United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

September 26, 2013

Department of the Interior Guidance Release (DIG) 2011-03, Amendment 1

Subject: Financial Assistance Monitoring Protocol

Reference: Office of Management and Budget (OMB) Circular A-102, *Grants and Cooperative Agreements with State and Local Governments* relocated to 2 CFR 225; OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Non-Profit Organizations* relocated to 2 CFR 215; OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* relocated to 2 CFR 225; OMB Circular A-21, *Cost Principles for Educational Institutions* relocated to 2 CFR 220; OMB Circular A-122, *Cost Principles for Non-Profit Organization* relocated to 2 CFR 230; 43 CFR Part 12, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, sections 12.80, 12.81, and 12.83; and *Principles of Ethical Conduct* E.O. 12674, Part I, §101(k).

1. Purpose. This policy outlines the protocol for the Department of the Interior when conducting pre-award financial assistance risk assessment and post award monitoring activities. The protocol's goal is to ensure that organizational limited resources are used where the most benefit may be obtained.

This guidance adds several new requirements. The general oversight of bureau and office compliance with this policy will be handled through the annual PAM Financial Assistance Internal Control Review plans. Section 6 incorporates a new section heading entitled risk assessment and monitoring process; a new paragraph describing the pre-award risk assessment categories identified on the revised Financial Assistance Risk Assessment Checklist to be used for new awards and recipients; new expanded language on OMB Circular A-133 that describes the dollar threshold and audit requirements for specific types of recipients; a process description for bureau financial assistance staff to follow when reviewing the schedule of findings in Federal Audit Clearinghouse; post award milestone plan functionality available in FBMS PRISM Grants to track report submissions; and the virtual site visit as a new monitoring technique.

2. Effective Date. Effective upon issuance. This amendment version supersedes the previous guidance DIG 2011-03 issued on September 13, 2011.

3. Policy. The policy of the Department of the Interior ensures the fiscal and programmatic integrity of recipients. To ensure this objective is realized, it is the policy of the Department to conduct due diligence prior to award and ensure the appropriate post-award monitoring activities are planned and implemented. Monitoring federal financial assistance awards advocates good stewardship of Federal funds, and ensures that projects are carried out in a manner consistent with the recipient's approved project proposal or work plan. The Department has developed a risk-based portfolio management framework for developing a monitoring strategy that integrates baseline monitoring activities and focuses limited advanced monitoring resources on recipients administering higher risk awards. This strategy is designed to measure relative risks across awards and recipients and to prioritize a set of monitoring activities for each category of risk. The monitoring strategy includes the annual selection of a bureau or office specific award portfolio based upon risk-based ranking. The risk-based award ranking will be accomplished by awards ranked by the scores received on the DOI Risk Assessment Checklist (Attachment 1). Based upon the

qualitative assessment received on the checklist monitoring activities will be prioritized based upon Category A (Higher Risk Awardees), Category B (Moderate Risk Awardees), and Category C (Lower Risk Awardees).

The Department incorporates a variety of risk factors into the award risk ranking. Initial award-related risk factors relate to the risk of non-compliance associated with each award and include the amount obligated, award complexity, financial audit, financial and programmatic reporting, and characteristics that indicate awardee financial assistance management capability or risk of non-compliance. Bureaus and offices may make adjustments in risk scores for prior monitoring activity. For example, risk scores may increase or decrease for concerns identified or resolved during prior desk reviews and site visits. For score adjustments grant management specialists will incorporate internal comments received from their organizational departments as well as information gathered from the awardees' prior award administration including awardees on special payment provisions, adjustments to closed awards, and late financial and programmatic reporting.

4. **Responsibilities.** **PAM** provides financial assistance leadership and policy guidance to bureaus and offices. This responsibility includes providing training and technical assistance in order to effect systemic change and to accomplish agency mission goals.

Heads of Bureaus and Offices are responsible for distributing the policy to all their offices administering financial assistance programs. Also, heads of bureaus and offices are responsible for ensuring that the requirements of this policy are implemented through their specific policies and procedures.

As stewards of federal funds, bureau and office heads have a duty to hold recipients accountable for the timely receipt of financial and programmatic reports; to proactively address recipient problems that impede the effective implementation of programs; and to institute effective internal controls to reduce the probability of waste, fraud, and abuse of federal funds provided through financial assistance awards.

5. **Financial Assistance Monitoring Objectives.**

In the development of policies and procedures to implement these requirements bureaus and offices should take into consideration the following guidance regarding effective strategies and methods for pre-award and post award monitoring for financial assistance awards.

A. What types of monitoring are conducted on financial assistance awards?

There are two general categories of monitoring activities: programmatic and financial. Program monitoring addresses the content and substance of the program. It is a qualitative review to determine performance, innovation, and contributions to the field. It assesses whether award activities are consistent with the work plan or proposed project activities identified in the agreement or application content, award goals and objectives are accomplished, and are compliant with statutory regulations and other policy guidelines. Program monitoring also involves: (1) assessing technical assistance needs and evaluating program outcomes; and (2) monitoring administrative activities including compliance with award terms and conditions, reporting requirements, and completeness of documentation in the Bureau official award file.

Financial monitoring ensures compliance with financial guidelines and general accounting practices. Onsite or internal financial reviews are conducted to determine if: (1) award recipients are properly accounting for the receipt and expenditures of federal funds; (2) expenditures are in compliance with federal requirements and award special conditions; and (3) proper documentation on financial monitoring activities is prepared, maintained, and distributed as

appropriate. This documentation includes a record of all contacts between the bureau or office and the recipient.

Post-award monitoring of both programmatic and financial activity is conducted to determine the recipient's progress toward implementing the planned award activities; review compliance with relevant laws and regulations; and provide technical assistance when needed. The acquisition or financial assistance management team coordinates throughout the monitoring process by preparing an annual monitoring plan.

B. Who should monitor?

Bureau and office personnel who are responsible for administering financial assistance programs must ensure administrative, financial and programmatic compliance with relevant statutes, regulations, policies, and guidelines. Grants management specialists provide technical assistance and assist recipients with resolving problems that may impede the effective implementation of the project. Monitoring is an integral part of managing award programs, and is performed periodically throughout the life of the financial assistance award period.

Staff are responsible for ensuring that relevant copies of all reports and correspondence are maintained. Sound monitoring starts with maintaining complete and well organized files, including copies of all reports and correspondence between the bureau or office and the recipient. These files should be reviewed periodically and prior to an onsite visit.

Financial assistance personnel are responsible for reporting fraud, waste and abuse, as well as suspected violations, and serious irregularities.

C. How do we monitor?

Federal agencies monitor recipients for compliance with program regulations through technical assistance communications, internal desk review, onsite or virtual site visits, and recipient compliance with the Single Audit Act. Single audits are used to monitor recipients that expend $500,000 or more in federal funds in a fiscal year.

