

Federal Grant Administration Checklist

Internal Controls

As public servants, it is our responsibility to safeguard taxpayer's dollars while adhering to laws and regulations governing processes over federal grant activities. Developing good internal controls for federal grant activities is important for the prudent use of public funds as well as to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees by defining responsibilities in the grant process. Governments can use these internal controls to protect against embezzlement, theft, fraud, and poor decision making.

This document does not address all possible circumstances that need to be considered when establishing internal controls or assessing risk. Each entity is responsible for reviewing their practices and processes to determine where risks exist and where and how controls can be established to mitigate them.

Control Objectives:

1. Effectiveness and efficiency of operations
2. Reliability of financial reporting
3. Compliance with applicable laws and regulations
4. Provide reasonable assurance that:
 - a. Federal awards are expended only for allowable activities and that costs of goods and services charged to federal awards are allowable and in accordance with applicable principles.
 - b. The drawdown of federal cash is only for immediate needs, reimbursement is requested only after costs have been incurred, states comply with applicable Treasury agreements, and recipients limit payment to subrecipients to immediate cash needs.
 - c. Only eligible individuals and organizations receive assistance under federal award programs, that subawards are made only to eligible subrecipients, and that amounts provided to or on behalf of recipients were calculated in accordance with program requirements.
 - d. Proper records are maintained for equipment acquired with federal awards, equipment is adequately safeguarded and maintained, disposition or encumbrance of any equipment or real property is in accordance with federal requirements, and the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.
 - e. Matching, level of effort, or earmarking requirements are met using only allowable funds or costs which are properly calculated and valued.
 - f. Federal funds are used only during the authorized period of availability.
 - g. Procurement of goods and services are made in compliance with provisions of the A-102 Common Rule or OMB Circular A-110, as applicable, and that covered transactions (as defined in the suspension and debarment common rule) are not made with a debarred or suspended party.
 - h. Program income is correctly earned, recorded, and used in accordance with the program requirements.
 - i. Compliance with the real property acquisition, appraisal, negotiation, and relocation requirements.
 - j. Reports of federal awards submitted to the federal awarding agency or pass-through entity include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements.
 - k. Federal award information and compliance requirements are identified to subrecipients, subrecipient activities are monitored, subrecipient audit findings are resolved, and the impact of any subrecipient non-compliance on the pass-through entity is evaluated. In addition, the pass-through entity should perform procedures to provide reasonable assurance that subrecipient obtained required audits and takes appropriate corrective action on audit findings.

How This Document is Organized:

This document is organized both in accordance with the five components of internal control (Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring) with a section added for Fraud, Waste, and Abuse. It is then further organized according to the 13 major components of the OMB Circular A-133 Compliance Supplement, Part 6 (Activities Allowed or Unallowed

and Allowable Cost Principles; Cash Management; Eligibility; Equipment & Real Property Management; Matching, Level of Effort and Earmarking; Period of Availability of Funds; Procurement, and Suspension and Debarment; Program Income; Real Property Acquisition and Relocation Assistance; Reporting; and Subrecipient Monitoring).

Example Pre-Award Processing Questions:

A.	Pre-Award Processing:	Yes	No	N/A	Comments
1.	Is due diligence exercised to ensure the grant being applied for is the best available funding to accomplish an entity's mission?				
2.	Is the entity prepared to fund matching and/or cost sharing requirements?				
3.	Does the entity have the staff trained to manage grants?				
4.	Does the entity have a contingency plan to follow when and/or if a grant is discontinued?				
5.	Will a grant award subject an entity to A-133 Single Audit requirements?				
6.	If 'yes' to question 5, is the entity able to comply with and pay for this audit?				
7.	Is the entity prepared to comply with any requirement; such as Davis-Bacon, Buy American, Historic/Tribal Preservation, and Environmental Concerns, established by an award?				
8.	Does the entity maintain separate accounting records for each award, to help avoid commingling funds?				
9.	Does the entity have a DUNS number?				
	<i>If an award requires the engagement of sub-recipients and/or contractors, is the entity prepared to:</i>				
10.	Follow Central Contractor Registration (CCR) requirements?				
11.	Perform due diligence when selecting sub-recipients or contractors including consulting the Excluded Parties List System (EPLS) at www.epls.gov ?				
12.	Monitor sub-recipients and/or contractors award operations and management?				
13.	Write and execute contract agreements with sub-recipients/ contractors in compliance with the grant award as well as state and local laws, rules and regulations?				
14.	Train sub-recipients/contractors about award requirements?				
15.	Is a post award checklist prepared for each award?				

