

REQUEST FOR PROPOSAL

For American Recovery and Reinvestment Act (ARRA) Workforce Investment Act (WIA)
Youth- Funded Fiscal Reviews during the period of 8/1/09-9/30/09

Background:

The Workforce Opportunity Council (Council) is the administrator of the WIA funds in New Hampshire, and performs the role of the State Workforce Investment Board. The Council has received approximately \$2.9M for summer youth employment programs, serving individuals ages 14-24 that meet eligibility requirements. Through a competitive bid process, funds were awarded to approximately thirteen community based organizations or school districts in the state.

The Council contracts with the NH Department of Education's Bureau of Youth Workforce to administer, provide technical assistance, and compliance for the WIA Youth ARRA funds. Although the Council will be the contracting organization for the recipient of the contract under this RFP, the Administrator for the NH Department of Education's Bureau of Youth Workforce will be responsible for oversight of this RFP process, as well as monitoring the performance of the entity receiving the contract under this RFP.

Eligible Bidders:

For profit and not-for-profit organizations, as well as individuals and partnerships are eligible to submit a proposal under this RFP.

Section I: Scope of Work:

- A.** The primary focus of the work is to examine the ARRA-funded WIA Youth Service Providers' financial records to determine the answer to two main questions:
 - a. Are funds being expended appropriately, as measured against the Service Providers' ARRA-funded contract and approved budget?
 - b. Are policies/procedures in place, and being followed, to assure both proper internal controls and oversight of the funds, such that the risk of audit findings by a government agency (OMB/OIG/USDOL, etc) are minimized or eliminated?
- B.** The AGA Partnership for Intergovernmental Management and Accountability "Financial and Administrative Monitoring Tool" dated February 2009 will be the tool used. (Attachment C)
- C.** The reviewer, using the above tool, shall gather the information and develop a summary report (submitted electronically via email regarding each WIA Youth ARRA contractor's status in

each of the four categories: 1) Administrative, 2) Program, 3) Program Fiscal, and 4) Cross-Cutting/Fiscal (as applicable) within two weeks of on-site review.

- D. The Contractor shall give biweekly progress reports to the Administrator of the Bureau of Youth Workforce, NH Department of Education during the review process. (i.e. first and third Friday of each month). ***There shall be immediate notification if fraud is found.*** Instances of fraud, waste, illegal acts, or indications of such, including all questioned costs, must be covered by separate written report to the Chair/President of the Workforce Opportunity Council with a copy to the Executive Director of Operations of the Council, and the NH Department of Education Administrator for the Bureau of Youth Workforce.
- E. **The reviews shall take place** at the ARRA-funded WIA Youth Service Provider's office, located throughout the state **during the period of August 1, 2009 through September 30, 2009.** The fieldwork may be rescheduled upon mutual agreement of the parties (Contractor, NH Department of Education Bureau of Youth Workforce Administrator, and the ARRA-funded WIA Youth Service Provider.)
- F. The Contractor shall agree to keep the information related to all funds, related contracts, and all information obtained in the course of the review, in strict confidence. Other than reports submitted to the Administrator for the Bureau of Youth Workforce, the Contractor agrees not to publish, reproduce, or otherwise divulge such information, in whole or in part, in any manner or form, or authorize or permit others to do so, taking reasonable measures as are necessary to restrict information access to those employees on its staff and the NH Department of Education Administrator who must have information on a need-to-know basis.
- G. The Contractor shall retain reports and related working papers for a minimum of six (6) years, or until resolution of the audit with the U.S. Department of Labor, whichever is later. All documents shall be made available to the Council upon request by authorized representatives of the Council or its designee. Should the Contractor be unable to maintain records for the designated length of time, than the records in question, in their entirety, will be given over to the Council or its successor, for retention.
- H. **Special Additional Requirement:** As part of the monitoring Statement of Work, Contractor shall also perform monitoring activities on the New Hampshire Department of Education. This special additional requirement will be performed under the direct supervision of the Workforce Opportunity Council, and all questions, reports, findings, and/or other issues will be brought directly to the Executive Director of Operations for the Council, or their successor.
 - a. This portion of the Statement of Work will ideally be performed by an individual who has not routinely been working with NHDOE around the youth Service Providers. However, should this not be possible, every attempt will be made to approach this section of the Work as a separate assignment, unrelated to the overall proposal as written.
 - b. This assignment may be completed after all Youth Service Provider locations have been monitored, but in any event, by no later than October 15, 2009.