6. <u>Risk Assessment and Monitoring Process:</u>

A. <u>Pre Award Methods</u>

i. Pre-Award Risk Assessment

The Department requires a monitoring strategy that begins with pre-award risk assessment for all new grant and cooperative agreements. Bureau or office personnel must complete the DOI Risk Assessment Checklist (Attachment 1) for all new awards and recipients for the purpose of documenting and recommending a monitoring strategy. The process incorporates a variety of risk factors in the risk assessment as follows:

1. Award Priority
2. Award Potential for Implementation Problems
3. Financial Viability and System Assessment
4. Past Performance
5. Staff Experience
6. Organizational Experience

7. Staffing Level 1
8. Staffing Level 2
9. Timely Submission of Financial, Program, Progress, or Technical Reports
10. Accrediting, Licensing or Eligibility Certification
11. Recipient Equipment/Facility Adequacy
12. Single Audit or Financial Audit
13. Bureau or Office Specific Risk Category

ii. New Recipient Financial Capability/Business Determination Review

Nongovernmental (non-profit, individuals and for-profit) organizations that have not previously received award funds or have not had an active award within 3 years must complete the Department of the Interior Financial Assistance Evaluation Questionnaire (Attachment 2). The purpose of the questionnaire is for staff to review a preliminary assessment of the applicant's financial capability, including the applicant's accounting system and operations. The results of the questionnaire will determine action the bureau or office will take regarding the award. For example, if a recipient requires additional financial controls, including placing recipients on Treasury ASAP's Agency Review and requiring receipts for purchases. If this is the case, the Notice of Award letter must specify the additional requirements and the bureau or office specific processes that the recipient must follow. Also, bureau or office may use the questionnaire results to provide these new recipients with technical assistance. Tribal governments, States, and universities are not required to submit this questionnaire. These entities are more consistently audited to test their accounting systems and internal controls. This questionnaire may also be used as a training tool for understanding monitoring oversight and questions to ask recipient during on-site or virtual on-site monitoring visit.

iii. OMB A-133 Audits

The purpose of the OMB Circular A-133 is to provide standards for obtaining consistency among Federal agencies for audit of States, local governments, and nonprofit organizations that expend federal award dollars in excess of $500,000 per year. In accordance with OMB Circular A-133, financial assistance award recipients and sub-award recipients that expend $500,000 or more in a year in federal awards must have a single or program-specific financial audit conducted for that year. Entities that do not meet OMB Circular A-133 annual expenditures of Federal funds threshold are not required to arrange for an OMB Circular A-133 audit (single, organization-wide audit or program-specific audit); however, a bureau may request that the OIG conduct an audit, during the project period or within a reasonable time after the end of the project period, if the bureau or office believes an audit is justified or warranted. Commercial organizations and foreign entities are not directly subject to the requirements of OMB Circular A-133 and have the option of conducting an OMB Circular A-133 audit.

Use of Audit Reports in the Financial Assistance Process

Within the Department, the Office of Financial Management (PFM) is responsible for distributing to appropriate bureaus and offices audit reports in the Federal Audit Clearinghouse (FAC). Recipients need to render timely management decisions on audit recommendations, including a clear statement on whether or not each audit finding is

sustained. PFM monitors whether management decisions are issued within the 6-month period after receipt of the audit report.

1. Bureaus and offices must ensure that the terms and conditions of award specify audit requirements and the consequences of not submitting required audit reports in a timely manner.
2. Bureaus and offices should use the most current OMB Circular A-133 audit report when making pre-award decisions and as part of post-award monitoring, particularly before making a renewal/continuation award.
3. Based on review of the audit report, staff may decide not to make an award, or make the award using special conditions after designating the organization as high risk (Please see DOI Risk Assessment Checklist) or take other appropriate enforcement action.
4. Bureaus and offices should consult the FAC website (http://harvester.census.gov/sac/) to determine if an audit report has been submitted and whether it has findings. Staff reviews FAC for the purpose of reviewing the schedule of findings to determine questioned costs related to a bureau award or if the schedule of prior audit findings reports the status of any audit finding relating to a bureau award.

    - If an audit report is available at the FAC and there are findings on bureau award, the staff should verify if their office has audit resolution responsibility. The responsible bureau or office must determine whether any findings would adversely affect pending or ongoing award(s) and, if so, take appropriate action to protect the Federal government's interests.
    - If an audit for the most recently completed awardee fiscal year (or prior years) for a governmental or non-profit organization is not available at the FAC, the bureau or office should determine, consistent with its knowledge of the applicant or recipient, schedule for award, availability of other sources of information to make required judgments, and potential risk to the Federal government's financial and programmatic interests of not obtaining an audit report, those actions it should take to determine the status of the audit (e.g., whether one was required, whether it was submitted but returned, whether it was submitted and is lost) before making an award or recommending an enforcement action.

B. Post Award Methods

In order to monitor current performance and fiscal practices for compliance, bureaus shall use the Financial and Business Management System PRISM Grants milestone plan. The milestone plan allows staff to establish electronically performance and financial reporting deadline dates, as well as, track report submissions, and requests for report deadline extensions. Bureaus and offices may use the pre-award process to determine the frequency of required recipient reporting. The reporting follow-up notices must communicate with the recipient the consequences for non-compliance with 43 CFR Part 12 and Departmental policy guidance.

i. Performance Report

a. Recipients are required to submit Performance Reports in accordance with requirements stated in the regulations (43 CFR Part 12). Bureaus and offices will review the reports to access the following: review of actual accomplishments to the objectives established for the period; a justification if there are reasons for slippage if established objectives were not met; appropriate, analysis and explanation of cost overruns or high unit costs; and funds stated in

the Federal Financial Report, SF 425 or Treasury Automated Standard Payment System automated reports on funding withdrawals are consistent with the goals and objectives for the period of performance.

ii. Federal Financial Report, SF 425

Recipients are required to submit financial status reports in accordance with the frequency identified in each award agreement and 43 CFR 12. There are several financial forms and reports that award recipients may be required to complete, including: SF 425, Federal Financial Report and SF 270, Request for Advance or Reimbursement.

As of October 2009, all bureaus and offices must fully transition to solely using the Federal Financial Report, SF 425, which is a government-wide financial assistance streamlining mandate. The SF 425 contains four sections – Status of Federal Cash, Status of Federal Expenditures and Unobligated Balance, Status of Recipient Share, and Program Income. Bureaus or offices will choose the sections their recipients are required to complete and the frequency of report submission.

