b) Who reconciles the bank statements?
   Name and Title____________________________________________________________

8. Are paid checks examined for date, name cancellation and endorsements at the time the reconciliation is prepared?
   Yes____ No____

9. Are vouchers or supporting documents identified by grant, number, date and expense classification?
   Yes____ No____

10. Do supporting documents accompany checks when they are submitted for signature?
     Yes____ No____

11. Are supporting documents canceled to prevent reuse?
     Yes____ No____

12. Are invoices or vouchers approved in advance by authorized officials?
     Yes____ No____

13. Are voided checks properly canceled and retained for future examination?
     Yes____ No____

14. Are blank checks secured?
     Yes____ No____

15. Is the practice of drawing cash payable to “cash” or “bearer” prohibited?
     Yes____ No____

16. Are procedures in place to prevent checks from being issued on verbal authority?
     Yes____ No____

17. Are employees prohibited from having custody of any unrecorded cash or negotiable instruments of the agency?
     Yes____ No____

18. Additional Comments for this section:

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
E. Audit Resolution

1. Was the entity required to obtain an audit under OMB Circular A-133 for its most recently completed fiscal year?
   Yes____ No____

   A. If yes, did the entity obtain the required audit?
      Yes____ No____

   B. If yes, the reviewer should obtain the record on the entity’s audit.

2. Has the entity assigned any individual or office the responsibility for resolving audit findings and questioned costs?
   Yes____ No____

   If yes, who was assigned?
   Name and Title______________________________________________________

3. Did the auditor’s report any findings in subgrants awarded by the State agency?
   Yes____ No____

   If yes, had any such findings been sustained?
   Yes____ No____

4. Did the entity submit a timely response to the audit, including a plan for correcting any conditions reported in sustained findings?
   Yes____ No____

   If not, why not?

5. Did the auditors report any questioned costs?
   Yes____ No____ N/A____

   A. Were any questioned costs sustained?
      Yes____ No____ N/A____

   B. If yes, did the entity remit payment within a reasonable time after billing by the State agency?
      Yes____ No____

6. Did the entity’s corrective action plan call for the submission of progress reports?
   Yes____ No____ N/A____

   If yes, did the entity submit them as required?
   Yes____ No____ N/A____
7. Does the entity maintain records detailing the implementation of its corrective action plan?
   Yes____ No____ N/A____

   If not, why not?
   ________________________________________________________________
   ________________________________________________________________

8. Do the entity’s records and/or observable evidence support its claims to have implemented its corrective action plan?
   Yes____ No____ N/A____

   If not, why not?
   ________________________________________________________________
   ________________________________________________________________

9. Has the entity been subjected to any on-site reviews, or audits other than those required by A-133?
   Yes____ No____

   If yes, did these inspections disclose the continued presence of deficiencies the entity had reported corrected?
   Yes____ No____ N/A____

10. Additional Comments on this section
    ________________________________________________________________
    ________________________________________________________________
    ________________________________________________________________

F. Record Retention and Access

1. Does the subrecipient have or follow state-mandated policies and procedures governing the retention of records that are (check those that apply):

   A. _____ Fiscal  
   B. _____ Programmatic

2. Do the entity’s policies meet or exceed Federal retention requirements for:

   A. General Requirements: Three years from the final expenditure report or audit resolution or other action, whichever is later?
      Yes____ No____

   B. Real Property and Equipment: Three years from the date of disposition or replacement or transfer at the direction of the awarding agency?
      Yes____ No____
3. Has the subgrantee retained all records related to pending litigation, claims negotiations, audits, or other actions involving records, beyond the regular record retention requirement?  
Yes___ No____ N/A____

4. Additional comments on this section:
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
II. PROGRAM

(This section is grant-specific. Risk should be assessed for programmatic requirements and those with greatest risk should be monitored. A companion risk monitoring tool is available on AGA’s web site at: http://agacgfm.org/intergovernmental/resources.aspx).

