Subrecipient: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Agreement Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Preparer: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Subrecipient’s Representative: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**FINANCIAL MANAGEMENT SYSTEMS**

**I. Standards**

Yes No N/A Notes

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **A.** | **Records to identify the source and application of funds (including the local matching share and private investment):** |  |  |  |  |
|  | What form of accounting system does the Subrecipient use?  Is it current? Record date and amount of most recent ESG transaction. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |
|  | Are all ESG-related transactions recorded in the Subrecipient’s accounting system? |  |  |  |  |
|  | Are audit trails provided that permit tracing of any transaction from the original source documentation to the accounting system? |  |  |  |  |
|  | What is the total amount of **ESG funds** reimbursed thus far? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |
|  | What is the total amount of **local match** applied thus far?  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |
|  | Were funds received from an **advance** disbursed within thirty (30) days as evidenced by a follow-up request for payment?   * Provide the RFP number(s) if an advance was received. Record the date of deposit and the date(s) of expenditure. |  |  |  |  |
|  | If funds received from an **advance** were not expended within thirty (30) days of deposit, is there documentation that the remaining funds were returned to ADECA?   * Record the date, amount, and check number of check(s) where funds were returned. |  |  |  |  |
| **B.** | **The effective control over and accountability for all funds, property and assets:** |  |  |  |  |
|  | Are there dual signatures on checks? |  |  |  |  |
|  | Are signature stamps/plates used?   * If yes, does one person have access to both signatures? |  |  |  |  |
|  | Are signature stamps/plates locked up securely? |  |  |  |  |
|  | Are checks numbered consecutively and all accounted for? |  |  |  |  |
|  | Are blank checks unsigned? |  |  |  |  |
|  | Are unused checks kept in a secure area? |  |  |  |  |
|  | Are voided checks defaced? |  |  |  |  |
| **C.** | **Proper supporting documentation of accounting records:** |  |  |  |  |
|  | Describe the Subrecipient’s approval process of invoices prior to payment. |  |  |  |  |
|  | Are invoices coded with the grant name and number or the general ledger account code? |  |  |  |  |
|  | Do invoices include a description of the service being performed or the goods purchased, identification of the vendor, the unit price where appropriate, and the total cost to be charged to the ESG program? |  |  |  |  |
|  | Are expenses charged to the proper grant period? |  |  |  |  |
|  | Does the Subrecipient have written travel policies? |  |  |  |  |
|  | Does documentation show the time, purpose, mode and points of travel, and the expenses charged to ESG funds? |  |  |  |  |
|  | Are there any unresolved audit or monitoring findings?   * If so, why? |  |  |  |  |
|  | Are bank records reconciled monthly by the Subrecipient’s staff?   * If not, why? |  |  |  |  |
|  | On projects involving private funds, is there evidence of private expenditure? |  |  |  |  |
| **D.** | Are indirect costs charged against the program?   * If so, what is the indirect cost rate? |  |  |  |  |
|  | If the Subrecipient uses a federally negotiated indirect cost rate, has a copy of the indirect cost rate proposal been submitted to ADECA? |  |  |  |  |

## II. Staff Salaries

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| A. | Are ESG funds utilized for salaries? |  |  |  |  |
| B. | Does a review of time sheets reveal that staff paid with ESG funds:   * are working on ESG-eligible activities? * are paid for actual hours worked and not percentages? |  |  |  |  |
| C. | Are the ESG salaries and wages reported on the invoice based on supporting payroll documentation? |  |  |  |  |
| D. | If salaries are being paid from more than one source, do the fiscal records clearly define payments among the funding sources? |  |  |  |  |
| E. | Are all administrative costs properly classified? |  |  |  |  |
| F. | Does a review of administrative expenditures indicate that no more than 4 percent of the total ESG grant funds were expended for eligible administrative costs? |  |  |  |  |
| G. | How are time and attendance records verified by the employee and the supervisor? |  |  |  |  |
| H. | Are all funds used for financial assistance and program participant services allocated to the appropriate activity types and NOT to the administrative budget? |  |  |  |  |