1. Recipients are required to submit the SF 425 in accordance with financial assistance regulations and Department of the Interior Guidance (DIG) Release 2009-04, policy regarding Financial Status Reporting Requirements Related to Grants. Staff will determine the frequency reports are submitted using a business management capability/systems assessment and other factors (i.e. past performance, dollar value of the award, or complexity) and will be stated in the award document.
2. Reports will include program outlays and income.
3. Reports will be reviewed to ensure they are received by their due date, and provide adequate information covering the expenditure of funds for the specified time period. DIG 2009-04 Policy regarding Financial Status Reporting Requirements Related to Grants describes the procedures to follow for late reports, monitoring reports, and remedies for recipient noncompliance.
4. Reports will also be reviewed to determine whether the funds spent are appropriate.

iii. OMB Cost Principles Compliance

Compliance with OMB Cost Principles 2 CFR Part 220, 2 CFR Part 225 and 2 CFR Part 230 are tested by examining outlays.

1. Regular monitoring of withdrawals via the designated electronic payment system should be conducted on a regular basis.
2. Source documentation (purchase orders, invoices, cancelled checks, payroll, time and attendance records) for randomly selected transactions under each award are reviewed to determine the nature of the expenditure and to establish its allowability.

iv. Recipient Internal Controls

Examine the recipient's written policies and procedures for financial assistance management, procure accounting records for each federal award, check property and equipment inventories, property and equipment maintenance schedules, and justify the most current award balances and expenditures by reviewing the Federal Financial Report, SF 425 submitted, and payment management system.

7. Risk Assessment and Monitoring Process:

The effective monitoring of financial assistance programs is achieved through the development, implementation and maintenance of the bureau or office monitoring plan. A risk-based approach using the DOI Risk Assessment Checklist should be used when determining the level of monitoring, which considers a site visit as the highest level of staff involvement for a select group of recipients while other activities can be considered at moderate risk and lower risk levels of staff resource involvement. The bureau or office will determine how the monitoring plan will be completed, what the focus of the plan will be over the life of the financial assistance award, and types, and time(s) of the appropriate monitoring activities (e.g., new recipient pre-award due diligence using the Department of the Interior Financial Assistance Evaluation Questionnaire, desk reviews, onsite or virtual site visits). This plan is an evolving document used throughout the life cycle of a project to ensure compliance with agreement terms and conditions and the program objectives are being met. The bureau/office is responsible for revisiting the assessment to determine if modifications to the monitoring plan are required.

The following outlines the procedures required for implementing the various award monitoring protocols:

A. Desk Review Monitoring

Desk review monitoring are baseline or initial monitoring techniques. Desk monitoring is a thorough review of the recipient award file and includes contacting recipient's staff to discuss data in source documents, award activities and project status.

Reviews of award files are conducted in order to:

1. Ensure that the files are complete and the documents they contain were properly executed;
2. Determine if the recipient is in compliance with the program guidelines;
3. Determine if award special conditions are being implemented and properly cleared; and,
4. Assess the progress of the program and identify any problems encountered.

There are four action steps required when conducting a desk monitoring review:

Step 1: Review the official award files and complete the Monitoring Report (Attachment 3). Ensure that all documents identified on the form are included.

Step 2: Compile a list of programmatic, administrative and financial issues to discuss.

Step 3: Contact the recipient to address any issues requiring resolution and to request copies of documents that may be missing from the file. Staff may negotiate a due date for resolving the issues requiring resolution.

Step 4: Monitor the resolution of issues and close the review file once all issues are resolved. Communicate in writing to the recipient that the desk review process is complete and no further action is required from the recipient.

Step 5: Send a copy of the completed Monitoring Report and any supporting information for inclusion in the official award file.

B. Monitoring Reviews and Report

Monitoring reviews may be used independently or in conjunction with the review checklist or as a record in preparing the Monitoring Report. Monitoring reviews provide the bureau or office a substantive assessment of project implementation and will serve as guidance in determining any required corrective actions. This information comprises the analysis of a Progress or Technical Report Review and the Federal Financial Report, SF 425.

C. Onsite Visit or Virtual Site Visit

Bureaus and offices have the option to conduct onsite or virtual site visits based upon the risk assessment of an awardee. Virtual site visits is an available tool for the purpose of avoiding travel costs and communicating directly with awardees through information technology tools. Virtual site visits will combine virtual communication tools such as a bureau or office video conference, Google Video Chat or Google Drive Collaboration functionalities, or telephone conference bridge. Bureau and office personnel should determine which type of virtual tool the actual site visit will require. For example, a teleconference requires only a telephone, while a web-based meeting requires all participants to have a computer with Internet access. If a web-based meeting is selected it is important that bureau personnel test the technology at least an hour before the meeting to ensure that everything is working properly and that personnel are sure how to operate all the necessary features.

Onsite Visit or Virtual Site Visit monitoring consists of three phases: (1) the site visit plan (pre-visit); (2) the onsite or virtual site visit survey; (3) post-visit tasks. During all phases of monitoring, procedures are divided into programmatic issues and administrative/financial issues.

i. Onsite or Virtual Site Visit Plan (Pre-Visit)

Prior to the actual onsite monitoring visit, the bureau or office conducts a number of tasks to prepare for the visit. Adequate preparation prior to a visit provides the bureau/office with the background information necessary to conduct a thorough visit. Prior preparation also helps to ensure that the recipient can assist the bureau with relevant information about the programmatic, administrative and financial oversight of the project, as well as provide a comprehensive overview of the status of the project.

Prior to arriving on site or virtual site visit, the bureau or office must:

1. Review the award file and data maintained in automated reports.
2. Request source documents, if checking items cost (i.e. time sheets, receipts, travel vouchers) for a certain period (month/s) or items of cost (payroll, travel, equipment, supplies, etc.).
3. Develop a checklist of both financial and programmatic information, documents and activities to be reviewed and questions to ask the recipient.
4. Schedule the onsite visit.
5. Send a confirmation letter or email to the recipient confirming the visit. Staff may also forward a copy of the checklist or Department of the Interior Financial Assistance Evaluation Questionnaire so the recipient will be familiar with the information required for the visit.
6. Compile materials to take to the onsite visit.

ii. During the Visit

The bureau/office visits the recipient at the project site or communicates through a virtual meeting in order to discuss specific issues related to their implementation plan or financial reports, observe project activity, and make judgments about planned versus actual progress.