1. Is the organization’s management aware of the regulations and policies governing the award (e.g., grants administration regulations in 34 CFR Part 80 or its equivalent and 2 CFR Part 225, program regulations, grants manuals, etc.)?  
   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 objectives of the projects?  
   Yes___ No___

3. Additional comments for this section:
   ____________________________________________________________________
   ____________________________________________________________________
   ____________________________________________________________________

III. PROGRAM FISCAL

A. Budget Formation and Administration

1. Does the Agency have an operating budget for each of its grants?  
   Yes___ No___

2. Who are the key persons responsible for developing and reviewing the budget(s) for the entity?  
   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____ N/A____

4. Does the organization have fiscal controls that result in:
   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 which deviate from the operating
budget?
Yes____ No____

5. Is there timely, periodic financial reporting to management which permits:

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 are taken if projected revenues are not sufficient to cover actual
expenditures?
_____________________________________________________________________
_____________________________________________________________________

8. Has the organization reflected the receipt of program income, if any, in its
operational budgets?
Yes____ No____

9. Are line items costs for the grant award consistent with the program-office
approved budget for the grant?
Yes____ No____ N/A____

10. Does the grant have an established policy/threshold related to moving
expenditures between functions?
Yes____ No____

If yes, did the entity exceed the threshold for any function?
Yes____ No____ N/A____

11. Were there expenditures recorded in the function that were not approved by
the program office?
Yes____ No____

12. Does the agency’s operating budget reflect sufficient non-federal funds to
match the federal funds during the grant period of the fiscal years under
review? (This control should assure continuation of services that the associated
federal funds can be claimed.)
Yes____ No____
13. Additional comments for this section:

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

B. Matching

BREAKDOWN OF NON-FEDERAL MATCH FROM OTHER SOURCES
FY____

1. Does the entity have grant which require matching funds?
   Yes____ No____

   If NO, do not respond to this section.

Please list all non-Federal sources of funds:

a. Political subdivisions $________

b. Transfers from other entities $________

c. 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 $________

i. TOTAL FROM OTHER SOURCES $________

Additional comments on this section:

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

C. Program Income

1. Does the entity receive program income as the result of activities of Federal programs?
   Yes____ No____
If NO this section is NOT APPLICABLE.

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

2. Does the organization have written policies and procedures on the receipt and obligation/expenditure of program income?
   Yes____ No____

3. Is an individual assigned the responsibility for the receipt of program income funds?
   Yes____ No____

4. Is an individual assigned the responsibility for the obligation of program income funds?
   Yes____ No____

5. Is the individual under #3 and the individual under #4 the same person?
   Yes____ No ____ N/A____

6. Do the subrecipient’s policies and procedures assure that program income is obligated properly and during the required period?
   Yes____ No____ N/A____

7. For the fiscal years under review, provide the dollar amounts for each source of program income.
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

8. A. Were there any costs incident to the generation of program income?
    Yes____ No____

   B. If yes, were costs deducted from gross income to determine net program income?
    Yes____ No____

9. Was any interest earned on any program income received?
   Yes____ No____

10. If the answer to #9 was 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. Do appropriate staff know how program income should be reported when using the deduction and addition alternatives?
   Yes___ No____

13. Was the program income used in accordance with the authorized use alternative?
   Yes___ No____

14. Was program income reported on the financial status reports and Schedule of Expenditure of Federal Awards for the fiscal year(s) under review? PS

15. Was any program income counted toward satisfying the non-Federal share requirement for the fiscal year(s) under review?
   Yes___ No____

16. If yes, was there prior authorization by the grantee agency?
   Yes___ No____

17. Additional comments on this section:

   __________________________________________________________________________
   __________________________________________________________________________
   __________________________________________________________________________

IV CROSS-CUTTING/FISCAL

A. Payroll/Time Distribution

1. Are there written policies and procedures governing payroll administration?
   Yes___ No____

2. Are payrolls supported by time and attendance or equivalent records for individual employees, including part-time employees?
   Yes___ No____