Example Control Environment Questions:

B.	Activities Allowed or Unallowed and Allowable Cost Principles:	Yes	No	N/A	Comments
1.	Are reasonable budgets established for federal and non-federal programs to reduce incentive to miscode expenditures?				
2.	Are penalties for misappropriating or misusing funds enforced?				
3.	Is the need to account for federal award costs understood and implemented?				
4.	Do pre-audit personnel understand what expenditures are and are not allowed for each award?				

C.	Cash Management:	Yes	No	N/A	Comments
1.	Is there an appropriate assignment of responsibility for approving cash draw downs and payments to subrecipients?				
2.	Are draw downs/reimbursements consistent with specific grant requirements, Treasury Agreement, or the Cash Management Improvement Act?				

D.	Eligibility:	Yes	No	N/A	Comments
1.	Does staff have the knowledge skills and ability to make eligibility determinations?				
2.	Is the staff size adequate to handle the eligibility caseload/performance levels?				
3.	Is the process for determining subrecipient caseloads/performance targets for eligibility adequately documented?				
4.	Is authority to determine eligibility clearly defined?				

E.	Equipment & Real Property Management:	Yes	No	N/A	Comments
1.	Does management demonstrate a commitment to provide appropriate stewardship for property acquired with federal awards?				
2.	Do controls exist to ensure appropriate valuation of assets at the time of disposition?				
3.	Does sufficient accountability exist to discourage misuse of federal assets?				

F.	Matching, Level of Effort, Earmarking:	Yes	No	N/A	Comments
1.	Is there a commitment from management to meet matching, level of effort, and earmarking requirements (e.g., adequate budget resources to meet a specified matching requirement or maintain a required level of effort)?				
2.	Does the budgeting process address/provide adequate resources to meet matching, level of effort, or earmarking goals?				
<i>Does an official written policy exist outlining:</i>					
3.	Responsibilities for determining required amounts or limits for matching, level of effort, or earmarking?				

4.	Methods of valuing matching requirements (e.g., “in-kind” contributions of property and services, calculations of levels of effort)?				
5.	Allowable costs that may be claimed for matching, level of effort, or earmarking?				
6.	Methods of accounting for and documenting calculated amounts claimed for matching, level of effort, or earmarking?				

G.	Period of Availability of Funds:	Yes	No	N/A	Comments
1.	Does management understand and is management committed to comply with period of availability requirements?				
2.	Do the entity’s monitoring operations ensure that federal funds are expended only during the period of availability?				

H.	Procurement, Suspension & Debarment:	Yes	No	N/A	Comments
1.	Do procurement practices incorporate federal requirements?				
2.	Does management prohibit overriding established procurement controls?				
3a.	Is there documentation for when oversight is required for high dollar, lengthy, or other sensitive procurement contracts?				
3b.	Are these standards followed?				
4.	Are key procurement managers trained in federal procurement requirements?				
5.	Is the assignment of authority clearly defined to issue a purchase order and to contract for goods and services?				

I.	Program Income:	Yes	No	N/A	Comments
1.	Does management recognize its responsibilities for administering program income?				
2.	Does management prohibit intervention or overriding controls over program income?				
3.	Are there realistic performance targets for the generation of program income?				

J.	Real Property Acquisition & Relocation Assistance:	Yes	No	N/A	Comments
1.	Is management committed to ensure compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA)?				
2.	Do written policies exist for handling relocation assistance and real property acquisition?				