During the onsite or virtual site visit, the bureau or office:

1. Conducts an entrance interview. This interview is conducted with the project point of contact, agency director, project personnel or financial/accounting staff and is used to set the tone, establish expectations for the onsite monitoring or virtual site visit, and obtain issues and concerns from the recipient.
2. Conducts a programmatic, administrative, and financial review of the project. The bureau or office reviews the recipient's award files to ensure that all information contained in them is current, the recipient's financial management system and special conditions have been satisfied.
3. Conducts interviews with sub-recipients, if necessary. If issues or problems were noted during the desk monitoring discuss the issues with the recipient. The recipient is responsible for correcting issues with sub-recipients.
4. Visits the site of the project, if you are conducting an on-site review. Prior to arrival at the site, the bureau or office has reviewed performance or technical reports and prepared a checklist of goals, objectives, and time lines to measure the progress of the program.
5. Conducts an exit interview. The interview is conducted with the project point of contact and designated bureau/office financial assistance personnel. The exit discussion is used as an opportunity for the recipient to ask questions of the grants management specialist.

iii. Post-Visit

The purpose of the onsite/virtual visit report is to document the result of the onsite or virtual visit and to highlight any areas where the recipient is in non-compliance or in need of assistance. Following the onsite or virtual visit, a follow-up letter is sent to the recipient to thank them for their cooperation during the visit. This follow-up letter may also serve to identify areas for improvement, programmatic recommendations or assistance that must be provided. The onsite or virtual visit report and follow-up letter are prepared within 30 business days of returning from the onsite or virtual visit, and a copy of both is included in the official award file.

Required steps following the onsite or virtual visit are:

Step 1: Prepare the Site or Virtual Visit Report (Attachment 4) and letter to the recipient.

Step 2: Route Site or Virtual Visit Report and letter through the bureau/office for review.

Step 3: After review and approval, send the letter to the recipient.

Step 4: Send an approved copy of the Site Visit Report and letter to the official file.

If the recipient provides insufficient documentation to bureau or office, the recipient is generally given 30 days from the date they receive the follow-up letter to provide the required

information. After 30 calendar days, if this does not produce the missing information, a telephone contact should be made in an effort to resolve the issue(s). In the event there is not a resolution, a final warning letter signed by the bureau or office official with signatory authority for the financial assistance award and sent via certified mail approximately 45 calendar days from the date of the follow-up letter. Consequences may include suspension of payment, recipient payback of questioned costs, and suspension of any future awards, depending on the severity of the issue.

7. **Additional Information:** For questions regarding this guidance, you may contact Anita Hairston, Financial Assistance Program Analyst, Office of Acquisition and Property Management at 202-513-0871, or at anita_hairston@ios.doi.gov.

Debra E. Sonderman, Director
Office of Acquisition and Property Management

Attachments

1 Department of the Interior Risk Assessment Checklist
2 Department of the Interior Financial Assistance Evaluation Questionnaire
3 Monitoring Report
4 Site or Virtual Site Report

DOI Risk Assessment Checklist

Instructions: This checklist shall be completed once a fiscal year for a recipient for the purpose of establishing a monitoring strategy that will contribute to the overall bureau-specific monitoring plan. If the preparer has selected "N/A" for a risk category, a brief explanation shall be provided in the Comments Section of the form.

CFDA Number(s) _____ **CFDA Program Name(s)** _____ **Award Number(s)** _____

Total Funds Awarded $ _____ **Recipient Name** _____

Project Title(s) and Location _____

Contract/Financial Assistance Specialist _____ **Technical Staff Person** _____

Scale for Risk Evaluation

Label	Description
Not Applicable or N/A	Definition: A commonly used abbreviation used for entering nothing in a form or table field because no data are relevant to the situation. • A risk category does not apply to either the program requirements or recipient.
Low	Definition: Low inherent risk exits where the volume, size, or nature of the activity is such that even if the internal controls have weaknesses, the risk of loss is remote, or if a loss would occur, it would have little negative impact on the recipient's overall financial condition, the program's compliance with federal financial assistance requirements, or program statutory requirements. • A recipient requests a site visit or desk audit review for the purpose of technical assistance. • A recipient who has submitted timely Single Audit, financial and technical reports. • A recipient with satisfactory past performance, no reporting discrepancies, or reported award implementation issues. • Staff experience and staff level may place the recipient in low, medium or high risk category. The level will depend on the severity of the risk to the implementation of the federal award.
Medium	Definition: Moderate inherent risk where the volume, size, or nature of the activity is more average, typical or traditional. Thus, while the activity potentially could result in a loss, which could be absorbed by the recipient in the normal course of business. Also, the loss can be mitigated without a major failure in the implementation of the award. • A new recipient with no prior awards. • A recipient identified as having a trend of submitting late financial and performance reports.

DOI Risk Assessment Checklist

	• High staff turnover or reorganization that affects the implementation of the program. • One or more of the following categories: award priority; award potential for implementation problems; past performance issues where recipient has taken steps to improve but there are some concerns; equipment disposition/assessment by staff is needed; and where staff is working with recipients to resolve any qualified or moderate auditor opinions specific to the bureau program.
High	Definition: High inherent risk where the activity is significant, where there are a substantial number of transactions, or where the nature of the activity is inherently more complex than normal. Thus, the activity potentially could result in a significant and harmful loss to the federal agency, the financial assistance program or noncompliance with a federal statue. • The program is unusually complex (e.g. program, funding, formula, matching requirements). • Recipient has a history of unsatisfactory performance. • The recipient's financial status reports indicate a large number of corrections, possible supplanting, issues, cash flow problems, a large amount of budget carryover, variations between expenditures and approved budget, or returned (lapsed) significant unspent funds. • For past awards the recipient had difficulty meeting statutorily mandated matching or maintenance of effort requirements. • Recipient is not financially stable such as a delinquent federal debt identified on the SF 424, or a Dun and Bradstreet financial report that identifies bankruptcy or a credit risk. • The recipient or their principal staffs have been previously suspended or disbarred. • Recipient does not have the appropriate equipment to carry out research or does not have required bonding or other certification to carry out the terms of the award. • Recipient does not have a financial management system in place to track and record program expenditures. • Recipient has not conformed to terms and conditions of previous awards. • Recipient is not responsible in submitting Single Audit, Financial or Performance Reports. • Single Audit finding such as adverse opinions that specifically impacts award implementation. • It has been more than one year since the recipient received a Single Audit. • Bureau staff, citizen or recipient employee has reported waste, fraud or abuse.

RISK CATEGORY	RISK DESCRIPTION	RATING LABEL:	COMMENT

DOI Risk Assessment Checklist

		N/A, Low, Medium, or High	
1. Award(s) Priority	How important is the grant/cooperative agreement(s) awarded to the recipient within the context of the awarding office's goals and objective?		
2. Award(s) Potential for Implementation Problems	What is the potential for implementation problems (with high being a highly complex award with the greatest potential for problems)?		
3. Financial Viability and System Assessment	a. Recipient has a financial management system in place to track and record program expenditures. The accounting system identifies the receipts and expenditures of program funds separately for each award. YES _____ No _____ N/A _____ b. Recipient is new and/or does not have experience managing federal funds. YES _____ No _____ N/A _____		
4. Past Performance Reporting on Outcomes (from last fiscal year final performance progress report)	a. Met all b. Met most (85% or more) c. Met some (less than 85 %) d. Met none		
5. Staff Experience	a. All staff are experienced in performing stated activities of award. b. Majority of staff are experienced in performing stated activities. c. Fewer than 50% of staff are experienced at performing stated activities.		
6. Organization Experience	a. Organization has been providing services listed in the award at least five years.		

DOI Risk Assessment Checklist

	b. Organization has provided services similar to those listed in award more than 2 years but less than five years. c. Organization has provided same or similar services for less than two years.		
7. Staffing Level (1)	a. Currently fully staffed. b.75% of positions currently filled. c. Less than 75% positions currently filled.		
8. Staffing Level (2)	a. Staffing level sufficient to provide services in award. b. Staffing level insufficient but plans and resources in place to increase level. c. Staffing level insufficient with no plans or resources to increase.		
9. Timely Submission of Financial Status, Performance Progress Reports and Other Administrative Requirements.	Has the entity been timely in the submission of : Amendments Yes _____ No _____ N/A _____ Fiscal Reporting Yes_____ No _____ Budget Revisions _____ No_____ N/A _____ Performance Progress Yes _____ No _____ a. Financial and Progress Reports submitted on time. b. Financial and Progress Reports submitted within 60 days of deadline. c. Financial and Progress Reports submitted over 90 days late.		
10. Accrediting, Licensing or Eligibility Certification	a. Organization properly licensed or certified by a recognized source (i.e. the Internal Revenue Service non		

DOI Risk Assessment Checklist

	profit determination letter, bonded and insured if performing construction related activities, etc.) b. Organization meets licensing/certification or is seeking validation from a recognized source. c. Not accredited, licensed or certified to meet minimum eligibility requirements of the award.		
11. Equipment/Facility Adequacy	a. Equipment capable of handling additional needs of award. b. Equipment needs slight upgrade to meet award requirements. c. Equipment needs significant upgrade to meet the award requirements.		
12. Financial Audit	a. Audited in at least one of the two most recent periods? (Yes= High Risk, No= Moderate to Low) b. Timely single audit report? (Yes= Moderate to Low, No= High Risk). c. Single Audit Opinion on Major Program Compliance: - Unqualified (Low Risk) - Qualified (Moderate Risk) - Adverse/Disclaimer (High Risk) d. Significant Deficiencies in Internal Control Over Compliance: - None (Low Risk) - 1 to 2 (Moderate Risk) - More than 2 (High Risk) e. Findings for Non-Compliance for Federal Awards (High Risk): - None - 1 to 2		

DOI Risk Assessment Checklist

	- More than 2		
13. Bureau-Specific Risk Category			
FINAL RISK CATEGORY (Low, Medium or High Risk):			

Basis for Monitoring Level Decision _____

_____

_____

_____

DEPARTMENT OF THE INTERIOR
FINANCIAL ASSISTANCE EVALUATION QUESTIONNAIRE

The questionnaire is to be used during the financial assistance business process as a tool to assist staff with evaluating recipients during desk reviews or on-site monitoring visits. The questionnaire must be maintained in the award file.

I. Organization Policies and Procedures

A. General Information /Policies and Procedures. Many of these questions have "Yes" or "No" answers. For "Yes" answers, please provide the specific-reference to your policies and procedures. Please explain all "No" and "Not Applicable" answers. Please provide a copy of the policy, procedures or section thereof that supports your response to the questions marked with an asterisk – **(*)**.

Note: Title 43 CFR Part 12 Administrative and Audit Requirements and Cost Principles for Assistance Programs; OMB Circular A 122 (now codified as 2 CFR Part 230) references apply to Non Profits, Hospitals and Educational Institutions; OMB Circular A 87 (codified as 2 CFR 225) references apply to States, Local Governments and Indian Tribes; and OMB Circular A 21 (codified as 2 CFR 220) references apply to Educational Institutions.

1. Who or which office(s) in your organization is/are responsible for reviewing, approving and signing applications, awards and amendments?

2. Who or which office(s) in your organization is/are responsible for monitoring and overseeing assistance agreements once received?

3. **(*)** Do you have a current Organizational Chart? Show or explain any non-profit or for-profit organization(s) and/or entities you're affiliated with. ☐ Yes ☐ No ☐ N/A

4. How does your organization keep up-to-date on federal regulations, legal decisions, OMB Circulars, etc.?

5. Does your organization have provisions for seeking written prior approvals for specific revisions, from the awarding agency under certain conditions? ☐ Yes ☐ No ☐ N/A

6. OMB Circulars require organizations receiving federal assistance agreements to have written policies and procedures for the following areas. Do your policies and procedures address the items described below?

a. Personnel, including qualifications for each position, duties and responsibilities, salary ranges, EEO, annual performance appraisals, types and levels of fringe benefits, and standards of conduct governing duties and responsibilities including disciplinary actions for not adhering to the standards, for employees engaged in the award and administration of contracts. (OMB A 122/2 CFR Part 230, Appendix B, paragraph 8; OMB A 87/2CFR Part 225, Appendix B, section 8; OMB A 21/2 CFR Part 220, Appendix A, section J.10);	☐ Yes ☐ No ☐ N/A

b. (*) Time reporting, tracked to each project; (OMB A 122/2 CFR Part 230 Appendix B, paragraph 8.m; OMB A 87/2 CFR Part 225, Appendix B, Section 8.h; OMB A 21/2 CFR Part 220, Appendix A, section J.10);	☐ Yes ☐ No ☐ N/A

c. Redistributions (Chargebacks); (i.e., other organizational department costs; written, established rates required);	☐ Yes ☐ No ☐ N/A

d. Payroll processing and internal controls; (OMB A 122/2 CFR Part 230, Appendix B, paragraph 8.m; OMB A 87/2 CFR Part 225, Appendix B, Section 8.h, OMB A 21/2 CFR Part 220, Appendix A, section J.10);	☐ Yes ☐ No ☐ N/A

e. Overtime (if allowed); OMB A 122 /2 CFR Part 230, Appendix B, paragraph 8,f; OMB A 87/2 CFR Part 225, Appendix B section 8; OMB A 21/2 CFR 220, Appendix A, section J.10);	☐ Yes ☐ No ☐ N/A

f. (*) Vacation and Sick Leave (if offered by your organization); (OMB A 122/2 CFR Part 230, Appendix B, paragraph 8g; OMB A 87/ 2 CFR Part 225, Appendix B, section 8.d; OMB A 21/2 CFR 220, Appendix A, Section J.10f;	☐ Yes ☐ No ☐ N/A

g. Compensatory time (if allowed). (OMB A 122/2 CFR Part 230, Appendix B, paragraph 8.d);	☐ Yes ☐ No ☐ N/A

h. Equipment and property purchases including cost and price analysis, purchase, use of, inventory and disposition of at the end project.	☐ Yes ☐ No ☐ N/A