3. Are time and attendance records approved by the supervisors?
   Yes___ No____

4. A. Is the payroll periodically verified?
   Yes___ No____

   B. How? ________________________________________________________________

5. A. Are payroll charges reviewed against the program’s operating budget?
   Yes___ No____
B. Are deviations reported to management for follow-up action?
   Yes____ No____

6. A. Where employees are expected to work on a single Federal award or cost objective, are the charges for their salaries and wages supported by periodic certifications that the employees worked solely on that program for the period covered by the certification?
   Yes____ No____

B. If yes, are the certifications prepared at least semi-annually?
   Yes____ No____

C. Are the certifications signed by the employee or supervisory official who has firsthand knowledge of the work performed by the employee?
   Yes____ No____

7. Are there written policies on recording time distribution for employees who work on more than one program or cost objective?
   Yes____ No____

8. Does the entity require time distribution records for employees who work on more than one program or cost objective?
   Yes____ No____

   **If no, skip to question No. 12.**

9. Where employees work on multiple activities or cost objectives, is the distribution of their salaries or wages supported by personnel activity reports or equivalent documentation?
   Yes____ No____

10. If the answer to #9 is yes, do the personnel activity reports or equivalent documentation meet the following standards:

A. They reflect an after-the-fact distribution of the actual activity of each employee?
   Yes____ No____

B. They account for the total activity for which each employee is compensated?
   Yes____ No____

C. They are prepared at least monthly and must coincide with one or more pay periods?
   Yes____ No____

D. They are signed by the employee?
   Yes____ No____
11. A. If budget estimates or other distribution percentages are used to support salary and wage charges to Federal awards, are they used for interim accounting purposes only?
   Yes____ No____

   B. If yes:
      
      i) Does the entity’s system for establishing estimates produce reasonable approximations of the activity performed?
         Yes____ No____

      ii) Are at least quarterly comparisons made of actual costs to budgeted distributions based on monthly personnel activity reports?
          Yes____ No____

      iii) Are adjustments made to costs charged to Federal awards based on the activity actually performed? (Note: These adjustments can be made annually only if the quarterly comparisons show differences between budgeted and actual costs of less than 10%.)
           Yes____ No____

      iv) Are the budget estimates or other distribution percentages revised at least quarterly, if necessary, to reflect changed circumstances?
          Yes____ No____

12 A. Does the entity utilize a substitute system for allocating salaries and wages to Federal awards?
   Yes____ No____

   B. If yes, was the substitute system approved by the Federal cognizant agency?
      Yes____ No____

   C. Was the substitute system implemented as approved by the cognizant agency?
      Yes____ No____

B. Procurement

1. Does the organization have policies and procedures for procurement, including purchasing of goods and services for clients?
   Yes____ No____

2. Do the organization’s procurement policies and procedures meet the following standards?

   A. Does the organization contract’s administration ensure that contractors perform in accordance with the terms, conditions, and specifications of the contracts or purchase orders?
Yes____ No____

B. Does the organization provide specific oversight to guard against fraud, waste, and abuse?
   Yes____ No____

C. Does the organization conduct a cost or price analysis in connection with every procurement action?
   Yes____ No____

D. Does the subgrantee attempt to obtain the most economical purchase?
   Yes____ No____

E. Are purchases (including purchase orders) in writing?
   Yes____ No____

F. Do purchases (including purchase orders) include a description of:
   1. Services to be performed or goods to be delivered?
      Yes____ No____
   2. Dates when services will be performed or goods delivered?
      Yes____ No____
   3. Locations where services will be performed or goods will be delivered?
      Yes____ No____
   4. The number of students/teachers/etc., to be served (if applicable)?
      Yes____ No____

3. Does the organization ensure that any purchase order or contract includes clauses required by Federal statutes and executive orders and their implementing regulations?
   Yes____ No____

4. A. Is all procurement conducted using full and open competitive procurement procedures?
   Yes____ No____

    B. Does the organization prescribe a minimum number of bids that should be required to proceed to procure goods and services?
       Yes____ No____

