

Guide for Review of ESG Financial Management			
Name of Grantee:			
Staff Consulted:			
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**"

Instructions: This Exhibit is designed to assess an ESG grantee's financial management system as well as the eligibility of ESG expenditures. {See 24 CFR 576.57(b).} While the bases for the requirements in this Exhibit are rooted in OMB Circular A-87, not all of the requirements of, and allowable items under, these Circulars apply to the ESG program. Specifically, all expenditures for the ESG program must be limited to those that require disbursement to third parties. Costs that do not require such disbursement, such as depreciation, are not allowable. The HUD reviewer should follow the sampling instructions in Section 9-3 in the introduction to this Chapter and randomly select a sample of the grantee's financial transactions, assessing the supporting documentation to complete responses for the following questions.

Questions:

1.

Does the grantee have written procedures covering the recording of transactions, an accounting manual and a chart of accounts? (If so, the reviewer may want to attach a copy to this Exhibit, if feasible.) [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

2.

Does the grantee maintain a policy manual covering the authority for approving financial transactions? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

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3.

If the grantee has a written policy manual, does it provide guidelines for controlling expenditures, such as purchasing requirements and travel authorizations? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

4.

Does the grantee have written procedures regarding the maintenance of accounting records? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

5.

Are the grantee's fiscal records and valuables secured in a limited-access area? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

6.

Does the grantee have an interest bearing account and, if so, is there evidence that the account earned interest on grant advances? [24 CFR 576.57(b); 24 CFR 85.21(h); 24 CFR 85.21(i)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

7.

Does the grantee identify expenditures in its accounting records according to eligible activities identified in the Action Plan and the Integrated Disbursements and Information System (IDIS) activity information? [24 CFR 576.21 and 24 CFR 85.20; 24 CFR 91.220; and 24 CFR 91.320]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

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8.

Do the fiscal records indicate evidence that the grantee has effective internal control over, and accountability of, all grant funds, property and other assets? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

9.

Does a review of the sample transaction records indicate that grant expenditures were eligible costs under regulations? [24 CFR 85.20, 24 CFR 576.21; 24 CFR 576.57(b); OMB Circular A-87, Attachments A and B]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

10.

Do the grantee's financial records reveal that payments made for project costs were on a cost reimbursement basis and that any working capital advances were approved by HUD? [24 CFR 85.21 and 24 CFR 576.63]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

11.

Are the financial transactions drawn for this review supported by adequate source documentation, e.g., invoices, contracts, or purchase orders? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

12.

Are journal entries for expenditures clearly explained and reviewed by some form of a checks and balance system? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

13.

Is there evidence within the grantee’s records that require subsidiary records for accounts, etc., to be balanced with controls accounts on a regular basis so that a complete “audit trail” exists? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

14.

Is there evidence that the staff duties are separated so that no one individual has complete authority over an entire financial transaction? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

15.

a. Are charges to the ESG program for salaries and wages, whether treated as direct or indirect costs, based on payrolls documented in accordance with the generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit? [24 CFR 576.57(b) and OMB Circular A-87, Attachment B, 8.h.1]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

b. For employees working solely on the ESG program, are charges for their salaries and wages supported by periodic certifications that the employees worked solely on that program for the period covered by the certification? [OMB Circular A-87, Attachment B, 8.h.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

c. Were the certifications prepared at least semi-annually and signed by the employee or a supervisory official having first hand knowledge of the work performed by the employee? [OMB Circular A-87, Attachment B, 8.h.3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

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16.

Are payments for employee salaries supported by timesheets indicating actual times, not percentages, and in accordance with the applicable regulations? [24 CFR 576.57(b); 24 CFR 85.20; OMB Circular A-87, Attachment B, 8.h]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

17.

If salaries are being paid from more than one source, do the fiscal records clearly define payments among the funding sources? [24 CFR 576.57(b); 24 CFR 85.20; and OMB Circular A-87, Attachment B, 8.h]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

18.

If salaries involve payments from more than one ESG activity line (e.g., supportive services, operating costs), can payments for wages be clearly tracked within the grantee's fiscal records? [24 CFR 576.57(b); 24 CFR 85.20; and OMB Circular A-87, Attachment B, 8.h]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

19.

Is there evidence in the grantee financial records of any cash payments being provided directly to the program beneficiaries? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

20.

Does a random selection of administrative costs reflect that disbursement of any grant funds is for eligible ESG administrative costs? [24 CFR 576.57(b); 24 CFR 85.20; 24 CFR 576.3, "Administrative Costs"]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

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21.

Does the IDIS withdrawal information match the information from the grantee’s draw down voucher requests? [24 CFR 576.57(b); 24 CFR 85.20]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

22.

a. If indirect costs are charged to the ESG program by the grantee or a recipient that is a governmental unit, are the costs supported by an Indirect Cost Rate Proposal or approved Cost Allocation Plan prepared in accordance with OMB Circular A-87, Attachments C and E? [24 CFR 576.57(b)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

b. If indirect costs are charged to the ESG program by a recipient that is a non-profit organization, are the costs supported by an Indirect Cost Rate Proposal prepared in accordance with OMB Circular A-122, Attachment A? [24 CFR 576.57(b)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

23.

a. Are OMB Circular A-133 Single Audits required for any project sponsors or recipients? [24 CFR 576.57(f) and 24 CFR 85.26]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

b. If the answer to “a” above is “yes,” does the grantee have a system or methodology to ensure that such audits are conducted? [24 CFR 576.57(f); 24 CFR 84.26 or 24 CFR 85.26]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion: 	

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c. If A-133 audits are required for any project sponsors or recipients, does the grantee have documentation that the audits have been reviewed for compliance with OMB Circular A-133 and taken appropriate follow-up actions, if necessary? [24 CFR 576.57(f) and 24 CFR 85.26]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	