K.	Reporting:	Yes	No	N/A	Comments
1.	Has management taken steps to ensure that the individuals that prepare, review, and approve reports possess the required knowledge, skills, and abilities?				

K.	Reporting:	Yes	No	N/A	Comments
2.	Does management's attitude toward reporting promote accurate and fair presentation?				
3.	Is there an appropriate assignment of responsibility and delegation of authority for reporting decisions?				

L.	Subrecipient Monitoring:	Yes	No	N/A	Comments
1.	Does management demonstrate a commitment to monitoring subrecipients?				
2.	Does management prohibit the overriding of established procedures to monitor subrecipients?				
3.	Does the entity's organizational structure support monitoring subrecipients?				
4.	Does the entity's organizational structure enable the appropriate flow of information?				
5.	Are there sufficient resources dedicated to subrecipient monitoring?				
6.	Are the knowledge, skills, and abilities needed to accomplish subrecipient monitoring tasks defined?				
7.	Do the individuals performing subrecipient monitoring possess the knowledge, skills, and abilities required?				
<i>Have the subrecipients demonstrated that:</i>					
8.	they are willing and able to comply with the requirements of the award?				
9.	they have accounting systems, including the use of applicable cost principles, and internal control systems adequate to administer the award?				
10.	Have the appropriate sanctions been taken for subrecipient non-compliance?				

Example Risk Assessment Questions:

M.	Risk Assessment:	Yes	No	N/A	Comments
<i>Does the entity have a process for identifying and assessing risks resulting from:</i>					
1.	Changes to cost accounting systems?				
2.	Cash management needs?				
3.	Incorrect eligibility information?				
4.	Changes to eligibility determination systems?				
5.	Vendor inadequacy, e.g., quality of goods and services, delivery schedules, warranty assurances, user support?				
6.	Unrecorded program income?				
7.	Miscoded program income?				
8.	Relocation that will not be conducted in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), e.g., improper payments will be made to individuals or businesses that relocate?				
9.	Faulty reporting caused by such items as lack of current knowledge of, inconsistent application of, or carelessness or disregard for standards and				

M.	Risk Assessment:	Yes	No	N/A	Comments
	reporting requirements of federal awards?				
10.	Underlying source data or analysis for performance or special reporting that may not be reliable?				
	<i>Does the entity have a process for identifying and assessing risks resulting from external sources affecting subrecipients, such as risks related to:</i>				
11.	economic conditions?				
12.	political conditions?				
13.	regulatory changes?				
14.	unreliable information?				
	<i>Does management have a sufficient understanding of the relevant requirements for specific grants to identify:</i>				
	<i>Where unallowable activities or costs could be charged to a federal program and not be detected in the following areas:</i>				
15.	Staff?				
16.	Processes?				
17.	Controls?				
18.	Programs that receive cash advances?				
19.	Program cash management requirements?				
20.	Potential areas of noncompliance (e.g., decentralized locations, departments with budget constraints, transfers of assets between departments)?				
21.	Potential recording problems?				
22.	Requirements for procurement and suspension and debarment, and, given the organization's staff, departments, and processes, has identified where noncompliance could likely occur?				
23.	The level and methods of monitoring required based on subrecipient's environment, systems, and controls?				
	<i>Do mechanisms exist to:</i>				
24.	Anticipate, identify, and react to routine events that affect cash needs?				
25.	Routinely assess the adequacy of subrecipient cash needs?				
26.	Identify where estimated values are used to fulfill matching, level of effort, or earmarking requirements?				
27.	Identify and communicate the period of availability cut-off requirements as to both obligation and disbursement?				
28.	Analyze variances between expected and actual income?				
	<i>Identify and react to changes in subrecipients, such as:</i>				
29.	financial problems that could lead to diversion of grant funds?				
30.	loss of essential personnel?				
31.	loss of license or accreditation to operate program?				

M.	Risk Assessment:	Yes	No	N/A	Comments
32.	rapid growth?				
33.	new activities, products, or services?				
34.	organizational restructuring?				
35.	Does the budgetary process consider period of availability of federal funds as to both obligation and disbursement?				
36.	Are conflict-of-interest statements maintained for individuals involved in the grant process?				