Section II: Budget

- A. A detailed proposed budget must be included with the submitted proposal . Costs shall be stated as an hourly rate, and identify staff who will work on the programmatic financial

review. Please be specific about any additional expected costs such as travel, communications, and expendable supplies.

- B. Attachment B identifies the existing programs awarded funding for transportation calculation costs.
- C. Costs associated with the NHDOE monitoring shall be listed separate from the Youth Service Provider monitoring costs.

Section III: Selection Process and Criteria

A review panel consisting of Workforce Opportunity Council and the NH Department of Education Bureau of Youth Workforce representatives will participate in the process of selecting the Contractor. Reviewers will assess applications based on the following criteria:

1. Design of the proposal (25 points)
 - Demonstrated understanding of the scope and intent of the on-site reviews. Consistency with the overall objectives of the scope of services;
 - Comprehensiveness and adequacy of the work plan; and
 - Concrete benchmarks and a timeline;
2. Qualifications (20 points)
 - Relevant professional experience of Contractor or Contractor's staff selected to perform the actual review duties, as demonstrated by resumes and prior work samples, experience, or equivalent;
 - Three professional references
 - Availability and ability to meet the time line;
 - Professional liability insurance of at least one million dollars (\$1,000,000), and willingness to provide a certificate of insurance upon request;
3. Budget (20 points)
 - Justification for proposed fees and costs.
 - Cost effectiveness

Section IV: Mailing Instructions:

One (1) original written proposal (including a signed certification) and four (4) copies must be **received** by **4:00 p.m. on Monday, July 13**. Mail or hand-deliver to:

Bonnie St. Jean, Administrator
NH Department of Education, Bureau of Youth Workforce
21 South Fruit Street, Suite 20, Concord, NH 03301

Questions should be directed to Bonnie St. Jean via e-mail at bst.jean@ed.state.nh.us and be received no later than 4:00 p.m. Wednesday, July 8, 2009.

Bidders will be notified of the final selection by no later than 24 with the award of the contract to take effect by no later than August 1, 2009.

Section V: Disclaimers

The Council reserves the right to reject any and all proposals, or portions of proposals. The Council also reserves the right to partially award the scope of work, based on the quality of proposals received.

If deemed necessary, the Council shall

1. Conduct quality reviews of the work performed.
2. Require Contractor to submit revised reports, at no additional cost, when findings or recommendations are unclear;
3. Take prompt and appropriate action to remedy deficient contractor performance;
4. Make alternative arrangements or follow-ups if State or Federal auditors find records to be non-auditable;
5. Impose a 10% penalty if due dates are missed.

Section VI: Attachments:

- A. Cover Sheet and Certifications & General Assurances (2 pages)
- B. AGA Partnership for Intergovernmental Management and Accountability “Financial and Administrative Monitoring Tool” dated February 2009
- C. List of WIA Youth ARRA Contractors

Attachment A

Proposal Cover Sheet

Applicant: _____

Contact Person: _____

Mailing Address: _____

Telephone: _____ FAX: _____

E-Mail Address: _____

Federal Tax ID No.: _____

If awarded funding, the applicant hereby certifies and assures that it will fully comply with the following federal regulations (if applicable to your organization):

- 29 CFR Part 96 (Single Audit Act)
- 29 CFR Part 98 (Debarment and Suspension: Drug-free Workplace)
- 29 CFR Part 93 (Lobbying Certification)
- 29 CFR Parts 33, 34, and 37 (Non-discrimination and Equal Opportunity Requirements)
- WIA Assurances (Non-Construction Programs)
- 29 CFR Part 97 (Uniform Administrative Requirements), Part 95 (Administrative Requirements for Institutions of Higher Education, Hospitals, and other Non-Profit Organizations), and any subsequent amendments
- P.L. 101-166, Sec. 511 (Federal Dollar Amount Participation)
- RSA 193:13 (Gun-Free Schools)
- Public Law 105-220, Workforce Investment Act
- 20 CFR Part 652 et al (Workforce Investment Act, Final Rules)

Applicant's signature below indicates organization is agreeing to comply fully with the assurances and certifications as part of its responsibilities as a successful vendor/contractor.

