

**Attachment D: Sample DSHS Subrecipient Fiscal Monitoring Site Visit Tool**

REFERENCE	STANDARD	CRITERIA	COMPLIANCE		COMMENTS	FOLLOW-UP, CORRECTIVE ACTION AND DUE DATE
			YES	NO		
CFR92.20(b)(1) 45CFR74.21(b)(1)	<b>Financial reporting:</b> Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.	Agency maintains documentation and records of all income and expenditures.  Agency maintains accounting system and reports in accordance with GAAP or other accepted method of presentation.	<input type="checkbox"/>	<input type="checkbox"/>		
45CFR92.20(b)(2) 45CFR74.21(b)(2)	<b>Accounting records:</b> Must adequately identify the source and application of funds provided for financially assisted activities	Grantees and subgrantees must maintain records that adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.  Agency has appropriate cost centers to track and validate costs applicable to any special conditions (e.g., project expansion)	<input type="checkbox"/>	<input type="checkbox"/>		•
45CFR92.20(b)(3) 45CFR74.21(b)(3)	<b>Internal control:</b> Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets.	Control Principles are applied to all departmental operations which include: <ul style="list-style-type: none"> <li>• Payroll</li> <li>• Purchasing</li> <li>• Receiving</li> <li>• Disbursement Approval</li> <li>• Equipment and Supplies Inventory</li> <li>• Cash Receipts</li> <li>• Petty Cash</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>		•

		<ul style="list-style-type: none"> <li>Billing and Accounts Receivable</li> </ul> <p>No one person has complete control over more than one key fiscal function or activity (e.g., authorizing, approving, certifying, disbursing, receiving, or reconciling).</p> <p>Transactions are properly authorized and consistent with grant program requirements.</p> <p>Responsibility for physical security/custody of assets is separated from record keeping/accounting for those assets</p>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>		
<p>45CFR92.20(b)(4) 45CFR74.21(b)(4)</p>	<p><b>Budget control:</b> Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement</p>	<p>Chief Financial Officer or designee routinely monitors the comparison of expenditures with approved budget expenditures.</p> <p>The agency employs a budget to control its fiscal operations.</p> <p>The agency employs separate budget categories for distinctly different areas of the agency operation, at least for each federal grant-funding source.</p> <p>The governing authority approves the agency's budget. (<i>Best Practices</i>).</p>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>		<ul style="list-style-type: none"> <li></li> </ul>
<p>45CFR92.20(b)(5) 45CFR74.21(b)(6)</p>	<p><b>Allowable cost:</b> Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs. Non-profit entities are <b>required</b> to have written policies &amp; procedures on this subject.</p>	<p>Governmental agencies employ accounting policies and procedures for determining reasonableness, allocability, and allowability of costs in accordance with federal cost principles OMB Circular A-87 "Cost Principles for State, Local, and Indian Tribal Governments"</p> <p>Non-profit agency is <b>required</b> to have written accounting policies and procedures for determining reasonableness, allocability, and allowability of costs in accordance with federal cost principles. OMB Circular A-122, "Cost Principles for Non-Profit</p>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>		<ul style="list-style-type: none"> <li></li> </ul>

		<p>Organizations”</p> <p>The allowability of costs incurred by institutions of higher education is determined in accordance with the provisions of OMB Circular A-21, “Cost Principles for Educational Institutions.”</p> <p>Accounting records and documents are examined by employees who have sufficient understanding of the accounting and financial system to verify that recorded transactions actually took place and were made in accordance with policy and procedures.</p> <p>Agency accounting records and documentation are compared with accounting system reports and financial statements to verify their reasonableness, accuracy, and completeness.</p> <p>Agency has an indirect rate (IDC) or Cost Allocation Plan (CAP) for the charging administrative cost that has been negotiated with and approved by its cognizant agency. Alternatively, the agency does not allocate indirect or administrative costs to direct programs.</p>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>		
<p>45CFR92.20(b)(6) 45CFR74.21(b)(7)</p>	<p><b>Source documentation:</b> Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents</p>	<p>Agencies retain source documents (i.e. cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.) in accordance with the records retention requirements applicable to its jurisdiction (i.e. State of Washington)</p> <p>Unauthorized access to assets and accounting records is prevented.</p> <p>Financial records are to be kept available for review or audit by appropriate officials, auditors, etc. of the awarding agency.</p>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>		<p>•</p>
<p>45CFR92.20(b)(7) 45CFR74.21(b)(5)</p>	<p><b>Cash management:</b> Procedures for minimizing the time elapsing between</p>	<p>“Reimbursement of allowable cost” shall be the preferred method of transferring grant funds</p>	<input type="checkbox"/>	<input type="checkbox"/>		<p>•</p>

	<p>the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used.</p> <p>Grantees must monitor cash draw downs by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees</p>	<p>to a subgrantee when an agency cannot maintain, or demonstrate the willingness and ability to maintain, procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the recipient or subrecipient agency.</p> <p>Unless otherwise specified by federal program rules, program income, rebates or other recoveries shall be employed to further the purposes of the grant award.</p>	<input type="checkbox"/>	<input type="checkbox"/>		
<p>45CFR92.32(d)(1) 45CFR74.34(f)(1)</p> <p>45CFR92.31</p>	<p><b>Equipment and property records</b></p>	<p>Agencies shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with HHS funds as that provided to other property owned by the recipient.</p> <p>Agencies shall implement adequate maintenance procedures to keep the equipment in good condition.</p> <p>Property records must be maintained that</p> <ul style="list-style-type: none"> <li>• Include a description of the property,</li> <li>• A serial number or other identification number,</li> <li>• The specification of who holds title</li> <li>• The acquisition date, and</li> <li>• The cost of the property,</li> <li>• The percentage of Federal participation in the cost of the property,</li> <li>• The location, use and condition of the property, and</li> <li>• Any ultimate disposition data including the date of disposal and sale price of the property.</li> </ul> <p>Agencies shall inventory equipment at least once every 2 years.</p> <p>Records are investigated to determine the cause of any discrepancies.</p>	<input type="checkbox"/>	<input type="checkbox"/>		•
45CFR92.36(b)	<b>Purchasing and</b>	Agency has written policies and				