(A cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability when you do not have other proposals to compare costs against. A price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicators, together with discounts).

i. (*) Electronic Funds Transfers (EFT) drawdowns from DOI Bureau/Office A accounts. Does your policy address who is authorized to request payment from the Federal Government; what procedures are used to verify that the request are accurate; and when drawdown of funds will occur?	☐ Yes ☐ No ☐ N/

j. Receipt and deposit of advance payments;	☐ Yes ☐ No ☐ N/A

k. Records retention;	☐ Yes ☐ No ☐ N/A

l. (*) Travel authorizations, vouchering after the trip and, if required, trip reporting (OMB A 122 / 2 CFR Part 230,Appendix B, paragraph 51; OMB A 87 / 2CFR Part 225, Appendix B, Section 43; OMB A-21 / 2 CFR 220, Appendix A, Section J 53);	☐ Yes ☐ No ☐ N/A

m. (*) Procurement Standards for supplies, expendable property, equipment, real property and services. Standards for contracting, purchasing, consultant agreements, sub-awards or grants (if applicable, especially for monitoring sub awardees) and other types of awards that transfer federal funds outside of your organization;	☐ Yes ☐ No ☐ N/A

n. (*) Provisions for utilizing Small Businesses, Minority Owned Firms, Women-Owned Business Enterprises, and Labor Surplus Area Firms (where possible);	☐ Yes	☐ No	☐ N/A

o. (*) Program Income. Is it identified, authorized, accounted for, and are limitations placed on its use;	☐ Yes	☐ No	☐ N/A

p. Cost sharing, matching and In-Kind contributions. Is it identified, accounted for and reported (OMB A 122 / 2 CFR Part 230, Appendix B, Paragraph 12; and OMB A 87 / 2 CFR Part 225, Appendix B, Section 12; OMB A 21 / 2 CFR 220, Appendix A, Section J.15 (b))	☐ Yes	☐ No	☐ N/A

7. Do you have the following documents for each financial assistance award?

a. Original application and certifications (SF 424, 424A, et al.);	☐ Yes	☐ No	☐ N/A

b. Work plans and/or statement of work;	☐ Yes	☐ No	☐ N/A

c. Initial award and all amendment documents;	☐ Yes	☐ No	☐ N/A

d. Request for and approvals of scope and/or budget changes;	☐ Yes	☐ No	☐ N/A

e. Financial Status Reports and reimbursement requests, if applicable; ☐ Yes ☐ No ☐ N/A

f. Payment requests backed up by financial records to support the request; ☐ Yes ☐ No ☐ N/A

g. Progress reports; ☐ Yes ☐ No ☐ N/A

h. Contracts / Subgrants; ☐ Yes ☐ No ☐ N/A

i. Purchases; ☐ Yes ☐ No ☐ N/A

j. Consultant agreements; ☐ Yes ☐ No ☐ N/A

k. Correspondence and approvals, including emails to and from DOI Bureau/Office Heads. ☐ Yes ☐ No ☐ N/A

II. Accounting and Financial Management

These questions have "Yes" or "No" answers. For "Yes" answers, please provide the specific reference to your policies and procedures. Please explain all "No" and "Not Applicable" answers.

Please provide a copy of the policy, procedure or section thereof that supports your response to the questions marked with an asterisk – (*).

A. Accounting

1. Does your organization have an accounting manual? The 43 CFR N/A requires certain accounting practices / procedures addressed in the questions below to be written.	☐ Yes ☐ No ☐

2. Does your organization's accounting and financial management system(s) No N/A follow Generally Accepted Accounting Principles (GAAP)? (OMB Circular A 122 / 2 CFR Part 230, Appendix A, Paragraph A.2.e; OMB A 87 / 2 CFR Part 225, Appendix B, Section 8, OMB Circular A 21 / 2CFR 220, Appendix A, Section J)	☐ Yes ☐ ☐

3. Does your organization's accounting and financial management system(s) N/A provide accurate, current and complete disclosure of the financial results of each federally-sponsored project or program (i.e. each award is accounted for separately), and produce financial reports in accordance with the requirements of 43 CFR Part 12.60?	☐ Yes ☐ No ☐

4. Does your organization's financial management system(s) provide records N/A that adequately identify the source and application of funds for federally- sponsored activities, such as authorizations, obligations, unliquidated obligations, assets, outlays, income and interest?	☐ Yes ☐ No ☐

5. Does your organization's financial management system(s) provide No N/A effective control over, and accountability for all funds, property and other assets, including ensuring that all such assets are used solely for purposes authorized by the awards?	☐ Yes ☐ ☐

6. (*) Does your organization have written policies and procedures to ensure ☐ Yes ☐ No ☐ N/A that costs are reasonable, allocable and allowable? (OMB Circular A 122 / 2 CFR Part 230, Appendix A, Section A, OMB Circular A 87 / 2 CFR Part 225, Appendix A, Section C; OMB Circular A 21 / 2 CFR 220, Appendix A, Section C)

7. Does your organizational monitor allowable costs to ensure they are charged ☐ Yes ☐ No ☐ N/A to the grant within the specified period?

8. Does your financial management system(s) report and provide for a ☐ Yes ☐ No ☐ N/A comparison of outlays or grant project expenditures, with budget amounts for each grant project/award or have the capability to do so?

9. Does your organization have budgetary controls to preclude incurring ☐ Yes ☐ No ☐ N/A excess expenditures?

10. Does your accounting system have provisions for reviewing ☐ Yes ☐ No ☐ N/A and monitoring project budgets and program plans, and reporting and rectifying deviations that may occur in them?

11. Do you have a current audit? ☐ Yes ☐ No ☐ N/A

12. If your organization expended more than $500,000 of Federal funds in the ☐ Yes ☐ No ☐ N/A most recent fiscal year, did you obtain an audit in accordance with OMB Circular A 133?

13. If your organization had an A 133 audit performed, were there any ☐ Yes ☐ No ☐ N/A findings, material weaknesses or reportable conditions identified? If there were, briefly explain or provide a copy of the findings section and your corrective actions taken.

14. If your organization requests reimbursement for indirect cost under the ☐ Yes ☐ No ☐ N/A grant award, does your organization have an approved indirect cost rate? (OMB Circular A 122 / 2 CFR Part 230, Appendix A, Section C and D; OMB Circular A 87 / 2 CFR Part 225, Appendix E or OMB A 21 / 2 CFR 220, Appendix A, Section G)

15. (*) Does your organization have written procedures for drawing grant ☐ Yes ☐ No ☐ N/A funds and issuing payments? Note: Payment requests should be restricted to immediate needs, i.e. drawing down funds 3 to 5 working days in advance of disbursements.