Signature _____ Date _____ Printed Name and Title _____

Certification and Other Terms/Conditions

1. The signing individual certifies that he/she is authorized to contract on behalf of the organization offering this proposal.
2. The signing individual certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreements made for the purpose of restricting competition.
3. When delivering services under an approved contract, the contractor shall work under the broad supervision of Council staff.
4. The signing individual certifies that there has been no attempt by him/her or anyone in their organization to discourage any potential applicant from submitting a proposal.
5. The signing individual certifies that he/she has read and understands all of the information in this Request for Proposals.
6. The signing individual certifies that his/her organization, and any individuals to be assigned to the project, does not have a record of substandard work and has not been debarred or suspended from doing work with any federal, state, or local government.
7. Unless otherwise deleted or modified by mutual agreement between the Council and the contractor, all general provisions contained on the Proposal Cover Sheet (attachment A) shall be incorporated into the contract.
8. The Council reserves the right to negotiate a best and final offer with applicant selected.
9. Payments shall be made on a cost reimbursement basis (no advances). Invoices shall detail expenses based on the line items in the proposal budget. Generally, the Council will pay invoices within 15 days of receipt, unless questions arise as to the appropriateness of an expense.
10. All information received by the contractor during the course of the contract period is considered confidential, and shall be protected to the utmost ability of the contractor. The contract shall include more specific language on this issue.
11. The contract awarded under this RFP shall be subject to and interpreted under the laws and jurisdiction of New Hampshire.

Signature

Date

(signed certification/conditions to be returned with the proposal)

Attachment B: List of WIA Youth ARRA Funded Sites and Locations for Fiscal Review

Contractor	Location
Alchemists (Henniker Youth Theatre)	Henniker, NH
Child and Family Services	Concord, NH
City of Manchester	Manchester, NH
Ethels Tree of Life	Kittery, Maine
New England Farm Workers	Springfield, MA
NH Lakes Association	Concord, NH
NH-Jobs for America's Graduates	Manchester, NH
Northeast Deaf and Hard of Hearing	Concord, NH
Seacoast Youth Services	Seabrook, NH
Sugar River Junior Senior High School	Newport, NH
Sunset Hill Educational Institute & Kearsarge Adult Diploma Program	South Sutton, NH
Upper Valley Business	Hanover, NH
White Mountain Regional High	Whitefield, NH
Workforce Training Resources	Manchester, NH



Financial and Administrative Monitoring Tool

AGA Partnership for Intergovernmental
Management and Accountability

February 2009

Financial and Administrative Monitoring Tool

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I. INTRODUCTION

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

This tool should assist with the following:

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

This tool is simply a guide. It is **NOT** intended to:

- Establish federal monitoring requirements;
- Duplicate audit functions;
- Serve as an audit guide;
- Be used by an auditor in performing audits; nor
- Result in an opinion being rendered.

This tool is designed to be comprehensive to meet the needs of any recipients and should be used in combination with a risk assessment of subrecipients. Monitoring agencies are expected to use professional judgment in evaluating risk and determining the level of monitoring needed for subrecipients. Monitoring agencies should document the rationale for their level of monitoring.

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

II. ADMINISTRATION

A. Background

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

2. Type of organization (circle one):

- a) College or university
- b) State or local government
- c) Hospital
- d) Other non-profit organization
- e) Commercial firm
- f) School District
- g) Other, please describe: _____

3. Approximate total operating funds:

Last Fiscal Yr. Current Yr. (est.)

