**Subrecipient Financial Questionnaire**

**Agency Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Fiscal Year: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  | **Y/N/NA** | **COMMENTS** |
| --- | --- | --- |
| 1. **Activities Allowed / Allowable Costs / Cost Principles / Accounting System and Controls** |  |  |
| 1. Are funds only used on allowed activities and not on items prohibited by the laws, regulations, and provisions of the MSHN contract pertaining to each MSHN program and are staff aware of the prohibited items (i.e. alcoholic beverages, bad debts, contingency reserves, contributions and donations, entertainment, fund raising, etc.) |  |  |
| 1. Are staff aware of applicable cost principles (2 CFR 200, Subpart E)? Describe how expenditures for supplies, communications, or other expenses are allocated to multiple funding sources. |  |  |
| 1. Does the Agency have written accounting policies and procedures (including those for the receipt and disbursement of funds, purchasing, and payment of expenditures) that require appropriate separation of duties that are relevant to the Agency’s information technology (IT) systems, and the programs funded by MSHN? |  |  |
| 1. Does the Agency have a financial management system that tracks the coding of expenses and revenue for Federal Programs by funding year (2 CFR 200.302(b)(1))? |  |  |
| 1. Does the Agency have an effective internal control system over Federal award(s) that provides reasonable assurance that the Agency is managing the Federal award(s) in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award(s) (2 CFR 200.303(a))? |  |  |
| 1. If the accounting system is automated, are controls in place to limit access to authorized personnel only (e.g. access is limited by secure user ID and password, and roles based upon least privilege)? |  |  |
| 1. Does the Agency maintain a complete general ledger system including information for cash receipts, and cash disbursements |  |  |
| 1. Does the accounting line item detail enable reporting MSHN expenditures comparable to the MSHN budget format by line items? |  |  |
| 1. Does the general ledger revenue and expense accounts for the MSHN fund sources agree with the final reports presented to the Agency’s governing body and with MSHN payment records? |  |  |
| 1. Does the Agency follow generally accepted accounting principles to record financial information? |  |  |
| 1. Is the modified accrual (government) or accrual (non-profit) basis of accounting used to record revenues and expenditures? |  |  |
| 1. Are there clearly defined responsibilities for the following duties, including consideration for access and use within the automated accounting system? Indicate all that apply and list the name of the person(s) responsible: 2. Reconciling bank accounts 3. Approving invoices for payment 4. Approving time records 5. Payroll preparation 6. Approving payroll for payment 7. Mailing or delivering payroll checks 8. Opening mail 9. Preparing deposit slips 10. Making/verifying deposit 11. Entering receipts into cash receipts journal 12. Posting to the general ledger |  |  |
| 1. Is the person that approves invoices for payment:    1. Someone other than the person requesting payment? 2. Knowledgeable about allowable and unallowable costs? |  |  |
| 1. Does the person that authorizes payments of bills review original invoices and other supporting documentation? |  |  |
| 1. Are all expenditure payments supported by documentation including the following:    * + - 1. Type or purpose of expenditure          2. Amount          3. Date service was provided          4. Payee          5. Date of invoice          6. Program to be charged |  |  |
| 1. Are original invoices marked “paid” to prevent duplicate payment(s)? |  |  |
| 1. Do only persons authorized to prepare or supervise the preparation of checks have access to blank checks? |  |  |
| 1. Are all checks pre-numbered? |  |  |
| 1. Are all voided checks retained? |  |  |
| 1. Are the voided checks clearly marked voided? |  |  |
| 1. Do all checks require two signatures? |  |  |
| 1. Are there dollar limitations on the amount of checks that require only one signature? |  |  |
| 1. Does the Agency policy prohibit the signing of checks in advance? |  |  |
| 1. Are all persons signing checks, assisting in making disbursements, and handling receipts properly bonded? |  |  |
| 1. Can checks be issued as “cash”? |  |  |
| 1. If there is an imprest or petty cash fund, under what circumstances would the petty cash fund be used, what is the maximum that can be withdrawn, and how do you account for the fund? |  |  |
| 1. Are accounting records kept up to date and balanced regularly? |  |  |
| 1. Are the Agency’s bank accounts reconciled on a monthly basis by employees who have no authority to authorize transactions and/or are the reconciliations reviewed by management? |  |  |
| 1. Is the Agency up-to-date on filing payroll, unemployment, and income tax returns? |  |  |
| 1. Are accounting records, including those with confidential client information, adequately protected from fire, damage, and unauthorized access (2 CFR 200.303(e))? |  |  |
| 1. Is source documentation (e.g. vouchers and original invoices) readily available to support amounts entered into online/automated systems and charged to MSHN funds? |  |  |
| 1. Are record retention policies in place that comply with the contract requirements and 2 CFR 200.333? |  |  |
| 1. Are backup policies in place that ensure data may be retrieved if systems fail? |  |  |
| 1. Is the accounting system equipped with budgetary controls, by line item and in total, to prevent incurring expenses in excess of total funding sources? |  |  |
| 1. a. Do management and the governing Board regularly review a functional budget compared to actual expenses for each funding source and program (2 CFR 200.302(b)(5))?   b. Is there evidence this occurs?  c. Is it documented in written policies and procedures? |  |  |