Example Control Activities Questions:

N.	Activities Allowed or Unallowed and Allowable Cost Principles:	Yes	No	N/A	Comments
1.	Is staff knowledgeable of the requirements for determining activities allowed and allowable costs?				
2.	Are federal and non-federal activity charges and costs accounted for separately?				
3.	Is there an on-going process in place to update procedures for changes in activities allowed and cost principles?				
<i>Are the following pre-audit functions performed:</i>					
4.	Check computations for accuracy?				
5.	Review of supporting documentation				
6.	Identify unallowable costs?				
7.	Make necessary adjustment to unallowable costs?				
8.	Is follow-up action taken to determine the cause of the adjustment?				
<i>Is there adequate segregation of duties for:</i>					
9.	Reviewing award transaction activity?				
10.	Authorizing award transaction activity?				

O.	Cash Management:	Yes	No	N/A	Comments
1.	Are cash flow statements prepared to determine essential cash flow needs?				
2.	Is the accounting system capable of scheduling payments and requests for funds from Treasury to minimize time lapses between draw down of funds and actual disbursements of funds?				
<i>Is there an appropriate level of supervisory review of cash management activities regarding:</i>					
3.	Procedures for requesting draw down of funds are as close as is administratively possible to actual cash outlays?				
4.	Monitoring of cash management activities?				
5.	Interest earnings are calculated and properly settled where required?				
<i>For state programs subject to a Treasury-state agreement, does a written policy exist which includes:</i>					
6.	Programs covered by the agreement?				

O.	Cash Management:	Yes	No	N/A	Comments
7.	Funding methods to be used?				
8.	Process used to calculate interest?				
9.	Procedures for determining check clearing patterns (if applicable for the funding method)?				

P.	Eligibility:	Yes	No	N/A	Comments
1.	Do written policies provide direction to make and document eligibility determinations?				
2.	Are procedures to calculate eligibility amounts consistent with program requirements?				
3.	Are eligibility objectives and procedures clearly communicated to employees?				
4.	Are eligibility documents periodically reviewed for approval by authorized signatures?				
5.	Is access to eligibility records limited to appropriate persons?				
6.	Are manual criteria checklists or automated processes used in making eligibility determinations?				
7.	Is the accuracy of information used in eligibility determinations verified?				
8.	Are there procedures to ensure the completeness of the data used to determine eligibility?				
9.	Are eligibility re-determinations performed in accordance with program requirements?				

Q.	Equipment & Real Property Management:	Yes	No	N/A	Comments
1.	Are accurate records maintained on all acquisitions and dispositions of property acquired with federal awards?				
2.	Is the entities ownership of fixed assets marked according to prescribed procedures?				
3.	Are fixed assets periodically inventoried and reconciled with property and accounting records?				
4.	Do property records contain essential data such as: description, serial number or other identification number, who holds title, acquisition date and cost, percentage of federal participation in the cost, location, condition, and disposition data?				
5.	Have procedures been established to ensure that dispositions of property acquired with federal awards are appropriately handled?				
6.	Are policies and procedures in place that address responsibilities of recordkeeping and authorities for disposition?				

R.	Matching, Level of Effort, Earmarking:	Yes	No	N/A	Comments
1.	Are monthly cost reports and adjusting entries reviewed and approved?				
	<i>Is evidence obtained such as a certification from the donor, or other procedures performed to identify whether matching contributions:</i>				
2.	Involve non-federal sources?				
3.	Involve federal funding, directly or indirectly?				
4.	Were used for another federally-assisted program?				

Note: Generally, matching contributions must be from a non-federal source and may not involve federal funding or be used for another federally assisted program.

