**The Governor’s Office of Volunteer Services**

Financial Management Self-Assessment Tool Part 1 & 2

2021-22 AmeriCorps State Applicant

**Applicant Legal Name Here:** Click or tap here to enter text.

This Financial Management Self-Assessment Tool (Part 1 & 2) are designed to assist organizations in assessing their level of compliance in managing CNCS grants. The tool is structured to evaluate current processes in place and provide the participant with guidance to create a strong system to effectively and efficiently manage a CNCS grant and allows grantees to learn from each other’s challenges and adversities. The tool focuses on key elements of the grant(s) that might be most vulnerable under an audit. The tool is structured to be utilized by the individual managing the CNCS grant, knowing that completion of the tool will require the assistance of other key staff.

Ideally, the person performing the procedures outlined in the model should carefully document the results for every step and then based on these results make a determination on the organization’s level of compliance with each section. Focus on areas where results indicate weakness and take the necessary steps to improve them.

During the self-review, if there are questions contact Ronica Faire by email at Ronica.Faire@ServeAlabama.gov or via phone at (334) 242-1549.

Additional information can be found within the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. These requirements are useful to an organization in reviewing or assessing their financial and grant compliance activities.

Using the following procedures will assist your organization in helping determine whether their financial management system can easily identify specific grant activities through the accounting system and whether transactions are recorded in compliance with the applicable CNCS, federal, state, and local requirements, and are supported by adequate documentation.

The self-assessment tool is divided into three sections. The procedures outlined in Sections 1 and 2 provide specific actions to be reviewed to test accuracy of the financial management of the organization. Section 1 procedures are not unique to any particular grant but focus on the organization’s overall activities. Section 2 procedures can be applied to any individual grant, whether administered by the organization, or a program grant that sub-grants funds to another organization. A column is provided for the user to provide a detailed explanation of the results.

**FINANCIAL MANAGEMENT SELF-ASSESSMENT TOOL – Part 1**

AMERICORPS STATE SUBGRANTEES – **Continuation and Recompete Applicants**

GENERAL PROCEDURES

Obtain the organization’s detailed general ledger and chart of accounts for the period being reviewed and perform the following:

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| **1.1** Select a random sample of transactions (4-6 items) and examine the supporting documentation to determine if: |
| **Review Procedures** | **Results** |
| Each transaction was charged to the correct grant cost center or program. |  |
| Each transaction was for an activity allowed by the grant or funder. |  |
| Each cost appears reasonable and necessary for the purpose. |  |
| **1.2** Review your organization’s policies and procedures for requesting, reviewing, and approving expenditures. Then perform the following procedures on the transactions selected above: |
| **Review Procedures** | **Results** |
| Review each for evidence that the required procedures were followed:* Expenditures approved for payment
* Expenditures in compliance with grant restrictions
* Invoice is stamped paid once payment is generated
* Authorized signers are approved annually
* Invoice provides an adequate description of the expenditure and the program that benefit from the expenditure
 |  |
| Determine whether controls are working as intended:* Purchasing Controls
* Budget Controls
* Cash Disbursement Controls
* Compliance with Program/Grant Restrictions
 |  |
| Determine if the procedures for authorizing and recording travel expenditures were followed and determine whether the expenditures were reasonable. |  |
| 1. Review the account structure to ensure there is a logical coding structure to segregate the costs of various current grants and awards.
 |
| **Review Procedures** | **Results** |
| Verify whether the financial system identifies the receipts and disbursements of funds separately for each grant or funding source. |  |
| Determine if the current chart of accounts will allow flexibility to segregate new funding streams and costs associated with those streams. |  |
| Determine if the accounting system is capable of tracking multiple grant budgets. |  |
| 1. Review the procedures related to reporting activities of the staff: Where timesheets are required, select 5% to 10% of staff members working on 2 or more cost objectives (program and/or grants) and perform the following procedures:
 |
| **Review Procedures** | **Results** |
| Determine if timesheets are signed by an employee and a supervisor. |  |
| Review timesheets for compliance with grant regulations. For CNCS grants, time charged to the grants must be supported by timesheets that reflect actual after-the-fact time distribution. |  |
| Review the employee position description and the grant budget to determine if they correspond to the employee’s activities on timesheets or other activity reports. |  |
| Interview the selected employees and determine whether their timesheet or other activity reports include their total activities. |  |
| Review the personnel records of employees selected and ensure the pay rate corresponds to the payroll records for a selected period. |  |
| Review the organization’s leave policy and determine whether the selected timesheets are in compliance. |  |
| Select a pay period and verify that entries to the general ledger are consistent with the payroll records: |  |
| 1. Obtain information regarding the bank accounts used by the organization and perform the following:
 |
| **Review Procedures** | **Results** |
| Determine if bank accounts or accounts with a related entity are reconciled on a monthly basis |  |
| 1. Obtain the reconciliations for the period and review for accuracy. Using the final reconciliation prepared for the period, determine the following:
 |
| **Review Procedures** | **Results** |
| The balance on the account reconciliation agrees with the financial statements. |  |
| Reconciling items are valid. Example items are not stale dated. |  |
| Bank reconciliation was approved by someone other than the individual who prepared the reconciliation.  |  |
| 1. Obtain a current copy of the budget and compare it to the approved budget to determine if there were any changes and perform the following, if necessary:
 |
| **Review Procedures** | **Results** |
| Determine if any required approval for budget changes were received from the appropriate level of authority. |  |
| Verify tracking of actual versus budgeted expenses occur on a regular basis. |  |
| Determine if costs for a current year grant crosses over to the next grant year. |  |
| 1. Inquire of the organization’s officials their policies and procedures for tracking programmatic and financial findings or issues identified in an audit or other reports. Determine if these procedures include:
 |
| **Review Procedures** | **Results** |
| Documenting all problems/issues in a central place. |  |
| A follow-up process on the status of corrective actions. |  |
| Making a final determination of resolution of the problem |  |