| 1. Does the governing Board have an Audit and/or Finance Committee that convenes and communicates regularly with the Treasurer and other Board members to assist in understanding and responding to financial developments (i.e. if adverse financial developments, are there systems in place that allow the Agency to address them)? |  |  |
| 1. What controls are in place over the accounting system to ensure complete and accurate data processing?   Examples include:  Sequence checks  Referential integrity checks  Control/hash totals  Range checks  Run totals  Reconciliations |  |  |
| 1. How are processing errors within the accounting system identified, corrected, and re-processed? |  |  |
| 1. a. Does the accounting system produce logs or audit trails for all user activity, including security administration and transaction processing?    1. Can users modify the logs? |  |  |
| 1. a. Are third parties/contractors used to provide accounting systems, processing, or functions?   b. If so, are contracts or service level agreements in place? |  |  |
| 1. Are external audits performed of third parties or contractors that provide accounting systems, processing, or functions? Are SSAE 16 reports required and reviewed by management? |  |  |
| 1. What policies and procedures exist regarding updating or changing the automated accounting system? Is a formal change management process in place to ensure integrity? |  |  |
| 1. **Personnel Costs** |  |  |
| 1. What method(s) are used to allocate staff time among various programs when reporting expenditures? Describe the methodology/process used to allocate staff time to each program. |  |  |
| 1. Are personnel expense records supported by a system of internal control that provides reasonable assurance that personnel expense charges are accurate, allowable, and properly allocated? (2 CFR 200.430(i)(1)(i)) |  |  |
| 1. Do personnel expense records support the distribution of employee’s salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity?   (2 CFR 200.430(i)(1)(vii)) |  |  |
| 1. If budget estimates (that are determined before the services are performed) are used for interim accounting purposes for allocating and reporting personnel costs, are the following in place: 2. The system for establishing the estimates produces reasonable approximations of the activity actually performed? 3. Significant changes in the corresponding work activity are identified and entered into the records in a timely manner – (budget amendment)? 4. The Agency’s system of internal controls includes processes to review after-the-fact activity in comparison to budget estimates, with adjustments to ensure the final amount charged to the Federal award is accurate, allowable, and properly allocated?   (2 CFR 200.430(i)(viii)) |  |  |
| 1. Do the personnel positions charged to the programs conform to the positions and salaries authorized in the MSHN program budgets? |  |  |
| 1. Are attendance records maintained which monitor leave usage? |  |  |
| 1. Do employees’ immediate supervisors approve all leave taken? |  |  |
| 1. Does the Agency follow a written Personnel Policy? |  |  |
| 1. Are fringe benefits, in the form of employer expenses for employee life, health, unemployment, and worker’s compensation insurance, charged based on actual costs incurred, and supported by approved paid invoices? Describe the distribution method (e.g. actual fringe cost per person \* the percent of salary attributable to each program, or total fringe for the Agency prorated to all programs based on the share of salary to each program). |  |  |
| 1. **Travel Costs** |  |  |
| 1. Does the Agency have written travel policies and procedures defining reasonable limits for hotel and meal reimbursements, mileage rates, unallowable costs, and documentation requirements? |  |  |
| 1. Is travel charged to the MSHN funds supported by approved employee travel vouchers that include purpose of travel, period covered, destination, departure/arrival times, with appropriate receipts/documentation? (Note that 2 CFR 200.474(b)(1) requires that documentation justify that participation of the individual is necessary to the Federal award.) |  |  |
| 1. **Space Costs** |  |  |
| 1. If space cost for Agency-owned buildings is charged to MSHN funds, is the cost based only on depreciation plus actual operating and maintenance cost? |  |  |
| 1. If space cost for rented buildings is charged to MSHN funds, is the cost supported by a current signed lease agreement? |  |  |
| 1. Is space cost allocated to all programs that benefit from the space based on square footage used or other consistently applied allocation basis? |  |  |
| 1. **Contractual Costs** |  |  |
| 1. Are current contracts in effect for all contractors? |  |  |
| 1. Do the Agency’s contracts contain the applicable provisions described in Appendix II to 2 CFR Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards (2 CFR 200.326)? |  |  |
| 1. Are contract charges supported by detailed billings as to type and amount of services/goods for the contract period rather than only stating “for services rendered”? |  |  |
| 1. Are contract billings reviewed to ensure consistency with the contract terms and objectives? |  |  |
| 1. **Indirect Costs** |  |  |
| 1. Are indirect costs charged to the MSHN programs? (e.g. agency-wide administration, division level administration, county central service costs, nursing supervision, general nursing, etc.) |  |  |
| 1. If charging indirect costs to the MSHN programs, is one of the following being charged (please indicate which in the Comments):  * An approved federally-recognized indirect cost rate negotiated between the Agency and the Federal government; * A rate negotiated between MSHN and the Agency; * A de minimis rate of 10% of modified total direct cost; * A rate approved by another Department of the State and accepted via contract by MSHN; or * For governmental departments (e.g. Health Departments), a rate in accordance with the Agency’s cost allocation plan that complies with Appendix VII of 2 CFR 200. |  |  |
