

ADAMS COUNTY

PRE-AWARD RISK ASSESSMENT TOOL

Pre-Award Risk Assessment

To determine whether to make a subaward and the appropriate level of monitoring to undertake if an award is made, first evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward.¹ In doing so, consider the following: (i) the subrecipient's prior experience with the same or similar subawards; (ii) the results of previous audits; (iii) whether the subrecipient has new personnel or new or substantially changed systems; and (iv) if the subrecipient receives direct federal awards, the extent and results of the federal awarding agency's monitoring process.² A sample pre-award risk assessment questionnaire based on the requirements of the Uniform Guidance, 2 C.F.R. § 200.331, is provided in Exhibit A. **This questionnaire is required that all potential subrecipients complete this questionnaire prior to entering into a subaward agreement.**

Based upon the results of the pre-award risk assessment, consider imposing specific subaward conditions upon a subrecipient, as appropriate.³ These additional subaward conditions may include items such as the following:⁴

1. Requiring payments as reimbursements rather than advance payments;
2. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
3. Requiring additional, more detailed financial reports;
4. Requiring additional project monitoring;
5. Requiring the non-Federal entity to obtain technical or management assistance; or
6. Establishing additional prior approvals.

If additional subaward conditions are imposed, it must notify the subrecipient as to:⁵

- The nature of the additional requirements;
- The reason why the additional requirements are being imposed;
- The nature of the action needed to remove the additional requirement, if applicable;
- The time allowed for completing the actions if applicable, and
- The method for requesting reconsideration of the additional requirements imposed.

Any specific conditions must be promptly removed once the conditions that prompted them have been corrected.⁶

¹ 2 C.F.R. § 200.331(b).

² 2 C.F.R. § 200.331(b).

³ 2 C.F.R. § 200.331(c).

⁴ 2 C.F.R. § 200.207(b).

⁵ 2 C.F.R. § 200.207(c).

⁶ 2 C.F.R. § 200.207(d).

Monitoring a Subrecipient

At a minimum, all Adams County Community Development sub-awarding federal funds are required to conduct the following monitoring activities during their relationship with their subrecipients:

- I. Review financial and performance reports required under the subaward agreement;
- II. Verify that an audit or other on-site review is being performed pursuant to the Uniform Guidance and that the subrecipient receives a Single Audit if expects to expend \$750,000 or more in federal awards during its fiscal year;
- III. Follow up to ensure that the subrecipient takes appropriate action on any audit findings and deficiencies; and
- IV. Issue a management decision on audit findings relating to the federal funds awarded to the subrecipient.⁷ Depending on the results of the initial risk assessment, Adams County Community Development may also need to provide subrecipients with on-site training and technical assistance on program-related matters, perform on-site reviews of the subrecipient's program operations or arrange for agreed-upon procedures to monitor the subrecipient.⁸

Terms and Conditions of the Subaward Agreement

As the recipient of the federal award, the Adam County is solely responsible to the federal awarding agency for the execution of the award. Thus, when Adams County subawards its federal funds to a subrecipient, it is important that the subaward agreement allows Adams County to have effective contractual control over the subrecipient's activities and gives the Adams County legal remedies against the subrecipient. Under the Uniform Guidance, Adams County is required to monitor the activities of their subrecipients to ensure that subawards are used for authorized purposes and in compliance with applicable federal law and the terms and conditions of the subawards.⁹

⁷ 2 C.F.R. § 200.331; 31 U.S.C. § 7501 et seq.

⁸ 2 C.F.R. § 200.331(e).

⁹ 2 C.F.R. § 200.331(d).

Exhibit A

Subrecipient Information and Risk Assessment Questionnaire

1. Subrecipient Contact Information	
Full Legal Organization/Business Name:	
Address:	
Telephone number:	
Fax number:	
Name of person completing this form:	
E-mail address:	
Website:	
Incorporated in:	Incorporated Date:
Number of employees:	
DUNS number:	
EIN (Employee ID Number):	
Fiscal Year (Month/Year):	
2. Subrecipient Type of Organization (select one):	
<input type="checkbox"/> Government <input type="checkbox"/> Nonprofit corporation <input type="checkbox"/> Other corporation <input type="checkbox"/> Individual	
3. Subrecipient Organization Classification (select all that apply):	
<input type="checkbox"/> Large Business	<input type="checkbox"/> Small Business
<input type="checkbox"/> Historically Black College/University	<input type="checkbox"/> Small Disadvantaged Business
<input type="checkbox"/> Historically Underutilized Business Zone	<input type="checkbox"/> Woman-Owned Business
<input type="checkbox"/> Minority Institution/Owned	<input type="checkbox"/> Tribal
<input type="checkbox"/> Veteran Owned	<input type="checkbox"/> Other:

