

City of Orange

CDBG Subrecipient Monitoring Checklist



Subrecipient:

Project Manager:

Funding Year:

Project Name:

Monitoring completed by:

Monitoring date:

Financial Review – 2 CFR 200.501
A1 Did the Subrecipient spend \$750,000 or more in federal funds during the last completed fiscal year? If yes, obtain a copy of single audit report.
A2 Has an independent accountant audited the financial statements within the last two years? If Yes, obtain latest audited financial statement.
<p><input type="checkbox"/> Check if the Revenue section has a line item for grants</p> <p><input type="checkbox"/> Check if the Grants amount is greater than \$750,000 and show a breakdown of types of funding sources</p>
IF THERE ARE AUDITED FINANCIAL STATEMENTS AND A SINGLE AUDIT REPORT, ANSWER QUESTIONS BELOW
Auditor Name:
A3 Was the auditor’s opinion qualified? If no, explain.

A4 Does the audit contain findings or concerns? If yes, explain and provide corrective actions to be taken. If no, obtain unaudited financial statement

___ Check if the Revenue section has a line item for grants

___ Check if the Grants amount is greater than \$750,000 and show a breakdown of types of funding sources

B Accounting Systems – 2 CFR 200.302

B1 What accounting system is used?

B2 Is there a chart of accounts? If Yes, obtain chart of accounts. If no, explain.

B3 Does the Subrecipient maintain a General Ledger? If yes, provide a year to date general ledger that includes accounts receivable, revenue, and expense to the City. If no, explain.

B4 Does the Subrecipient have written accounting policies and procedures? If yes, obtain the written accounting policies and procedures. If no, explain.

B5 How often are financial statements prepared?

B6 How often do you close your accounting books? Verify by making changes to the already closed books using the accounting system.

B7 Does Subrecipient's financial records adequately identify source of use of CDBG funds? If Yes, collect a sample of an expenditure for CDBG funds. If no, explain.

C. Budgetary and Expenditure Controls – 2 CFR 200.302

C1 Does the Subrecipient set up budgets to control expenditures? If Yes, provide a document that shows budget versus actual. If no, explain.

C2 Who is responsible for monitoring the budget expenditures?

C3 Are actual expenditures consistent with budget amounts? If yes, check if expenditures are not over the budget or significantly under budget. If no, explain.

C4 Is there adequate documentation to support all CDBG expenditures? (e.g. invoices, contracts, etc.) If yes, collect a sample supporting CDBG expenditure (an invoice or timesheet). If no explain.

C5 If employees work on both CDBG and non CDBG projects, are timesheets appropriately recorded? If yes, collect timesheets that show both CDBG and non-CDBG hours. If no, explain.

D. Internal Controls (Separation of Duties) – 2 CFR 200.203

D1 Does the Subrecipient have written internal controls and fiscal management procedures? If yes, obtain the written internal controls and fiscal management procedures. If no, explain.

D2 Is there separation of responsibility in the receipt, payment, and recording of cash?

If yes, collect a sample of recent deposit from the City including deposit slip, GL entry (revenue account) and bank confirmation.

Who receives the checks when they come in the mail?

Who deposits the funds received and how often does that person deposit funds?

Who enters all the financial information into the book of entry?

Who prepares the check to pay invoices received?

If no, explain?

D3 Are all checks approved before they are signed?

If yes:

How many signatures are required for the checks?

Who signs the checks?

If no, explain:

D4 Does the Subrecipient have a petty cash fund?

Yes:

Who controls it?

What is the petty cash limit and how much is kept in the fund?

D5 Are all checks pre-numbered and accounted for when the bank account is reconciled?

Yes:

Who prepares the bank reconciliation?

Who approves the bank reconciliation?

E Program Income – 570 CFR 500, 570 CFR 504 and 2 CFR 200.307

E1 Has there been any CDBG program income? This is income generated from changing service/program fees. If the income is more than \$25,000, count it as program income and select yes.

If yes, collect supporting document showing the amount of income.

Describe the source of income

Describe the process for using it

If no explain

F Procurement and Property Management Review – 2 CFR 200.320

Note – Skip this section if the Subrecipient does not use CDBG funds on non-procurement items. (Example of non-procurement items: staff, supplies, and rent)

F1 Does the Subrecipient have written procurement procedures?

Yes, obtain written procurement procedures

If no, explain

F2 Who has responsibility over procurement?

F3 Does the Subrecipient procurement policies require stating the price or rate quotations from at least three qualified sources when items are purchased with CDBG funds? If no, explain

F4 Are purchase orders used for all or part of the Subrecipient procurement? If no, explain?

F5 Does the subrecipient use competitive bid process to procure large items. If no, explain.

F6 Does the subrecipient use CDBG funds for consultant services?

If yes:

What is the method for selecting consultants?

What types of services does the consultants offer?

F7 Does the Subrecipient purchase, lease, or rent any equipment using CDBG funds?

If yes:

Does the subrecipient have written policies in place to govern the acquisition and disposition of property and equipment? If no, explain.

Does the subrecipient maintain a fixed asset ledger? If no, explain.

Who often does the subrecipient take physical inventory? If no, explain.

Do internal controls adequately safeguard and ensure property is used only for authorized purposes? If no, explain.

Does the Subrecipient have procedures to adequately identify and safeguard CDBG property? If no, explain.

G Record Keeping – 24 CDF 570.506

G1 Does the Subrecipient have written policies and procedures to determine if client is eligible for services? If yes, obtain a copy of policies and procedures.

Describe below how the subrecipient meets the client eligibility requirement

If no, describe the mechanism the subrecipient uses to obtain the income related information to determine eligibility.

G2 Does the Subrecipient accurately verify the inform and residency of actual beneficiaries? If yes, obtain copies of the application, intake form, verification worksheet, etc. If no, explain.

G3 Is the Subrecipient using current HUD income guidelines to determine eligibility of beneficiaries? If no, explain.

G4 does the subrecipient collect beneficiary data (eg race, ethnicity, disability, elderly, and head of household)? If no, explain.

G5 Are records easily accessible and legible? If no, explain.

G6 What is the method for counting beneficiaries? How does the subrecipient avoid double counting?

General Information

I1 What is the makeup of the governing body of the Subrecipient?

I2 How often does the governing body meet?

I3 Are minutes of the Board available for review? If yes, obtain a copy of the last approved minutes. If no, explain.

I4 Does the governing body operate as a council or does each member have specific line-item responsibility?

I5 Has there been turnover in any key personnel during the program year?

If yes, what position and what was the reason for the change?

I6 Are filled positions in compliance with the contract and the agency's job description? If no, explain.

I7 Are written personnel time control procedures in place?

If yes, obtain a copy of a policy that states timecards must be signed off by staff and immediate supervisor, vacation and absences documented.

If no, explain.

I8 Does the Subrecipient have an organizational chart? If yes, obtain a copy of the organization chart. If no, explain.

I9 Is there evidence of religious or political activities in CDBG projects? If yes, explain.

Programmatic Review

1. Does the Subrecipient have a clear understanding of CDBG requirements? If no, explain.

2. What are the strengths of the Subrecipient?

3. What are the weaknesses of the Subrecipient?

5. Overall performance rating:

Excellent

Very Good

Satisfactory

Unsatisfactory

6. Findings