S.	Period of Availability of Funds:	Yes	No	N/A	Comments
1.	Do management procedures specify critical dates, e.g. fiscal-year end to obligate funds and payment cut-offs to expend obligated funds?				
2.	Do management procedures prohibit obligating federal funds outside of their period of availability?				
3.	Do management procedures approve the expenditure of federal funds only if obligated during the period of availability?				
4.	Are obligations expended within a reasonable period of time after the period of availability has ceased? If not, are unliquidated obligations de-obligated?				
5.	Are there additional management procedures if the period of availability varies as a prime recipient of subrecipient? For example, a block grant awarded to a prime recipient has a two-year period of availability, and the prime recipient subgrants funds for a 12-month fiscal year period. As both prime recipient and pass-through, are procedures established to carry over unliquidated obligations and unobligated funds into the subsequent fiscal year period for re-obligation?				

T.	Procurement, Suspension, & Debarment:	Yes	No	N/A	Comments
1.	Do job descriptions or other means of defining tasks exist that comprise particular procurement jobs?				
2.	Are contractor's performance with the terms, conditions, and specifications of the contract monitored and documented?				
3.	Are duties segregated for employees that are responsible to contract for and to pay for services received??				
4.	Do supervisors determine that contracting decisions comply with federal procurement policies?				
5a.	Are procedures established to verify that vendors have not been suspended or debarred by the				

T.	Procurement, Suspension, & Debarment:	Yes	No	N/A	Comments
	federal government?				
5b.	If procedures are in place, are they adhered to?				
	<i>Do the official written policies address the following issues:</i>				
6.	Contract files that document significant procurement history.				
7.	Authorized procurement methods.				
8.	Verification that procurements provide full and open competition.				
9.	Requirements for cost or price analysis, including for contract modifications.				
10.	Obtaining and reacting to suspension and debarment certifications.				
11.	Compliance with other federal award procurement requirements.				
	<i>Are there written procedures to assist management at the "primary tier" to comply with the federal regulations regarding suspension and debarment that:</i>				
12.	Reference the federal requirements located in 2 CFR 180? (This is the government-wide nonprocurement, suspension and debarment common rule. The code provides guidelines, responsibilities of parties, and definitions of terms.)				
13.	Clearly communicate to potential "participants" who may submit a proposal or application to the "primary tier" that suspended or debarred persons can not enter into a "covered transaction" with the "primary tier"?				
14.	Demonstrate a risk-reduction method to check before entering into a "covered transaction" that the person, participant, or its principal with whom they intend to do business has not been suspended or debarred?				
15.	Differentiate between "covered transactions" entered into before and after November 26, 2003? (Those before that date require staff to obtain certifications from entities receiving subawards of any value and procurement contracts equal to or exceeding \$100,000, certifying that the organization and its principals are not suspended or debarred.)				
16.	Demonstrate as of November 26, 2003, the "primary tier" will not enter into a "covered transaction" at the "next lower tier" and includes all nonprocurement transactions and procurement contracts \$25,000 and greater.				
17.	Specify the means used to make the determination, i.e., checking the Excluded Parties Listing System (EPLS), maintained by the General Services Administration; obtaining a certification; or inserting a clause in the agreement.				

U.	Program Income:	Yes	No	N/A	Comments
1.	Are pricing and collection policies and procedures clearly communicated to personnel responsible for program income?				
2.	Are there mechanisms in place to ensure that program income is properly recorded as earned and deposited in the bank as collected?				
3.	Do policies and procedures provide for the correct use of program income in accordance with federal program requirements?				

V.	Real Property Acquisition & Relocation Assistance:	Yes	No	N/A	Comments
1.	Have employees handling relocation assistance and real property acquisition been trained in the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA)?				
2.	Is a review of expenditures pertaining to real property acquisition and relocation assistance conducted by employees knowledgeable in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA)?				

W.	Reporting:	Yes	No	N/A	Comments
1.	Do written policies exist that establish responsibility for periodic monitoring, verification, and reporting of program progress and accomplishments?				
2.	Do procedures exist for periodic monitoring, verification, and reporting of program progress and accomplishments?				
3.	Is there a tracking system that reminds staff when reports are due?				
4.	Is the general ledger or other reliable records the basis for the reports?				
5.	Is a supervisory review of reports performed to assure accuracy and completeness of information included in the reports?				
6.	Is the required accounting method used (e.g., cash or accrual)?				