    C. If yes, what number is the minimum?______________________________

5. Concerning sole source practices
   A. Does the organization ever use sole source procurements?
Yes____ No____

B. Does the organization have requirements that must be met for sole source procurements?
   Yes____ No____

C. Have all of the organization’s requirements been met when sole source procurements have been used?
   Yes____ No____ N/A____

D. Does the organization comply with Federal sole source requirements?
   Yes____ No____

6. Is there a written code of conduct for the organization’s employees involved in procurements?
   Yes____ No____

   If yes, does the code of conduct address conflicts of interest?
   Yes____ No____

7. Does the organization have an evaluation process to ensure that awards are only given to responsible contractors?
   Yes____ No____

8. Do the organization’s records contain sufficient detail meet Federal requirements governing the history of procurements?
   Yes____ No____

9. Does the organization set limits on the dollar amount of a procurement of supplies and equipment for which an official may be solely responsible?
   Yes____ No____

10. A. Does the organization set thresholds based on the type of procurement method use?
    Yes____ No____

    B. Provide detail on these thresholds

    __________________________________________________________
    __________________________________________________________
    __________________________________________________________
    __________________________________________________________
    __________________________________________________________

    C. When is approval needed to exceed these thresholds?

    __________________________________________________________

    D. Who may approve exceeding these thresholds?

    __________________________________________________________
11. Is there separation of responsibility between an authorization to purchase and the subsequent authorization to pay?
Yes____ No____

12. A. Are requisitions, purchase orders, and receiving slips prenumbered?
Yes____ No____ N/A____

B. Are requisitions, purchase orders, and receiving slips safeguarded?
Yes____ No____ N/A____

C. If yes, please provide detail on how they are safeguarded.
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

13. Does the system have controls to ensure that 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____

D. Students/teachers/etc.
Yes____ No____

14. Does the organization check the Excluded Parties List System or otherwise ensure that the following entities are neither suspended nor debarred before awarding them subgrants or contracts?

A. All subgrantees regardless of award amount?
Yes____ No____

B. All recipients of procurement contracts of $100,000 or more?
Yes____ No____

C. All contractors that have procurement contracts regardless of amount of the contract?
Yes____ No____

15. Does the organization have policies and procedures requiring the submission of lobbying certification from all recipients of subgrants or procurement contracts in excess of $100,000?
Yes____ No____
16. Do contracts supported with federal funds contain the following required provisions?

A. Remedies for breach, sanctions and penalties?  
   Yes_____ No_____  

B. Termination for cause and convenience?  
   Yes_____ No_____  

C. Compliance with federal statutes and executive orders?  
   Yes_____ No_____  

D. Reporting requirements?  
   Yes_____ No_____  

E. Copyrights?  
   Yes_____ No_____  

F. Access by federal agencies or the Comptroller General of the US to records of the contractor?  
   Yes_____ No_____  

G. Retention of records for three years after final payment?  
   Yes_____ No_____  

17. Does the agency maintain a contract administration system that ensures contractors perform in accordance with the terms, conditions and specifications of the contract?  
   Yes_____ No_____  

18. Does the contract administration system have controls to ensure that contracts are in writing (purchase order okay) and that they include a description of:  

A. Services to be performed or goods to be delivered?  
   Yes_____ No_____  

B. Dates when services will be performed or goods delivered?  
   Yes_____ No_____  

C. Locations where services will be performed or good will be delivered?  
   Yes_____ No_____  

D. The number of recipients to be served (if applicable)?  
   Yes_____ No_____  

19. Additional comments on this section

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
C. **Indirect Costs**

If the indirect cost rate and/or the cost allocation plan is submitted on behalf of the entity by another agency, this section is then NOT APPLICABLE.