<p>45CFR74.40</p>	<p><b>Procurement Standards</b></p> <p>45CFR92.36(b) Procurement standards. (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section. (2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. (3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.</p> <p>Also in 45CFR74.45 and 45CFR74.47</p>	<p>procedures for procurement of supplies, equipment and other services</p> <p>Agency uses purchase requisition/order system for purchasing (<i>Best Practice</i>)</p> <p>Agency has proper segregation between requisition, procuring, receiving and payment functions. (<i>Best Practices</i>)</p> <p>Agency has inventory system to control purchase, use, and reordering of medications and supplies</p> <p>Agency has established controls over access to medication and supplies.</p> <p>Agency periodically confirms perpetual inventory w/actual inventory counts.</p>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>		
<p>45CFR92.35</p>	<p><b>Suspended and Debarred</b></p>	<p>Grantees and subgrantee must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."</p>	<input type="checkbox"/>	<input type="checkbox"/>		
<p>45CFR92.26 45CFR74.26</p>	<p><b>Single Audit</b></p>	<p>If applicable, an audit of agency is conducted in accordance with provisions of OMB Circular A-133 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." 45 CFR Part 74.26, and 45 CFR Part 92.26.</p> <p>Agency auditors meet established criteria for qualifications and independence in conduct of</p>	<input type="checkbox"/>  <input type="checkbox"/>	<input type="checkbox"/>  <input type="checkbox"/>		<p>•</p>

		<p>audits.</p> <p>Single audits are performed and submitted as appropriate</p> <p>If the Agency itself subgrants federal funds to others, it has a single audit review system that is in compliance with the review requirement of OMB Circular A-133.</p>	<input type="checkbox"/>	<input type="checkbox"/>		
<p>45CFR74.25</p>	<p><b>Prior Approval Requirements</b></p> <p>(a) The budget plan is a financial expression of the project or program as approved during the award process. It may include either the sum of the federal and non-federal shares, or only the federal share, depending upon HHS awarding agency requirements. It shall be related to performance for program evaluation purposes whenever appropriate.</p>	<p>Agency requests budget revision from federal funds grantor agency if the following occurs:</p> <ul style="list-style-type: none"> <li>• Change in agency scope or objective;</li> <li>• Change in key personnel;</li> <li>• Change in the object level allocation of an award by more than 10% of the total;</li> <li>• When sub-awarding or contracting work not approved in the grant application;</li> <li>• Any change of a previously approved amount identified for training;</li> <li>• The need for additional funding;</li> <li>• The inclusion of costs that require “prior approval” in accordance with OMB Circulars A-21, A-87, A-122 or 48CFR31 (Contract Cost Principles)</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>		
<p>45CFR74.25</p>	<p><b>Prior Approval Requirements</b></p> <p>(a) The budget plan is a financial expression of the project or program as approved during the award process. It may include either the sum of the federal and non-federal share, or only the federal share, depending upon HHS awarding agency requirements. It shall be related to performance for program evaluation purposes whenever</p>	<p>Agency requests budget revision from federal funds grantor agency if the following occurs:</p> <ul style="list-style-type: none"> <li>• Change in agency scope or objective;</li> <li>• Change in key personnel;</li> <li>• Change in the object level allocation of an award by more than 10% of the total;</li> <li>• When sub-awarding or contracting work not approved in the grant application;</li> <li>• Any change of a previously approved</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>		

	<p>appropriate.</p>	<p>amount identified for training;</p> <ul style="list-style-type: none"> <li>• The need for additional funding;</li> <li>• The inclusion of costs that require “prior approval” in accordance with OMB Circulars A-21, A-87, A-122 or 48CFR31 (Contract Cost Principles)</li> </ul>				
<p>45CFR92.40 45CFR74.51</p>	<p><b>Evaluation</b></p> <p>a) Monitoring by grantees. Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.</p>	<p><b>Program Specific Reporting Requirement</b></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><b>Grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports</b></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><b>Performance reports will contain, for each grant, brief information on the following:</b></p> <p>(i) A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.</p> <p>(ii) The reasons for slippage if established objectives were not met.</p> <p>(iii) Additional pertinent information including, when appropriate, analysis and explanation</p>	<p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/></p>			

		of cost overruns or high unit costs.				
45CFR92.35	<b>Suspended and Debarred</b>	Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, ``Debarment and Suspension." <input type="checkbox"/>	<input type="checkbox"/>			
Program Specific Requirements		Grant or Program Specific Fiscal Related Requirements. For example: <ul style="list-style-type: none"> <li>• Development, use, required approval, public display, number of steps and consistency of the intervals in a <u>Sliding Scale Fee Schedule</u>;</li> <li>• Development, use, required approval, public display, number of steps and consistency of the intervals in a <u>Income Conversion Table</u>;</li> <li>• Review of patient records to determine the correct application of sliding scale fee schedule to charges to the patient;</li> <li>• Billing and collections processes and patient privacy/confidentiality concerns;</li> <li>• Client income determination/verification;</li> <li>• Handling of accounts receivable;</li> <li>• Handling of Program Income;</li> <li>• Handling of other program related expenditures.</li> </ul>				