X.	Subrecipient Monitoring:	Yes	No	N/A	Comments
1.	Has the federal award information (e.g., CFDA title and number, award name, name of federal agency, amount of award) and applicable compliance requirements been identified to subrecipients?				
2.	Has the requirement to comply with the compliance requirements applicable to the federal program including the audit requirements of OMB Circular A-133 been included in agreements with subrecipient?				

X.	Subrecipient Monitoring:	Yes	No	N/A	Comments
<i>Does the entity monitor subrecipients' compliance with audit requirements by:</i>					
3.	inquiring whether the subrecipient met the threshold requiring an audit under OMB Circular Act A-133 been included in agreements with subrecipients?				
4.	assuring that the subrecipient submits the report, report package or the documentation required by OMB Circulars and/or recipient's requirements?				
5.	following up with the subrecipient when required to have an audit until the audit is completed, or taking appropriate action until the subrecipient meets the audit requirements?				
<i>Does the entity monitor compliance of the subrecipients by:</i>					
6.	issuing timely management decisions for audit and monitoring findings to inform the subrecipient whether the corrective action planned is acceptable?				
7.	maintaining a system to track and follow up on reported deficiencies related to programs funded by the recipient and ensure that timely corrective action is taken?				
8.	contacting the subrecipients to make appropriate inquiries concerning the federal program?				
9.	reviewing subrecipient reports and following-up on areas of concern?				
10.	monitoring subrecipient budgets?				
11.	performing subrecipient site visits to review financial and programmatic records and observe operations?				
12.	offering subrecipients technical assistance where needed?				
<i>Have official written policies and procedures been established:</i>					
13.	communicating federal award requirements to subrecipients?				
14.	describing the responsibilities for monitoring subrecipients?				
15.	defining the process and procedures for monitoring?				
16.	describing the methodology for resolving findings of subrecipient non-compliance or weaknesses in internal control?				
17.	listing the requirements for and processing of subrecipient audits, including appropriate adjustment of pass-through entity's accounts?				

Example Information & Communication Questions:

Y.	Activities Allowed or Unallowed and Allowable Cost Principles:	Yes	No	N/A	Comments
1.	Are reports, such as a comparison of budget to actual, provided to appropriate management for review on a timely basis?				
2.	Have internal and external communications channels on activities and costs allowed been established?				
3.	Do training programs, both formal and informal, contain the necessary information to enable staff to determine activities and costs allowed?				
4.	Is there evidence of communication between management and staff regarding questionable costs to ensure adequate determinations?				
5.	Are grant agreements (including referenced program laws, regulations, handbooks, etc.) and cost principles circulars available to staff responsible for determining activities allowed and allowable costs under federal awards?				

Z.	Cash Management:	Yes	No	N/A	Comments
1.	Is there variance reporting of expected versus actual cash disbursements of federal awards and draw downs of federal funds?				
2.	Are federal fund reports reconciled on a timely basis with funds received by the state?				
3.	Is there an established channel of communication between pass-through entity and subrecipients regarding cash needs?				
4.	Are federal funds drawn for an award reconciled with amounts recorded as expended, with reasons for overdrawn or underdrawn amounts investigated and documented?				

AA.	Eligibility:	Yes	No	N/A	Comments
1.	Does the information system meet the needs of eligibility decision-makers and program management?				
2.	Is the processing of eligibility information subject to data validity and balancing procedures?				
3.	Do training programs inform employees of eligibility requirements?				
4.	Is management receptive to suggestions to strengthen the eligibility determination process?				
5.	Is the documentation of eligibility determination in accordance with program requirements?				

AB.	Equipment & Real Property Management:	Yes	No	N/A	Comments
1.	Does the accounting system provide for separate identification of property acquired wholly or partly				

AB.	Equipment & Real Property Management:	Yes	No	N/A	Comments
	with federal funds and with non-federal funds?				
2.	Are program managers provided with applicable requirements and guidelines?				

