

Phase I Financial Management Monitoring Checklist System Review

_____	_____	_____
Recipient	Signature of DCA Staff Monitor	Date Prepared
_____	_____	_____
Contract Number	Signature of Planning Manager	Date Reviewed

I. INTERNAL CONTROL

1. Who in the local government is principally responsible for maintaining CDBG financial records and recording transactions?

NAME _____ TITLE _____

2. Who is responsible for monitoring and reviewing the above individual's work?

NAME _____ TITLE _____

3. Who in the local government receives and processes invoices for disbursement?

NAME _____ TITLE _____

4. Who approves CDBG payments?

NAME _____ TITLE _____

5. Are the duties of the person responsible for maintaining the CDBG financial records separated from any cash-related functions?

Yes No N/A

If not, does a third party approve payments?

Yes No N/A

6. Are personnel who perform disbursement functions prohibited from purchasing, receiving, and inventory?

Yes No N/A

If not, are these functions approved by a third party?

Yes No N/A

7. Who signs CDBG checks?

NAME _____ TITLE _____

NAME _____ TITLE _____

8. Is the signing of disbursement checks limited to individuals:

■ authorized to make disbursements?

Yes No N/A

■ whose duties exclude posting and recording of accounts receivable, approving vouchers for payment, and payroll preparation?

Yes No N/A

- | | | | |
|--|----------|----|-----|
| 9. Is there documentation that all persons with check signing authority are bonded? | Yes | No | N/A |
| 10. If a signature stamp is used, who has control of it? (If no stamp is used, go to Question #12.) | Yes | No | N/A |
| NAME _____ TITLE _____ | | | |
| 11. Does the person who has control of the signature stamp also have access to blank checks? | Yes | No | N/A |
| 12. List the steps in the overall process from receipt of invoice to payment of request for funds. | | | |
| 1. _____ | 2. _____ | | |
| 3. _____ | 4. _____ | | |
| 5. _____ | 6. _____ | | |
| 7. _____ | 8. _____ | | |

II. ACCOUNTING SYSTEM

- | | | | |
|---|-----|----|-----|
| 1. Are CDBG funds incorporated into the recipient's general accounting system? | Yes | No | N/A |
| 2. Does the recipient's (not the consultant's) financial management system incorporate: | | | |
| ■ Cash Receipts & Disbursements Tracking | Yes | No | N/A |
| ■ Detailed Activity Ledgers | Yes | No | N/A |
| ■ Cash Control Register | Yes | No | N/A |
| ■ Property Control Register | Yes | No | N/A |
| 3. Do CDBG accounting records reflect total revenues and expenditures to date? | Yes | No | N/A |
| 4. Do the CDBG accounting records reflect current line item budget balances? | Yes | No | N/A |
| 5. Were all expenditures made within five (5) days of deposit? | Yes | No | N/A |
| 6. Does the recipient deposit CDBG funds into a non-interest bearing account? | Yes | No | N/A |

III. PROCEDURES FOR DETERMINING ALLOWABLE COSTS

- | | | | |
|--|-----|----|-----|
| 1. Were non-administrative CDBG funds spent prior to the release of funds? | Yes | No | N/A |
|--|-----|----|-----|

If yes, explain:

- | | | | |
|---|-----|----|-----|
| 2. Does the recipient anticipate charging any payroll costs to CDBG? (If no, go to Question #8.) | Yes | No | N/A |
|---|-----|----|-----|

3. List recipient staff paid in whole or in part with CDBG funds:

NAME _____ TITLE _____

NAME _____ TITLE _____

NAME _____ TITLE _____

4. Who approves payroll costs charged to CDBG?

NAME _____ TITLE _____

5. Is the payroll approved by a person other than its preparer? Yes No N/A

6. Do time sheets show both CDBG and non-CDBG hours worked per day? Yes No N/A

7. Does the recipient anticipate charging any overtime to the grant? Yes No N/A

*[Inform the recipient that it **cannot** charge 100% of the overtime to CDBG unless 100% of the day was spent on CDBG duties. To determine the allowable overtime costs, the recipient should (1) calculate what the employee will earn for the entire day (based on prevailing regular and overtime rates) and then (2) multiply that amount by the percentage of the day spent on CDBG duties.]*

8. List any other administrative costs (travel, equipment, supplies, etc.) being charged to the CDBG grant or that the recipient anticipates will be charged to the grant.

1. _____ 2. _____
3. _____ 4. _____

9. Does the recipient use a cost allocation plan? (If no, go to Question #12.) Yes No N/A

10. Is the plan approved by the cognizant agency? Yes No N/A

11. Are costs being charged according the approved plan? Yes No N/A

12. Based on your review of the above areas, do any administrative costs appear to be unnecessary, unreasonable, or improper? Yes No N/A

IV. CONCLUSION

1. ***If the Recipient is using a Housing Escrow Account, inform it that (1) the escrow account records must be broken down by the name of the beneficiary, (2) contracts must be signed for a unit before money is requested for it, (3) ONLY CONSTRUCTION COSTS CAN BE PAID OUT OF THE ESCROW ACCOUNT (no relocation, etc.),***

2. Explain any findings or concern(s) and specify corrective actions the recipient must take to resolve the issue(s). Describe any technical assistance provided.

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