4. Subrecipient Personnel Contact Information	
Project Director for Subaward	
Name:	
Title:	
Telephone Number:	
E-mail Address:	
Additional Contact for Subaward	
Name:	
Title:	
Telephone Number:	
E-mail Address:	
5. Subrecipient Indirect Costs	
Fiscal Year (Month/Year):	
Negotiated Federal Indirect Cost Rate? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 10% De Minimis Rate (if yes, please attach a copy of your current rate agreement)	
Name of Designated Federal Cognizant Agency (if applicable):	
6. Has Subrecipient received an award or subaward to conduct programs similar to those covered under this proposed subaward agreement in the last two (2) fiscal years? If yes, provide a list of all such awards or subawards.	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
7. Was Subrecipient required to comply with the Single Audit requirements of the Uniform Guidance in the last two (2) fiscal years? (Compliance with 2 C.F.R. Part 200, Subpart F required if Subrecipient expends \$750,000 or more in federal awards in a fiscal year).	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
Auditor Contact Name and Title:	
8. Have Subrecipient's annual financial statements been audited by an independent audit firm? If yes, provide a copy of the statements for the last two (2) fiscal years.	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
9. If the answers to Questions 7 or 8 is yes, were there any findings or questioned costs in the last two (2) fiscal years? If yes, please explain any findings or questioned costs with respect to an award or subaward to conduct programs similar to those covered by this proposed subaward agreement.	

<input type="checkbox"/> Yes <input type="checkbox"/> No Explanation (if applicable):
10. Does Subrecipient have a financial management system that provides records that can identify the source and application of funds for award-supported activities?
<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Does Subrecipient's financial system provide for the effective control over and accountability for all funds, property, and other assets (including but not limited to: (1) comparison of expenditures with budget amounts for each award; and (2) recording of each grant/contract by the budget cost categories shown in the approved budget)?
<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Other than financial statements, has any aspect of Subrecipient's activities been subject to an audit, examination, or monitoring within the last two (2) years by a governmental agency (e.g., Inspector General, state or local government auditors, etc.)? If yes, please explain any audit or monitoring findings or deficiencies with respect to an award or subaward to conduct programs similar to those covered by the proposed subaward agreement.
<input type="checkbox"/> Yes <input type="checkbox"/> No Explanation (if applicable):
13. Are all disbursements properly documented with evidence of receipt of goods or performance of services?
<input type="checkbox"/> Yes <input type="checkbox"/> No
14. Are all bank accounts reconciled monthly?
<input type="checkbox"/> Yes <input type="checkbox"/> No

15. Does Subrecipient's accounting system include budgetary controls to preclude obligations in excess of:		
the total funds available for a grant?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
the total funds available for a budget cost category (e.g., Personnel, Travel)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
16. Does Subrecipient have a cash forecasting process which will minimize the time elapsed between the drawing down of funds and the disbursement of those funds?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	
17. Does Subrecipient have a system in place to determine that it has met its cost sharing goals, if applicable?		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	
18. In the last 12 months, has Subrecipient hired new senior management personnel (e.g., Executive Director/CEO, Finance Director/CFO) and/or program personnel who would be working on this proposed subaward? If yes, please explain.		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Explanation (if applicable):		
19. In the last 12 months, has Subrecipient implemented new or substantially changed systems related to its federal grant management? If yes, please explain.		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Explanation (if applicable):		

20. Does Subrecipient have policies that address the following?			
Pay Rates and Benefits	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Leave	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Conflicts of Interest	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Purchasing/Procurement	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Capitalization/depreciation	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
21. Describe the method Subrecipient uses to support labor and benefit charges.			
Explanation:			
22. Does Subrecipient have an effective system of authorizing and approval capital equipment expenditures?			
<input type="checkbox"/> Yes		<input type="checkbox"/> No	
23. Does Subrecipient keep detailed records of individual capital assets and periodically reconcile such records with the general ledger accounts?			
<input type="checkbox"/> Yes		<input type="checkbox"/> No	
24. Does Subrecipient have effective procedures for authorizing and accounting for the disposal of property and equipment?			
<input type="checkbox"/> Yes		<input type="checkbox"/> No	
25. Does Subrecipient periodically check its detailed property records against physical inventory?			
<input type="checkbox"/> Yes		<input type="checkbox"/> No	
26. Attachments: Please attach the following or check N/A if not applicable.			
	<u>Document</u>	<u>Attached</u>	<u>N/A</u>
a.	Articles of Incorporation	<input type="checkbox"/>	<input type="checkbox"/>
b.	Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
c.	IRS Determination Letter (granting income tax exemption under IRC § 501(c)(3))	<input type="checkbox"/>	<input type="checkbox"/>

d.	Form 990 or 990-EZ from the last two (2) years, including Form 990-T and all supporting schedules and attachments	<input type="checkbox"/>	<input type="checkbox"/>
e.	Copies of audit reports and management letters received during the last two (2) fiscal years from Subrecipient's independent auditors (including all reports associated with a Single Audit pursuant to 2 C.F.R. Part 200, Subpart F)	<input type="checkbox"/>	<input type="checkbox"/>
f.	Copies of results from audits, examinations, or monitoring procedures performed during the last two (2) fiscal years on any direct federal award received by Subrecipient	<input type="checkbox"/>	<input type="checkbox"/>
g.	Indirect cost rate agreement	<input type="checkbox"/>	<input type="checkbox"/>
h.	List of all subawards to Subrecipient from CAA during the last two (2) years	<input type="checkbox"/>	<input type="checkbox"/>
i.	List of all subawards to conduct programs similar to those covered under this proposed subaward agreement to Subrecipient from any funder during the last two (2) years	<input type="checkbox"/>	<input type="checkbox"/>

By its authorized signatory below, Subrecipient hereby certifies and attests to the accuracy of the above responses and all corresponding information attached.

Signature: _____

Printed Name: _____

Title: _____

Date: _____