AC.	Matching, Level of Effort, Earmarking:	Yes	No	N/A	Comments
<i>Is the accounting system capable of:</i>					
1.	Separately accounting for data used to support matching, level of effort, or earmarking amounts or limitations or calculations?				
2.	Ensuring that expenditures or expenses, refunds, and cash receipts or revenues are properly classified and recorded only once as to their effect on matching, level of effort, or earmarking?				
<i>Documenting the value of "in-kind" contributions of property or services, including:</i>					
3.	Basis for local labor market rates for valuing volunteer services?				
4.	Payroll records or confirmation from other organizations for services provided by their employees?				
5.	Quotes, published prices, or independent appraisals used as the basis for donated equipment, supplies, land, buildings, or use of space?				

AD.	Period of Availability of Funds:	Yes	No	N/A	Comments
1.	Are fund availability and expenditure periods clear and understood by those who process program expenditures?				
2.	Are un-liquidated balances reported to management for their follow-up and corrective action?				

AE.	Procurement, Suspension, & Debarment:	Yes	No	N/A	Comments
1.	Are procedures in place to assure that procurement documentation is retained according to governing rules and regulations? i.e.: A-102 Common Rule, OMB Circular A-110, award agreements, contracts, and program regulations?				
<i>Does documentation include:</i>					
2.	The basis for contractor selection;				
3.	Support for not using competitive bidding procedures; and				
4.	The basis for award cost or price?				
5.	Are employees' procurement duties and control responsibilities effectively communicated?				
6.	Are procurement staff provided a current hard-copy Excluded Parties Listing System (EPLS) or have on-line access?				

AF.	Program Income:	Yes	No	N/A	Comments
1.	Do information systems identify program income collections and usage?				
2	Is the criteria to recognize program income clearly defined and understood by grant administrators and accounting staff?				
3	Is program income accounted for and tracked separately from federal or state awarded amounts?				

AG.	Real Property Acquisition & Relocation Assistance:	Yes	No	N/A	Comments
1.	Is there a system in place to adequately document relocation assistance and real property acquisition?				
2	Does the accounting system provide for separate identification of property acquired with and without federal funds?				

AH.	Reporting:	Yes	No	N/A	Comments
1.	Is there an accounting or information system that provides for the reliable processing of performance information for federal awards?				
2.	Is there an accounting or information system that provides for the reliable processing of financial information for federal awards?				

AI.	Subrecipient Monitoring:	Yes	No	N/A	Comments
	<i>Do standard award documents used by the non-federal entity contain:</i>				
1.	a list of federal requirements that the subrecipient must follow? (Items can be specifically listed in the award document, attached as an exhibit to the document or incorporated by reference to specific criteria.)				
2.	the description and program number for each program as stated in the Catalog of Federal Domestic Assistance (CFDA)? (If the program funds include pass-through funds, program information should also be identified.)				
3.	a statement signed by an official of the subrecipient stating that the subrecipient was informed of, understands, and agrees to comply with the applicable compliance requirements?				
4.	Is a recordkeeping system in place to ensure that documentation is retained by the subrecipient for the time period required?				
5.	Are procedures in place to provide channels for subrecipients to communicate concerns to the pass-through entity?				

Example Monitoring Questions:

AJ.	Activities Allowed or Unallowed and Allowable Cost Principles:	Yes	No	N/A	Comments
1.	Does management review supporting documentation of allowable cost information?				
2.	Does information flow from the federal agency to appropriate management personnel?				
3.	Are comparisons made with budget and expectations of allowable costs?				
4.	Are analytic reviews (for example, comparison of budget to actual or prior year to current year) and audits performed?				

AK.	Cash Management:	Yes	No	N/A	Comments
1.	Are cash management practices independently reviewed and evaluated including a review of cash management, budget variation reporting, processing excess interest earnings, federal draw down activities, etc.?				
2.	Are subrecipients' requests for federal funds evaluated?				
3.	Are agreement terms between the Treasury and a state periodically reviewed for compliance?				