## III. Matching Share

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| A. | Is matching share required?   * If no, why not? |  |  |  |  |
|  | Does match requirement include cash? |  |  |  |  |
|  | Does match requirement include in-kind services or donations? |  |  |  |  |
|  | Were both cash and in-kind match reflected in the accounting system on a monthly basis? |  |  |  |  |
| B. | If in-kind match is not posted to the accounting system, can it be tracked and documented separately? |  |  |  |  |
| **C.** | **Are in-kind contributions valued in the following way:** |  |  |  |  |
|  | Is the value of donated property being properly charged to the appropriate grant year? |  |  |  |  |
|  | **Was the value properly determined?**  (For space, the value may not exceed fair market value of comparable space in the same locality. For non-expendable personal property, the value may not exceed the fair market for equipment of the same age and condition. For loaned equipment, the value may not exceed the fair rental value.) |  |  |  |  |
|  | Are personnel charges supported by time and attendance records that accurately reflect all hours worked by the employee and are attendance records signed by the employee and the supervisor? |  |  |  |  |
| **D.** | **Are volunteer services recorded to show:** |  |  |  |  |
|  | * The same information kept for volunteer services as is kept for subrecipient/ second-tier subrecipient employees? |  |  |  |  |
|  | * The basis for valuation of personal services, material, equipment, buildings, and land? |  |  |  |  |

**IV. Program Income**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| A. | Does the Subrecipient have any ESG-related program income?   * If so, is it properly documented and recorded? |  |  |  |  |
| B. | If program income is designated for a grant project, are the receipt and expenditure of receipts part of grant project transactions? |  |  |  |  |
| C. | Is program income recorded in accounting records? |  |  |  |  |
| D. | Does program income exceed $25,000 in any one fiscal year?   * If so, have funds been remitted to the state? |  |  |  |  |
| E. | What is the total amount of interest earned on ESG funds? \_\_\_\_\_\_\_\_\_   * If this amount was over $100, has it been returned to the state? |  |  |  |  |

**V. Property Management**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| A. | Do the Subrecipient and/or second-tier subrecipients have property acquired totally or partially with state-administered ESG funds? |  |  |  |  |
| **B.** | **Does the Subrecipient’s/second-tier subrecipient’s property management system include:** |  |  |  |  |
|  | * Description of the property |  |  |  |  |
|  | * Serial number/ID number |  |  |  |  |
|  | * Source of property, including grant number |  |  |  |  |
|  | * Title holder |  |  |  |  |
|  | * Purchase date and cost |  |  |  |  |
|  | * Intended use of purchased item and how it relates to scope of project |  |  |  |  |
| C. | If ESG funds were used for a single-item purchase of over $5,000, is a copy of the completed PMU1 form on file with the Subrecipient and has a copy been submitted to ADECA?   * If yes, is the ADECA inventory sticker affixed to the property? |  |  |  |  |
| D. | Is the Subrecipient aware that any property acquired with ESG funds may not be sold or otherwise disposed of without prior written approval from ADECA? |  |  |  |  |
| E. | Are there policies in place to prevent the loss, damage, or theft of property? |  |  |  |  |

**VI. Revisions/Amendments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| A. | Were budget revisions done in accordance with State criteria? |  |  |  |  |
| B. | Were formal amendments done in accordance with State criteria? |  |  |  |  |

**VII. Records Retention**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| A. | Is the Subrecipient **aware** that all ESG records must be retained for at least 5 years after close out or the resolution of all audit findings (for non-expendable property, from the date of final disposition)? |  |  |  |  |
| B. | Is the Subrecipient **aware** that where ESG funds are used for the renovation or conversion of an emergency shelter and involve costs charged to the ESG grant that exceeds 75 percent of the value of the building before renovation or conversion, records must be retained until 10 years after the date that ESG funds are first obligated for the renovation or conversion? |  |  |  |  |

**VIII. Minimum Period of Building Use**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| A. | Is the Subrecipient **aware** that where ESG funds are used for the renovation of an emergency shelter and involve costs charged to the ESG grant that are 75 percent or less of the value of the building before renovation, the building must be used as an emergency shelter for 3 years? |  |  |  |  |
| B. | Is the Subrecipient **aware** that if the rehabilitation or conversion cost of an emergency shelter exceeds 75 percent of the value of the building before rehabilitation or conversion, the minimum period of use is 10 years? |  |  |  |  |