16. What type of accounting and financial management system(s) does your ☐ Yes ☐ No ☐ N/A organization use? Name of automated system(s)

17. Are accounting records supported by source documentation? ☐ Yes ☐ No ☐ N/A

B. Personnel/Timekeeping (Ref: OMB Circular A 122/ 2 CFR Part 230, Appendix B, Section 8, OMB Circular A 87/ 2 CFR Part 225, Appendix B, Section 8 or OMB Circular A 21 / 2 CFR 220, Appendix A, Section J, Paragraph 10)

1. Does your organization have written payroll policies and procedures?	☐ Yes	☐ No	☐ N/A

2. Do your employees record: actual hours worked directly on all projects, indirect or administrative time not charged directly to a project, and leave taken?	☐ Yes	☐ No	☐ N/A

3. For those employees required to work away from the office, are actual hours worked documented?	☐ Yes	☐ No	☐ N/A

4. Do payroll registers and reports match up with costs for each employee whose compensation is charged to an assistance agreement?	☐ Yes	☐ No	☐ N/A

5. Are timesheets required to be signed by the individual or supervisor?	☐ Yes	☐ No	☐ N/A

C. Personnel/Payroll

These questions have "Yes" or "No" answers. For "Yes" answers, please provide specific reference to your policies and procedures. Please explain all "No" and "Not Applicable" answers.

Does your organization's written policies and procedures provide for the following controls for the payroll function?

1. Does the policy provide adequate separation of duties?	☐ Yes	☐ No	☐ N/A

2. Are salaries and wages rates established, authorized and approved in your organization to ensure equity?	☐ Yes	☐ No	☐ N/A

3. Does your payroll process ensure that all deductions from employee salaries are authorized by the employee and proper?	☐ Yes	☐ No	☐ N/A

4. How are payrolls distributed?	☐ Yes	☐ No	☐ N/A

5. If checks are distributed manually, are there sufficient controls to ensure that payroll checks are distributed to the correct employee?	☐ Yes	☐ No	☐ N/A

D. Travel (Ref: OMB Circular A 122 / 2 CFR Part 230, Appendix B, Sections 51, OMB Circular A 87/ 2 CFR 225, Appendix B, Section 43 or OMB Circular A 21 / 2 CFR 220, Appendix A, Section J, Paragraph 53)

These questions have "Yes" or "No" answers. For "Yes" answers, please provide the specific reference to your policies and procedures. Please explain all "No" and "Not Applicable" answers.

1. Does your organization have written travel policies and procedures?	☐ Yes	☐ No	☐ N/A

2. Are internal controls in place to ensure that employees follow your organization's travel policy, i.e. levels of review prior to authorizing payment	☐ Yes	☐ No	☐ N/A

and that the travel was associated with the specific project?

3. Are internal controls in place to ensure that travel and time reporting support the employee's activities while on travel? ☐ Yes ☐ No ☐ N/A

4. Do the policies and procedures include provisions to ensure that travel costs is allowable, allocable and reasonable? ☐ Yes ☐ No ☐ N/A

E. Matching, Cost Sharing, In-Kind Contributions and Program Income

Title 43 CFR Part 12.64 – 12.65 provides criteria on the acceptability, purpose, and types of contributions made in relation to cost sharing or matching purposes and the support for such. Also, it addresses the accounting for Program Income related to the federally funded projects.

The questions below have "Yes" or "No" answers. For "Yes" answers, please provide the specific reference to your policies and procedures. Please explain all "No" and "Not Applicable" answers.

1. Does your organization currently have Matching, Cost Sharing and/or ☐ Yes ☐ ☐ No N/A In-Kind costs included in any active awards or anticipate any of these types of costs in the foreseeable future? No_____ (Skip this entire section) Yes _____ Please complete the rest of this section.

2. Does any of the matching costs come from another federal grant(s)? ☐ Yes ☐ ☐ No N/A (If "Yes", it must be authorized in the terms and conditions of the assistance agreement)

3. Are these costs identified in the approved grant project budget? ☐ Yes ☐ No ☐ N/A

4. Does your organization track, record, report and verify these costs? ☐ Yes ☐ No ☐ N/A

5. Are all matching costs verifiable from accounting records and valued according to applicable OMB Circular cost principles? ☐ Yes ☐ No ☐ N/A

Circular A 122 / 2 CFR Part 230, Appendix B, Paragraph 8 and 12; OMB Circular A 87 / 2 CFR Part 225, Appendix B, Paragraphs 8 and 12 or OMB Circular A 21/ 2 CFR 220, Appendix A, Section J Paragraph 15 refer to donations, contributions and program income.

6. Has any program income been used to satisfy the recipient's contribution for any current award or added to the funds committed for the project? ☐ Yes ☐ No ☐ N/A

7. Is there a term or condition in the award that permits the use of program income for match requirements or for adding it to the funds committed to the project? ☐ Yes ☐ No ☐ N/A

8. If there is no term or condition, has the program income been deducted from the total allowable project cost? ☐ Yes ☐ No ☐ N/A

F. Procurement/Contracts/Subagreements

These questions have "Yes" or "No" answers. For "Yes" answers, please provide the specific reference to your policies and procedures. Please explain all "No" and "Not Applicable" answers. Please provide a copy of the policy, procedure or section thereof that supports your response to the questions marked with an asterisk – (*).

1. Does your organization have written procurement policies and procedures? ☐ Yes ☐ No ☐ N/A

2. Has your organization awarded contracts or subagreements under any of ☐ Yes ☐ No ☐ N/A the award agreements being reviewed? (Agreements refer to sub grant(s). Subgrant(s) mean an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee, subrecipient or by a subrecipient to a lower tier sub recipient. This includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases of goods and services.)