AL.	Eligibility:	Yes	No	N/A	Comments
1.	Does management perform periodic analytical reviews of eligibility determinations?				
2.	Are program quality control procedures performed?				
3.	Are detailed transactions periodically audited?				

AM.	Equipment & Real Property Management:	Yes	No	N/A	Comments
1.	Does management review the results of periodic inventories and follow up on inventory discrepancies?				
2.	Does management review property dispositions to ensure appropriate valuation and reimbursement to federal awarding agencies?				

AN.	Matching, Level of Effort, Earmarking:	Yes	No	N/A	Comments
1.	Is there a supervisory review of matching, level of effort, or earmarking activities performed to assess the accuracy and allow ability of transactions and determinations, e.g., at the time reports on federal awards are prepared?				

AO.	Period of Availability of Funds:	Yes	No	N/A	Comments
1.	Is there a periodic review of expenditures before and after cut-off dates to ensure compliance with period of availability requirements?				
2.	Does management review reports showing budget and actual for the period?				

AP.	Procurement, Suspension, & Debarment:	Yes	No	N/A	Comments
1.	Does management conduct periodic independent reviews of procurements and contracting activities to determine whether policies and procedures are being followed?				

AQ.	Program Income:	Yes	No	N/A	Comments
1.	Is an internal audit of program income conducted?				
2.	Does management compare program income to budgeted amounts and investigate significant differences?				

AR.	Real Property Acquisition & Relocation Assistance:	Yes	No	N/A	Comments
1.	Does management monitor relocation assistance and real property acquisition for compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA)?				

AS.	Reporting:	Yes	No	N/A	Comments
1.	Is information reported to federal agencies corroborated by information provided by an external source?				
2.	Is information reported validated to supporting documentation?				

AT.	Subrecipient Monitoring:	Yes	No	N/A	Comments
1.	Has a process been established to assure the timely submission of required reporting, (i.e. financial reports, performance reports, audit reports, on-site monitoring reviews of subrecipients, or timely resolution of audit findings)?				
2.	Are subrecipient monitoring results tracked and reviewed by supervisors?				

Example Fraud, Waste & Abuse Questions:

AU.		Yes	No	N/A	Comments
1.	Are there codes of conduct and other policies regarding acceptable practice, conflicts-of-interest, or expected standards of ethical and moral behavior?				
2.	Are they communicated?				
3.	Are they enforced?				
4.	Is there pressure to meet unrealistic performance targets?				
5.	Have procedures been established to ensure that the federal awarding agency is appropriately reimbursed for dispositions of property acquired				

AU.		Yes	No	N/A	Comments
	with federal awards?				
	<i>Do channels of communication exist for people to report suspected improprieties regarding:</i>				
6.	Eligibility?				
7.	The use or disposition of equipment?				
8.	Procurement and contracting?				
9.	The collection or use of program income?				
	<i>Does the entity have a process for identifying and assessing risks resulting from:</i>				
10.	Misappropriation or improper disposition of property acquired with federal awards?				
11.	Conflicts-of-interest, e.g. kickbacks, related party transactions, bribery?				

Example Post Award Processing Questions:

AV.		Yes	No	N/A	Comments
	<i>Was a post award checklist prepared during pre award processing identifying:</i>				
1.	Obligation time period?				
2.	Expenditure time period?				
3.	State reporting requirements?				
4.	Federal reporting requirements?				
5.	Are federal financial reports (SF-425) prepared and submitted timely?				
6.	Was applicable staff informed of post award requirements?				
7.	Have procedures been established to help assure compliance with post award payment and reporting requirements?				
8.	Have funds received been reconciled with award expenditures?				
9.	Was the ability to process reimbursement requests and general ledger posting controlled after obligation and/or expenditure time periods?				
10.	Have all cost sharing, matching, and level of effort criteria been satisfied?				
11.	Have all encumbrances been properly identified and processed?				
12.	If the entity has unobligated and/or unspent funds have these funds been identified as de-obligated funds to appropriate federal and state agencies?				
13.	Have records retention requirements been identified and implemented?				