**FINANCIAL MANAGEMENT SELF-ASSESSMENT TOOL – Part 2**

AMERICORPS STATE SUBGRANTEES – **Continuation and Recompete Applicants**

GRANT COMPLIANCE

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| 1. Obtain the latest budget amendment and FFR for the year and perform the following:
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| **Review Procedures** | **Results** |
| Use the last budget amendment and determine whether the matching requirements are being met. |  |
| Verify that the amounts reported on the FFR were derived from the financial system by tracing the amount(s) to the appropriate financial records. |  |
| Compare budget to actual expenses and ask the appropriate staff/official the reasons for variances greater than 10%. |  |
| Determine whether variances greater than 10% were documented and the appropriate approvals were obtained. |  |
| 1. Obtain a copy of PMS 272 (Federal Cash Transactions Report that is used to record drawdowns), if applicable, and perform the following:
 |
| **Review Procedures** | **Results** |
| Summarize the drawdowns for the period and compare to line 10 g. on the FFR. |  |
| Determine the reason for any variances greater than 10%. |  |
| Compare draw down requests for a selected period to disbursements and determine whether the amount drawn was not in excess of what was needed to cover the disbursements. |  |
| 1. Inquire whether any of the expenses reported on line 10 b. are in-kind contributions, if so, perform the following:
 |
| **Review Procedures** | **Results** |
| Review the general ledger accounts and trial balance to verify that in-kind contributions are included in the amounts reported on the FFR. |  |
| Review the related documentation to determine if in-kind contributions were recorded in accordance with the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. |  |
| Review the related documentation for match to ensure that the claim was included in the approved budget. |  |
| 1. AmeriCorps Programs: Determine the organization’s process for monitoring sub-grantees and review documented policies and procedures on sub-grantee monitoring and determine their adequacy in the following areas:
 |
| **Review Procedures** | **Results** |
| Reviewing system for recruiting members or volunteers. |  |
| Reviewing system for tracking members or volunteer’s hours. |  |
| Ensuring that members or volunteers’ forms are received:* Enrollment Forms
* Signed Contract/Service Agreement
* Eligibility Documentation
* Criminal History Check, if applicable
* Service Logs/Timesheets
* Evaluations
 |  |
| Verify member files include all eligibility requirements. |  |
| Verify accuracy of member hours by recalculating member service logs. |  |
| Timely submission of FFRs and follow-up. |  |
| Performance of site visits by the organization, if applicable. |  |
| Review of A-133/Single audit reports and resolution of issues. |  |
| Review of grantee expenditures for allowability and consistency with budget. |  |
| Reconciliation of advances/reimbursements to expenditures reported. |  |
| Close out of grant awards. |  |
| 1. Inquire of the organization’s review and selection process for programs and grantees and its overall risk assessment process. Determine if sub-grantee’s financial and management capabilities are reviewed, including, if applicable:
 |
| **Review Procedures** | **Results** |
| Organization’s current capacity to management the grant. |  |
| Previous federal grants and program performance. |  |
| Organization’s latest financial statements. |  |
| Ability to obtain support and the required match. |  |
| Prior A-133/Single audit reports and management letter. |  |
| Discuss grant requirements with fiscal staff to ensure they understand the role that they will play in monitoring the grant for compliance. |  |
| 1. Obtain a listing of all grants awarded through the organization from the inception of CNCS funding and perform the following:
 |
| **Review Procedures** | **Results** |
| Determine, through reviewing the latest FFRs and inquiry of the appropriate officials, whether grants were closed out in a timely manner. |  |
| 1. For all closed grants or for grants that changed fiscal agents, determine the following:
 |
| **Review Procedures** | **Results** |
| A final FFR and programmatic report was filed in a timely manner. |  |
| Matching requirements were met. |  |
| Grant expenditures are reconciled to advances or reimbursements and total federal funds received do not exceed expenditures. |  |
| Funds due to the Corporation are paid or settled and an A-133/Single or other audit questioned costs are adequately resolved. |  |
| 1. Inquire whether grantees had changes to their original budgets or program activities and perform the following, if necessary.
 |
| **Review Procedures** | **Results** |
| Determine if the grantees received approval from the Corporation or organization for the budget change(s). |  |
| Determine if the programmatic changes were approved by the Corporation and organization. |  |
| 1. Obtain a copy of the organization’s cost allocation plan and perform the following:
 |
| **Review Procedures** | **Results** |
| Determine if the cost allocation plan is being consistently applied to all programs or grants within the organization. This can be accomplished by reviewing the adjusting entries allocating costs to each program. |  |
| Review the calculation of the cost allocation plan to ensure that costs are not being directly charged AND indirectly charged. |  |

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| Overall Comments:  |  |
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*By my signature below, I certify that the above information is complete and correct to the best of my knowledge and ability.*

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| **Signature** |  | **Date** |

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| **Name** *(Print Legibly)* |  | **Title** |