1. For the fiscal year(s) being monitored, does the entity have an approved, current:
   A. Indirect cost rate?  
      Yes____ No____
   B. Cost allocation plan?  
      Yes____ No____

2. If to question 1 is yes, which Federal or State agency approved the rate or plan?

3. Were indirect costs claimed during the fiscal year(s) in accordance with the approved indirect cost rate or plan for the:
   A. Unrestricted Program?  
      Yes____ No____
   B. Restricted Program?  
      Yes____ No____
   C. Other

4. Were provisional indirect cost rates used for budget?  
   Yes____ No____

5. If the answer to question #4 is yes, was there a recalculation?  
   Yes____ No____

D. **Property Management**

1. Does the organization have written policies and procedures covering the use, management, and disposition of property acquired under Federal programs?  
   Yes____ No____

   If not, why not?
2. Do the organization’s policies and procedures distinguish the following classes of property?

A. Real Property (land & buildings)  
   Yes___ No___

B. Personal Property:

1. **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).  
   Yes___ No___

2. **Valued, Non-Capitalized Property (VNCP)** (tangible personal property that does not rise to the level of equipment but which is nevertheless vulnerable to theft (lap tops, blackberries, cell phones, etc.))  
   Yes___ No___

3. **Supplies** (tangible personal property that is neither equipment nor VNCP, and which is generally consumed in the course of use)  
   Yes___ No___

C. Intellectual Property (copyrightable ADP programs, training materials, etc.)  
   Yes___ No___

3. The following items refer to **property records:**

A. Do the organization’s policies and procedures require equipment records to include:

   1. A description of the equipment?  
      Y/N
   2. A serial number or other identification number?  
      Y/N
   3. Source?  
      Y/N
   4. Who holds title? (if not the organization, why not?)  
      Y/N
   5. Acquisition date?  
      Y/N
   6. Cost of equipment?  
      Y/N
   7. Percentage of Federal participation in cost?  
      Y/N
   8. Location?  
      Y/N
   9. Use?  
      Y/N
   10. Condition of equipment?  
      Y/N
   12. Disposition data (date of disposition, sale price of
B. What records does the organization maintain on VNCP?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

C. What records does the organization maintain on supplies?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

4. The following items refer to **control over and accountability for property**:

A. Equipment:

1. 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____
   a. If so, when was the last inventory completed?
      ________________________________________________________________
   b. If not, why not?
      ________________________________________________________________
      ________________________________________________________________

2. Does the organization maintain a system of internal controls that provides reasonable assurance against loss, theft, damage, or unauthorized use of equipment?
   Yes____ No____

3. Does the organization investigate loss, theft, damage, etc.
   Yes____ No____

B. Other Personal Property:

1. What policies and procedures does the organization employ to obtain reasonable assurance against the risk of loss, theft, etc. to VNCP?
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
2. Does the organization maintain a perpetual inventory system for supplies?
   Yes____ No____

   If not, how do they control the issuance and use of supplies?

5. The following item refer to **maintenance of property**:

   Do the organization’s policies and procedures provide for keeping equipment in good condition?
   Yes____ No____

6. The following items refer to the **disposition of property**:

   A. Do the organization’s policies and procedures provide for the disposition of property when no longer needed for any federally-assisted activities?
      Yes____ No____

   B. If the property is to be sold, do the organization’s policies and procedures include:

      1. Sales procedures for ensuring the highest possible return?
         Yes____ No____

      2. Compensation to the awarding agency for its share if the disposed property is:

         a. Equipment with a per-unit fair market value of $5,000 or more,
            Yes____ No____

         b. Residual inventory of unused supplies and/or VNCP with an aggregate fair
            Yes____ No____
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The Partnership for Intergovernmental Management and Accountability (Partnership) was established by the Association of Government Accountants (AGA) in September 2007 to open the lines of communication among governments. The mission of the A-87
Work Group is to identify and prioritize issues or concerns, and provide recommendations for alternative approaches, which could enhance implementation of 2 CFR Part 225 and provide benefits to all levels of government. AGA is the premier Association in advancing government accountability. AGA supports the careers and professional development of government financial professionals working in federal, state and local governments, as well as the private sector and academia. Founded in 1950, AGA has a long history as a thought leader for the government accountability profession. Through education, research, publications, certification and conferences, AGA promotes transparency and accountability in government.