3. Were contracts awarded in accordance with your organization's contracting policy and does this policy comply with 43 CFR Part 12, as described below?

a) (*) Contains a written code of conduct that addresses conflict of interests and disciplinary actions. ☐ Yes ☐ No ☐ N/A

b) Provides for competing transactions in a free and open manner. ☐ Yes ☐ No ☐ N/A

c) Provides for: a review to avoid unnecessary purchases, a review of lease ☐ Yes ☐ No ☐ N/A vs. purchase alternatives (when appropriate), conducting solicitations with a clear scope of work and bidder requirements, conserving natural resources, and utilizing small, MBE and WBE firms when possible.

d) Requires performing and documenting a cost analysis for sole source A procurements. (A cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability when you do not have other proposals to compare costs against.)	☐ Yes ☐ No ☐ N/

e) (*) Requires performing and documenting a price analysis for competitive A bidding and small purchase procurement actions. (A price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts.)	☐ Yes ☐ No ☐ N/

f) Requires documenting the basis for all procurement selections, justifying a lack of competition and basis for award cost and price.	☐ Yes ☐ No ☐ N/A

g) Discusses purchases/agreement/contract cost thresholds (small purchases vs. major procurements) and personnel required to approve procurements.	☐ Yes ☐ No ☐ N/A

h) Has provisions that no contract or sub award will be entered into with parties that are debarred, suspended or excluded from Federal assistance programs.	☐ Yes ☐ No ☐ N/A

4. Do any of your organization's contracts for grant project exceed the Federal small purchases threshold, ($100,000)?	☐ Yes ☐ No ☐ N/A

5. If "Yes", did DOI Bureau/Office request to review the contract prior to award?	☐ Yes ☐ No ☐ N/A

6. If "Yes", did DOI/Bureau Office provide written comments?	☐ Yes ☐ No ☐ N/A

7. Does your organization use a pre-qualified list of persons, firms or products to acquire goods and services?	☐ Yes ☐ No ☐ N/A

8) Did your organization follow its procurement policies to place and update vendors on the list?	☐ Yes ☐ No ☐ N/A

9) Has your organization established an affirmative procurement system for recycled materials and compliance with environmental statutes?	☐ Yes ☐ No ☐ N/A

10) Does your organization have internal control processes to ensure that only required goods and services are acquired in quantities needed?	☐ Yes ☐ No ☐ N/A

11) Does your organization have internal control processes to ensure that No N/A only acceptable goods and services are paid for by the accounting/finance department?	☐ Yes ☐ ☐

12) Does your organization have guidelines for documenting its contract files? ☐ Yes ☐ No ☐ N/A

13) Has your organization awarded contracts to consultants under current assistance agreements? ☐ Yes ☐ No ☐ N/A

14) Are internal controls for consulting agreements in place to ensure that your organization does not charge financial assistance agreements more than the authorized direct salary cap? ☐ Yes ☐ No ☐ N/A

15) Do your consulting agreements specify the services to be provided, engagement duration, reporting requirements, work location and pay rates including base rate, fringe benefits and overhead? ☐ Yes ☐ No ☐ N/A

G. Property Management

These question have "Yes" or "No" answers. For "Yes" answers, please provide the specific reference to your policies and procedures. Please explain all "No" and "Not Applicable" answers.

1) Does your organization have written property management policies procedures? ☐ Yes ☐ No ☐ N/A

2) Has your organization purchased capital equipment on any of its active assistance agreements? ☐ Yes ☐ No ☐ N/A Yes _____ (Please complete this section) No ____ (Go to Section I)

Equipment, under the Federal Guidelines, is equipment that is considered tangible items with a useful life greater than one (1) year and greater than $5,000 in value. Recipients may have limits that are different than the Federal Guidelines. That is acceptable as long as the limits are not greater than the Federal Guidelines.

i. (*) Do you have a current Organizational Chart? Show or explain any non-profit or for-profit organization(s) and/or entities you're affiliated with.	☐ Yes ☐ No ☐ N/A

3) Does your organization have an inventory control system?	☐ Yes ☐ No ☐ N/A

4) Does your organization maintain property records that identify equipment purchased, either entirely or partially, with Federal funds?	☐ Yes ☐ No ☐ N/A

5) Does your organization perform a property inventory at least every two (2) years? Date of last inventory: _____	☐ Yes ☐ No ☐ N/A

6) Does your organization maintain records of property dispositions?	☐ Yes ☐ No ☐ N/A

I. Internal Controls

Many of these questions have "Yes" or "No" answers. For "Yes" answers, please provide the specific reference to your policies and procedures. Please explain all "No" and "Not Applicable" answers.

1. Does your organization have policies and procedures to ensure compliance with the cash management requirements in 43 CFR?	☐ Yes ☐ No ☐ N/A

a. Does your organization have an internal auditor or audit staff or someone that provides for an independent review of the accounting and financial management process, cash receipts and payments, and safeguarding of assets? ☐ Yes ☐ No ☐ N/A	

2. Does your organization have policies and procedures to ensure compliance with closing out assistance awards after the performance and budget periods? ☐ Yes ☐ No ☐ N/A	

3. Does your organization have a process in place to ensure compliance with the Programmatic Term and Conditions in the following areas?

a. Submitting programmatic progress reports. ☐ Yes ☐ No ☐ N/A	

III – Transaction Testing

A minimum of three non consecutive draws from different grants will be selected for review. The draws will be from a specific time period being reviewed.

(*) As the recipient, you will be required to provide documents (invoices, timesheets, contracts, ledger excerpts) that identify and support the selected funds drawn.

MONITORING REPORT

This report provides the grant/program manager's substantive assessment of project implementation, and will serve to give guidance in determining any required corrective actions. Upon completion, and following review by the director or senior official, the original will be filed in the award file.

AWARD NUMBER:_____

AWARD TITLE:_____

RECIPIENT:_____

GRANT MANAGER:_____

SUMMARY OF PROGRESS

(Discuss the status of the project in relation to major workplan milestones. Address: 1) number of clients served as compared with projection; 2)staffing; 3) activities undertaken, and 4) significant accomplishment.)

MONITORING

(Indicate dates of site visits or telephone monitoring, staff interviewed, location visited, project elements reviewed, products reviewed.)

ISSUES/PROBLEMS

(Discuss significant new issues/problems with respect to projected milestones, audits, staffing, client flow, departures from approved goals, late reports, etc.)

PROGRAM IMPLEMENTATION

(Indicate milestones met this quarter and identify milestones scheduled to occur in the following quarter.)

ACTIVITIES/PRODUCTS

(Identify any reports or products that were submitted during the quarter, and identify those due the following quarter.)

CORRECTIVE ACTIONS

(Indicate actions taken and proposed by grant manager with respect to resolving problems.)

ASSESSMENT OF QUALITY OF IMPLEMENTATION

Is project being implemented on schedule? Are the activities impacting the goals and objectives as outlined in approved application?

SITE VISIT REPORT

AWARD NUMBER:_____

AWARD TITLE:_____

AWARD RECIPEINT:_____

GRANT MANAGER:_____

SITE(S) VISITED:_____

DATES:_____

This document is to be completed following monitoring visits. The original report is to be placed in the official award file. The report will contain the following:

ACHIEVEMENTS IN THE PROJECT IMPLEMENTATION PLAN:

PROBLEMS AND/OR ISSUES ADDRESSED:

DEVIATIONS FROM THE IMPLEMENTATION PLAN:

COMPLIANCE WITH SPECIAL CONDITIONS:

RECOMMENDATIONS:

(Be specific with respect to time and objectives.)