Federal*

Non-Federal

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

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

5. Senior Officers

- a) Members of governing board

- b) Chief executive officer _____

- c) Chief business officer or Chief Financial Officer _____

- d) Chief program officer _____

- e) Other contacts on business operations _____

6. Organization Chart with position numbers (including the committee structure of the governing board.) *If the space provided below is not sufficient, please attach additional sheets to this tool.*

7. Related party transaction _____

8. Additional comments on this section:

B. Internal Controls

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

1. Briefly describe the segregation of responsibilities to provide an adequate system of checks and balances? Please attaché any written policies or procedures that have been developed.
2. Are specific officials designated to approve payrolls and other major transactions?
Yes____ No____
3. Do the procedures for cash receipts and disbursements include the following safeguards?
 - a. Receipts are promptly logged in, restrictively endorsed, and deposited in an insured bank account.
Yes____ No____
 - b. Bank statements are promptly reconciled to the accounting records, and are reconciled by someone other than the individuals handling cash, disbursements and maintaining accounting records.
Yes____ No____
 - c. All disbursements (except petty cash or EFT disbursements) are made by pre-numbered checks.
Yes____ No____
 - d. Supporting documents (e.g., purchase orders, Invoices, etc.) accompany checks submitted for signature and are marked "paid" or otherwise prominently noted after payments are made.
Yes____ No____
 - e. Checks drawn to "cash" and advance signing of checks are prohibited.
Yes____ No____

f. Are multiple signatures required on checks?
 Yes ___ No ___

4. Are employees and other individuals in positions of trust covered by adequate fidelity bonds?
 Yes ___ No ___

Are individuals in a position of trust required to take vacations and their duties performed by others while on vacation?
 Yes ___ No ___

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

5. Are proposals for Federal awards coordinated with and approved by the organization's business management officials prior to submission to sponsoring agencies?
 Yes ___ No ___

6. Additional Comments:

C. Accounting

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

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

	Written Policy and Procedures? <i>Indicate Yes or No</i>	Polices/Procedures Mandated by: <i>Indicate Cognizant Agency, Federal Government, State Government or Not Applicable</i>
Procurement		
Contract Administration		
Payroll		
Timekeeping		
Inventory		
Vendor Payments		
Federal Draws		
Grants Budgeting and Accounting		
Cash Management		
Supplanting		

Maintenance of Effort		
Allowable Costs		
Indirect Costs		
Audit Resolution		
Records Retention		

2. Does the organization use the same policies and procedures for accounting for and expending Federal funds as it does for its State funds?
Yes____ No____

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

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

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

Position	Responsibilities
Procurement	
Contract administration	
Payroll	
Timekeeping	
Inventory	
Vendor payments	
Federal draws	
Grants budgeting	
Cash management	
Supplanting	
Maintenance of effort	
Allowable costs	
Indirect costs	

Audit resolution	
Records retention	
Other positions:	

8. Is the entity's accounting system on a (check appropriate answer)?

- A. Cash Basis
- B. Accrual Basis
- C. Modified Accrual

9. If the agency reports on the modified accrual basis, are there adequate controls, such as checklists for statement-closing procedures, to ensure that open invoices and amounts for goods and services received are properly accrued or recorded in the books or controlled through worksheet entries?
 Yes ___ No ___ N/A ___

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

B. Are sources of non-Federal funds identified and tracked in the accounting system?
 Yes ___ No ___

11. Does the entity use a Chart of Accounts and Accounting Manual required by the state or cognizant agency?
 Yes ___ No ___

12. Is there sufficient detail in the entity's Chart of Accounts to meet federal reporting requirements?
 Yes ___ No ___ Not Sure ___

13. A. Does the entity's accounting manual describe the criteria for an obligation?
 Yes ___ No ___ N/A ___

B. If YES, obtain a copy of the description.

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

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

15. Are obligations recorded by:

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

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

Yes___ No___

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

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

Yes___ No___

If not, why not?