| 1. Are indirect costs allocated based on a cost allocation plan or methodology that provides a fair and equitable distribution of costs to all programs that benefit from the overhead in accordance with 2 CFR 200? (e.g. based on pro-rata share of personnel costs, or total direct costs of the programs that benefit) |  |  |
| 1. Which of the following costs are included in the agency-wide administration cost pool and allocated as indirect costs:   Agency Support  Data Management  Space Cost  Communications Cost  Depreciation on Equipment  Central Service Cost Allocation Plan (County)  Other (Describe) |  |  |
| 1. **Cash Management** |  |  |
| 1. If any of the MSHN programs are funded on a reimbursement basis, are the costs paid for by the Agency before reimbursements are requested from MSHN? |  |  |
| 1. For programs funded by MSHN on a reimbursement basis, does the Agency have provisions in place for timely submission of requests for reimbursement? |  |  |
| 1. If MSHN advances funds to the Agency for any programs, does the Agency have procedures in place to ensure that the time elapsed between the pre-payment (advance of funds) and disbursements are minimized (2 CFR 200.305(b))? |  |  |
| 1. **Equipment and Supplies** |  |  |
| 1. Do Agency procedures designate the person(s) who should authorize equipment purchases? If yes, please list. |  |  |
| 1. Are inventory records maintained (for equipment costing over $5,000) as well as adequate safeguards over government-financed property and equipment including verification of equipment every two years (2 CFR 200.313(d)(2)&(3))? |  |  |
| 1. Are equipment inventory records maintained that provide the following detail per 2 CFR 200.313(d)(1):    * + - 1. Item Description          2. Serial Number          3. Cost          4. Acquisition/Disposal Dates          5. Location/Responsible Program          6. Funding Source          7. Tag Number |  |  |
| 1. Are MSHN funded supplies maintained in a secure location with access limited to applicable program staff? |  |  |
| 1. Are there controls in place to prevent unauthorized consumption of MSHN funded supplies? |  |  |
| 1. **Procurement** |  |  |
| 1. Does the Agency comply with the General Procurement Standards contained in 2 CFR 200.318, which include, but are not limited to the following: 2. Maintaining oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders? 3. Maintaining written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts? 4. Awarding contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement? 5. Maintaining records sufficient to detail the history of procurement including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price? |  |  |
| 1. Does the Agency conduct all procurement transactions in a manner providing full and open competition consistent with the standards of 2 CFR 200.319? |  |  |
| 1. Does the Agency have written procedures for procurement transactions ensuring that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured; all requirements which the offerors must fulfill; and all other factors to be used in evaluating bids or proposals? (2 CFR 200.319(c)) |  |  |
| 1. Does the Agency comply with the following allowed methods of procurement and the requirements for each as specified in 2 CFR 200.320? 2. Micro-purchases (generally < or = $3,000 without quotes if price is reasonable) 3. Small purchase procedures (<$150,000 with quotes from adequate sources) 4. Sealed bids 5. Competitive proposals 6. Non-Competitive proposals |  |  |
| 1. **Suspension and Debarment** |  |  |
| 1. Did the Agency verify that subcontractors under covered transactions (procurement contracts for goods and services under a grant or cooperative agreement that are expected to equal or exceed $25,000, and all subawards to subrecipients irrespective of award amount) are not suspended or debarred or otherwise excluded?   (Verification may be accomplished by checking the System for Award Management for excluded parties maintained by the General Services Administration at [www.sam.gov](http://www.sam.gov), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity per 2 CFR section 180.300) |  |  |
| 1. **Program Income** |  |  |
| 1. Is program income (fees and collections) billed on a sliding fee scale, if applicable, and does the fee scale conform to applicable poverty guidelines? |  |  |
| 1. Are duplicate receipt slips prepared for every receipt, and a copy given to the client? |  |  |
| 1. Are all receipts recorded promptly and deposited daily or at appropriate intervals? |  |  |
| 1. If receipts must be kept overnight, are they adequately safeguarded? |  |  |
| 1. Is all MSHN program revenue posted to separate program revenue accounts? |  |  |
| 1. Are deposit slips stamped by the bank or treasurer’s office and checked against records of receipt? |  |  |
| 1. Does the Agency use program income for current costs, and deduct program income from total allowable costs to determine the net allowable costs (Are Copays and Coordination of Benefits payments deducted to calculate net allowable costs) (2 CFR 200.307(e))? |  |  |
| 1. **Reporting** |  |  |
| 1. Do financial reports to MSHN include actual costs, and not budgeted amounts (Cost Reimbursement Arrangements only)? |  |  |
| 1. Do financial reports to MSHN include costs in appropriate line item categories? (Cost Reimbursement Arrangements only) |  |  |

Signature of authorized agency representative: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name and Title: Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| For MSHN file use only:  Evaluator’s Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |