Sub recipient Risk Assessments for Federal Funding

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Enterprise is required to perform a pre-award risk assessment of all organizations applying for federal funds.

This assessment must be done to comply with federal regulations in the Office of Management and Budget’s Uniform Guidance, which was first issued in 2015.

Completion of the risk assessment is one of the final steps in the application process for federal funds.
What do you need to submit for the risk assessment?

- **New applicants:**
  - Full Sub recipient questionnaire
  - Copies of procedures and documents
  - Copy of most recent audited financial statements

- **Previous applicants:**
  - Brief Sub recipient questionnaire
  - Copy of most recent audited financial statements
  - Enterprise may require additional documentation based on the results of a previous review.

The following slides discuss items on the full questionnaire in more detail. (Note: these are general guidelines – an organization’s materials may vary somewhat in format and content.)

Whether you are a new or a previous applicant, Enterprise will provide you a link to the appropriate questionnaire when you apply. A copy of each questionnaire is also in the Associated Resources section on the Resource Center web page.
We will cover the following questionnaire topics in more detail:

- Financial management & accounting procedures
- Procurement & contracting policies & procedures
- Personnel policies & procedures
- Timesheet
- Consultant or contractor agreement
- Expense report
- Financial Statements and Single Audit Reports
Financial management and accounting procedures

Should include basic financial functions:

- Procedures for the handling of cash & checks
- Bank reconciliations
- Accounts payable/Accounts receivable
- Separation of duties
- Evidence that your organization maintains separate record of grant transactions – e.g., separate General Ledger account
These are procedures for choosing consultants and other services; purchasing equipment and supplies.

They should include (at a minimum):

- Procurement methods used
- Method to analyze cost or basis for contract price
- Requirement for “full and open competition” in procurement (IMPORTANT)
Personnel policies and procedures

This is your organization’s employee or personnel manual.

It should include (at a minimum):
- Compliance with federal regulations – e.g., Equal Employment Opportunity, Age Discrimination Act, Americans with Disabilities Act
- Conflict of interest policy
- Hiring policies
- Performance assessment
- Employee benefits
Timesheets may be electronic or paper, but must:

- Show all of an employee’s time for the pay period
- Separate the time spent on federal award and on other activities or projects (IMPORTANT)
- Be an “after the fact” report (not an estimate)
- Be prepared at least monthly and coincide with one or more pay periods
- Be signed by employee and approved by supervisor

A sample timesheet is in the Associated Resources section on the Resource Center web page.
Many formats are acceptable, but must contain:
- Names of both parties
- Period of service (beginning and end)
- Scope of services
- Payment rate and method
- Responsibilities and deliverables for both parties
- Signatures and dates for both parties
Many formats are acceptable, but must contain:

- Itemization of expenses with business purpose
- A requirement for submission of receipts
- Signature by employee and approval by supervisor

A sample expense report is in the Associated Resources section on the Resource Center web page.
Audited financial statements

- These are: the most recent audit of your organization’s financial statements performed by a CPA or audit firm.
- These are NOT: a monthly or quarterly statement of account balances prepared by your organization’s financial staff.
- Audit findings: if there were any findings, send a copy of your organization’s corrective action plan (Note: usually this is already included in the audit).

Single Audit

- If your organization expended over $750,000 in federal funds during your fiscal year, the auditors should have performed a Single Audit. This should be included in your audited financial statements.
- If you did not have a Single Audit, send a list of your expenditures of federal funds (if any) for the year of the audit. List the source, program, and amount of each.
What’s next?

What happens after you submit the Sub recipient questionnaire and documentation?
- Enterprise performs the risk assessment.
- If any items are missing or incomplete, Enterprise will email a letter telling you what to do next.

How does completion of the risk assessment benefit you as a grantee?
- You’ll know that your recordkeeping for the grant is compliant with federal regulations. (It’s expected that you will use the materials that you have submitted.)
- If you need to submit documentation for a disbursement request or if Enterprise chooses your grant for a sub recipient review in the future, you’ll be better prepared.
Visit the Enterprise Resource Center (ERC)

*Download these Tutorial slides (pdf file)*

*Other helpful information and sample documents are available under Associated Resources*

Stay tuned for more

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