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

18. Are payment vouchers identified by:

- A. Grant Number? Y / N
- B. Expense classification? Y / N
- C. Funding source? Y / N
- D. Transaction date? Y / N
19. Are purchasing and payment functions separate? Y / N
20. Do accounting staff review the following prior to entry into the system:
- A. Authorizations Y / N
- B. Purchase Orders Y / N
- C. Payments? Y / N
21. Are requests for payment to the grantor based on information from the accounting system?
Yes___ No___
- If not, how are such requests determined?
-
-
22. Does the system provide for prompt and timely recording and reporting of all financial transactions?
Yes___ No___
23. Are there controls to preclude
- A. Over-obligation Y / N
- B. Under- or Overstatement of unliquidated obligations Y / N
- C. Duplicate payments? Y / N
- D. Inappropriate charges to grants Y / N
24. Are all reports prepared on the same basis as the accounting system (cash, accrual, modified accrual)? Y / N
25. A. During each state fiscal year(s), did the organization comply with the requirement to liquidate outstanding obligations within 90 days of the end of the grant period, in the time frame stated in the award or as proscribed in a program regulation?
Yes___ No___
- B. If NO, was a waiver obtained from the grantee?
Yes___ No___

26. Additional Comments on this Section:

D. Cash Management

1. Does the entity receive advances or receive cash or checks for this grant?
Yes___ No___

If the answer is NO, the rest of this section is NOT APPLICABLE and need not be completed.

2. A. Are all receipts (e.g., Federal grant funds and all other funds including program income) deposited daily?
Yes___ No___

If no, how often are they deposited? _____

- B. Are all receipts deposited intact?
Yes___ No___

3. Are receipts controlled by registers?
Yes___ No___

4. A. Is the cash receipts function performed by someone other than the person who is responsible for signing checks, reconciling bank accounts or maintaining noncash accounting records, such as accounts receivable, the general ledger, or the general journal?
Yes___ No___

- B. Who performs the cash receipts function?
Name and Title _____

- C. Who signs the checks?
Name and Title _____

- D. Who maintains the accounts receivable, the general ledger and the general journal?
Name and Title _____

5. Does the organization have policies and procedures to ensure that the time elapsing between the transfer of funds and the disbursement of those funds is minimized?
Yes___ No___

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

Yes____ No____

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

Yes____ No____

b) Who reconciles the bank statements?

Name and Title_____

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

Yes____ No____

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

Yes____ No____

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

Yes____ No____

11. Are supporting documents canceled to prevent reuse?

Yes____ No____

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

Yes____ No____

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

Yes____ No____

14. Are blank checks secured?

Yes____ No____

15. Is the practice of drawing cash payable to "cash" or "bearer" prohibited?

Yes____ No____

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

Yes____ No____

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

Yes____ No____

18. Additional Comments for this section:

E. Audit Resolution

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

Yes___ No___

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

Yes___ No___

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

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

Yes___ No___

If yes, who was assigned?

Name and Title_____

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

Yes___ No___

If yes, had any such findings been sustained?

Yes___ No___

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

Yes___ No___

If not, why not?

5. Did the auditors report any questioned costs?

Yes___ No___ N/A___

A. Were any questioned costs sustained?

Yes___ No___ N/A___

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

Yes___ No___

6. Did the entity's corrective action plan call for the submission of progress reports?

Yes___ No___ N/A___

If yes, did the entity submit them as required?

Yes___ No___ N/A___

7. Does the entity maintain records detailing the implementation of its corrective action plan?

Yes ___ No ___ N/A ___

If not, why not?

8. Do the entity's records and/or observable evidence support its claims to have implemented its corrective action plan?

Yes ___ No ___ N/A ___

If not, why not?

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

Yes ___ No ___

If yes, did these inspections disclose the continued presence of deficiencies the entity had reported corrected?

Yes ___ No ___ N/A ___

10. Additional Comments on this section

F. Record Retention and Access

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

A. ___ Fiscal

B. ___ Programmatic

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

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

Yes ___ No ___

B. Real Property and Equipment: Three years from the date of disposition or replacement or transfer at the direction of the awarding agency?

Yes ___ No ___

3. Has the subgrantee retained all records related to pending litigation, claims negotiations, audits, or other actions involving records, beyond the regular record retention requirement?
Yes___ No___ N/A___

4. Additional comments on this section:

II. PROGRAM

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

1. Is the organization's management aware of the regulations and policies governing the award (e.g., grants administration regulations in 34 CFR Part 80 or its equivalent and 2 CFR Part 225, program regulations, grants manuals, etc.)?
Yes___ No___
2. Does the organization have procedures to monitor the performance of federally supported projects to determine whether adequate progress is being made in meeting the objectives of the projects?
Yes___ No___
3. Additional comments for this section:

III. PROGRAM FISCAL

A. Budget Formation and Administration

1. Does the Agency have an operating budget for each of its grants?
Yes___ No___
2. Who are the key persons responsible for developing and reviewing the budget(s) for the entity?
Names and Titles:

3. Do the budgetary estimates of revenues and expenditures consider trends established in recently-completed budget periods and general economic conditions?
Yes___ No___ N/A___
4. Does the organization have fiscal controls that result in:
 - A. Control of expenditures within the approved operating budget?
Yes___ No___

- B. Management review and approval prior to issuing budget amendments or incurring obligations or expenditures which deviate from the operating budget?
Yes___ No___
5. Is there timely, periodic financial reporting to management which permits:
- A. Comparison of actual expenditures with the budget for the same period?
Yes___ No___
- B. Comparison of revenue estimates with actual revenue (including program income, if applicable) for the same period?
Yes___ No___
6. Is the responsibility for maintaining budget control established at all appropriate levels?
Yes___ No___
7. What steps are taken if projected revenues are not sufficient to cover actual expenditures?

8. Has the organization reflected the receipt of program income, if any, in its operational budgets?
Yes___ No___
9. Are line items costs for the grant award consistent with the program-office approved budget for the grant?
Yes___ No___ N/A___
10. Does the grant have an established policy/threshold related to moving expenditures between functions?
Yes___ No___
- If yes, did the entity exceed the threshold for any function?
Yes___ No___ N/A___
11. Were there expenditures recorded in the function that were not approved by the program office?
Yes___ No___
12. Does the agency's operating budget reflect sufficient non-federal funds to match the federal funds during the grant period of the fiscal years under review? (This control should assure continuation of services that the associated federal funds can be claimed.)
Yes___ No___

13. Additional comments for this section:

B. Matching

**BREAKDOWN OF NON-FEDERAL MATCH FROM OTHER SOURCES
FY_____**

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

If NO, do not respond to this section.

Please list all non-Federal sources of funds:

- a. Political subdivisions \$_____
- b. Transfers from other entities \$_____
- c. Cooperative agreements (certified expenditures) \$_____
- d. Establishment Projects \$_____
- e. Construction Projects \$_____
- f. Gifts and Bequeaths \$_____
- g. Additional sources (e.g., set-aside) \$_____
- h. Third party in-kind \$_____
- i. **TOTAL FROM OTHER SOURCES** \$_____

Additional comments on this section:

C. Program Income

1. Does the entity receive program income as the result of activities of Federal programs?
Yes____ No____

If NO this section is NOT APPLICABLE.

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

2. Does the organization have written policies and procedures on the receipt and obligation/expenditure of program income?
Yes___ No___
3. Is an individual assigned the responsibility for the receipt of program income funds?
Yes___ No___
4. Is an individual assigned the responsibility for the obligation of program income funds?
Yes___ No___
5. Is the individual under #3 and the individual under #4 the same person?
Yes___ No ___ N/A___
6. Do the subrecipient's policies and procedures assure that program income is obligated properly and during the required period?
Yes___ No___ N/A___
7. For the fiscal years under review, provide the dollar amounts for each source of program income.

8. A. Were there any costs incident to the generation of program income?
Yes___ No___
B. If yes, were costs deducted from gross income to determine net program income?
Yes___ No___
9. Was any interest earned on any program income received?
Yes___ No___
10. If the answer to #9 was YES, was that interest added to the program income account that gave rise to that interest income?
Yes___ No___
11. Does the subrecipient have procedures to identify and record program income to the correct accounts?

Yes___ No___

12. Do appropriate staff know how program income should be reported when using the deduction and addition alternatives?

Yes___ No___

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

Yes___ No___

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

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

Yes___ No___

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

Yes___ No___

17. Additional comments on this section.:

IV CROSS-CUTTING/FISCAL

A. Payroll/Time Distribution

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

Yes___ No___

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

Yes___ No___

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

Yes___ No___

4. A. Is the payroll periodically verified?

Yes___ No___

B. How? _____

5. A. Are payroll charges reviewed against the program's operating budget?

Yes___ No___

- B. Are deviations reported to management for follow-up action?
Yes___ No___
6. A. Where employees are expected to work on a single Federal award or cost objective, are the charges for their salaries and wages supported by periodic certifications that the employees worked solely on that program for the period covered by the certification?
Yes___ No___
- B. If yes, are the certifications prepared at least semi-annually?
Yes___ No___
- C. Are the certifications signed by the employee or supervisory official who has firsthand knowledge of the work performed by the employee?
Yes___ No___
7. Are there written policies on recording time distribution for employees who work on more than one program or cost objective?
Yes___ No___
8. Does the entity require time distribution records for employees who work on more than one program or cost objective?
Yes___ No___

If no, skip to question No. 12.

9. Where employees work on multiple activities or cost objectives, is the distribution of their salaries or wages supported by personnel activity reports or equivalent documentation?
Yes___ No___
10. If the answer to #9 is yes, do the personnel activity reports or equivalent documentation meet the following standards:
- A. They reflect an after-the-fact distribution of the actual activity of each employee?
Yes___ No___
- B. They account for the total activity for which each employee is compensated?
Yes___ No___
- C. They are prepared at least monthly and must coincide with one or more pay periods?
Yes___ No___
- D. They are signed by the employee?
Yes___ No___

11. A. If budget estimates or other distribution percentages are used to support salary and wage charges to Federal awards, are they used for interim accounting purposes only?
Yes____ No____
- B. If yes:
- i) Does the entity's system for establishing estimates produce reasonable approximations of the activity performed?
Yes____ No____
 - ii) Are at least quarterly comparisons made of actual costs to budgeted distributions based on monthly personnel activity reports?
Yes____ No____
 - iii) Are adjustments made to costs charged to Federal awards based on the activity actually performed? (Note: These adjustments can be made annually only if the quarterly comparisons show differences between budgeted and actual costs of less than 10%.)
Yes____ No____
 - iv) Are the budget estimates or other distribution percentages revised at least quarterly, if necessary, to reflect changed circumstances?
Yes____ No____
- 12 A. Does the entity utilize a substitute system for allocating salaries and wages to Federal awards?
Yes____ No____
- B. If yes, was the substitute system approved by the Federal cognizant agency?
Yes____ No____
- C. Was the substitute system implemented as approved by the cognizant agency?
Yes____ No____

B. Procurement

1. Does the organization have policies and procedures for procurement, including purchasing of goods and services for clients?
Yes____ No____
2. Do the organization's procurement policies and procedures meet the following standards?
 - A. Does the organization contract's administration ensure that contractors perform in accordance with the terms, conditions, and specifications of the contracts or purchase orders?

Yes____ No____

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

Yes____ No____

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

Yes____ No____

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

Yes____ No____

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

Yes____ No____

F. Do purchases (including purchase orders) include a description of:

1. Services to be performed or goods to be delivered?

Yes____ No____

2. Dates when services will be performed or goods delivered?

Yes____ No____

3. Locations where services will be performed or goods will be delivered?

Yes____ No____

4. The number of students/teachers/etc., to be served (if applicable)?

Yes____ No____

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

Yes____ No____

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

Yes____ No____

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

Yes____ No____

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

5. Concerning sole source practices

A. Does the organization ever use sole source procurements?

Yes____ No____

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

Yes____ No____

C. Have all of the organization's requirements been met when sole source procurements have been used?

Yes__ No__ N/A____

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

Yes____ No____

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

Yes____ No____

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

Yes____ No____

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

Yes____ No____

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

Yes____ No____

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

Yes____ No____

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

Yes____ No____

B. Provide detail on these thresholds

C. When is approval needed to exceed these thresholds?

D. Who may approve exceeding these thresholds?

11. Is there separation of responsibility between an authorization to purchase and the subsequent authorization to pay?
Yes___ No___
12. A. Are requisitions, purchase orders, and receiving slips prenumbered?
Yes___ No___ N/A___
- B. Are requisitions, purchase orders, and receiving slips safeguarded?
Yes___ No___ N/A___
- C. If yes, please provide detail on how they are safeguarded.

13. Does the system have controls to ensure that payments are based on written invoices that include a description of:
- A. Services performed or goods delivered?
Yes___ No___
- B. Dates services were performed or goods delivered?
Yes___ No___
- C. The location services were performed or goods delivered?
Yes___ No___
- D. Students/teachers/etc.
Yes___ No___
14. Does the organization check the Excluded Parties List System or otherwise ensure that the following entities are neither suspended nor debarred before awarding them subgrants or contracts?
- A. All subgrantees regardless of award amount?
Yes___ No___
- B. All recipients of procurement contracts of \$100,000 or more?
Yes___ No___
- C. All contractors that have procurement contracts regardless of amount of the contract?
Yes___ No___
15. Does the organization have policies and procedures requiring the submission of lobbying certification from all recipients of subgrants or procurement contracts in excess of \$100,000?
Yes___ No___

16. Do contracts supported with federal funds contain the following required provisions?

A. Remedies for breach, sanctions and penalties?

Yes___ No___

B. Termination for cause and convenience?

Yes___ No___

C. Compliance with federal statutes and executive orders?

Yes___ No___

D. Reporting requirements?

Yes___ No___

E. Copyrights?

Yes___ No___

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

Yes___ No___

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

Yes___ No___

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

Yes___ No___

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

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

Yes___ No___

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

Yes___ No___

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

Yes___ No___

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

Yes___ No___

19. Additional comments on this section

C. Indirect Costs

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

1. For the fiscal year(s) being monitored, does the entity have an approved, current:
 - A. Indirect cost rate?
Yes___ No___
 - B. Cost allocation plan?
Yes___ No___
2. If to question 1 is yes, which Federal or State agency approved the rate or plan?

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

- A. Unrestricted Program?
Yes___ No___

- B. Restricted Program?
Yes___ No___

- C. Other

4. Were provisional indirect cost rates used for budget?
Yes___ No___
5. If the answer to question #4 is yes, was there a recalculation?
Yes___ No___

D. Property Management

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

If not, why not?

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

A. Real Property (land & buildings)
 Yes___ No___

B. Personal Property:

1. **Equipment** (tangible personal property with a unit acquisition cost of \$5,000 (or a lesser amount set by the organization) and a useful life of one year (or longer set by the organization).
 Yes___ No___

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

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

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

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

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

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

equipment if applicable, etc.)

Y/N

B. What records does the organization maintain on VNCP?

C. What records does the organization maintain on supplies?

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

A. Equipment:

1. Does the organization require a physical inventory or equipment and reconciliation of the inventory results with equipment records at least every two years?

Yes___ No___

a. If so, when was the last inventory completed?

b. If not, why not?

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

Yes___ No___

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

Yes___ No___

B. Other Personal Property:

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

2. Does the organization maintain a perpetual inventory system for supplies?
Yes____ No____

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

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

Do the organization's policies and procedures provide for keeping equipment in good condition?

Yes____ No____

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

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

Yes____ No____

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

1. Sales procedures for ensuring the highest possible return?

Yes____ No____

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

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

b. Residual inventory of unused supplies and/or VNCP with an aggregate fair
Yes____ No____

Publication Acknowledgements

This document was developed by the Subrecipient Monitoring Sub-Work Group of the A-87 Work Group of AGA's Partnership for Intergovernmental Management and Accountability.

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The Partnership for Intergovernmental Management and Accountability (Partnership) was established by the Association of Government Accountants (AGA) in September 2007 to open the lines of communication among governments. The mission of the A-87

Work Group is to identify and prioritize issues or concerns, and provide recommendations for alternative approaches, which could enhance implementation of 2 CFR Part 225 and provide benefits to all levels of government. AGA is the premier Association in advancing government accountability. AGA supports the careers and professional development of government financial professionals working in federal, state and local governments, as well as the private sector and academia. Founded in 1950, AGA has a long history as a thought leader for the government accountability profession. Through education, research, publications, certification and conferences, AGA promotes transparency and accountability in government.