



CSBG

COMPREHENSIVE

ADMINISTRATIVE REVIEW

Revised January 2012

INTRODUCTION TO CAR REVIEW PROCESS AND TOOL

The Comprehensive Administrative Review (CAR) is required to be conducted at least every three years by federal law. However, Indiana Housing and Community Development Authority (IHCDA) requires the review to be conducted every two years. The review instrument has two parts. The first part, evaluates the programmatic elements of the Community Action Agency (CAA), and includes sections five through twelve. The second part, evaluates the fiscal elements of the agency, and includes sections thirteen through nineteen.

The numbers following some statements indicate where the support detail can be found. For example, in Section 5, statement 1, the (5.1) indicates that the agency mission statement can be found immediately after the list of statements in Section 5. Support detail for statement 2 would be found at (5.2) and so on.

The information in the second set of parenthesis indicates the importance of the statement to the outcome of the review. For example, (F) means that a finding will be issued due to the lack of conformity to the respective statement. This indicates a serious flaw in the programmatic or fiscal constitution of the agency. Furthermore, a (C) means that a concern will be issued if not in conformity to the statement, not because it violates a federal or state requirement but because non-conformity is against acceptable practices such as GAAP (generally accepted accounting practices or GMP's (good management practices). A concern signals a less severe problem than a finding, but both of them must be corrected. In many cases, a (S) will be indicated. The (S) indicates, "it is suggested that some action take place" to provide increased effectiveness or efficiency or productivity. It is not a requirement and therefore, the CAA is free to accept or reject the suggestion. There is no requirement to respond to suggestions. Finally, the report may contain comments. Comments may be compliments or anything that was considered worthy of discussion in the exit interview. As with suggestions, comments do not require a CAA response.

Subsequent to the on-site review, a monitoring report will be issued within 30 days barring any circumstances that would cause a reasonable delay. The report will accompany a cover letter that will summarize the results of the review and indicate that corrective action is necessary for findings and concerns. The CAA will have the opportunity to respond to the report within 30 days and disagree with any items therein. IHCDA's reply to the CAA's response letter (usually within 15 days) will outline agreement with the CAA's contention(s) or continue to assert that the finding(s) and/or concern(s) are warranted. If the CAA wishes to respond again, it may do so by letter within 15 days. After IHCDA and the CAA have exchanged two letters and there are still unresolved items, the CAA may appeal the matter to the Deputy Director of Energy Programs of IHCDA. The decision of the Deputy Director shall be final.

MONITORING RESULTS INFORMATION

1.0

Initial _____

1. FINDINGS, CONCERNS, SUGGESTIONS, COMMENTS
at (1.1) _____

2. EXIT INTERVIEW FORM at (1.2) _____

3. MONITORING REPORT at (1.3) _____

4. MONITORING REPORT COVER LETTER at (1.4) _____

5. CAA RESPONSE LETTER(S) at (1.5) _____

6. IHEDA CLOSEOUT LETTER at (1.6) _____

AGENCY INFORMATION

2.0

Initial _____

LEGAL NAME OF AGENCY _____

AGENCY ACRONYM _____

AGENCY ADDRESS AND PO BOX _____

PHONE NUMBER _____

NAMES OF COUNTIES SERVED _____

EXECUTIVE DIRECTOR _____

DEPUTY DIRECTOR (IF APPLICABLE) _____

FISCAL DIRECTOR _____

HR DIRECTOR (IF APPLICABLE) _____

CSBG PROGRAM CONTACT _____

DATE OF LAST CAR REVIEW _____

DATE OF CURRENT REVIEW _____

REVIEW TEAM MONITOR(S) _____

PRE-REVIEW ACTIVITIES

3.0

Initial _____

1. Notice letter, pre-review self-assessment questionnaire sent out 30 days in advance of review at (3.1) _____

2. Pre-review self-assessment questionnaire received at (3.2) _____

3. Hotel reservations made if necessary _____

4. Car reservations made and authorization form completed _____

5. Directions obtained if necessary _____

ENTRANCE INTERVIEW

4.0

Initial _____

1. Meet with Executive Director, Deputy Director (If applicable), Fiscal Director
Human Resources Director (if applicable), and CSBG Program Contact
Person _____

2. Have everyone sign entrance interview sheet at (4.1) _____

3. Explain nature and order of interview and steps to complete entire
process through appeals _____

4. Review self-assessment items if necessary at (4.2) _____

5. Review administrative items including security of room, hours, security
of sensitive information, access to copy machine _____

6. Ask if there are any questions _____

7. Ask for tour if first time at facility _____

PROGRAMMATIC - AGENCY LEADERSHIP

5.0

- 1. The agency has a mission statement that focuses on addressing poverty obtain at (5.1) (F, CAP (Community Action Partnership) 2011 SOE 1.2) _____

- 2. The agency has ethical guidelines for agency personnel and board members obtain at (5.2) (F, Employee Handbook/Personnel Policies) _____

- 3. The agency has a code of ethics for board members Obtain at (5.3) (F, CAP 2011 SOE 1.2, IM-82, CAA by-laws) _____

- 4. The agency has a current succession plan in place for all leadership positions obtain at (5.4) (C, Good Management Practice {GMP}) _____

- 5. The agency has a formal, employee performance review process and conducts them on an annual basis. Obtain at (5.5) (C, Community Action Partnership’s 2011 /standards of excellence, 5.2) _____

- 6. The agency plans and conducts fundraising activities (C, GMP) _____

- 7. The agency has developed a long-range plan for revenue diversification (S, GMP) _____

- 8. Senior staff including program managers meet at least twice a month to discuss various agency issues Obtain sample minutes or agenda (if available) at (5.6) (S, GMP) _____

- 9. Agency personnel are active in community on issues relating to Low-income issues (C, CAP 2011 SOE 1.6, IM-49) _____

PROGRAMMATIC – BOARD GOVERNANCE

6.0

Initial _____

1. The board is comprised of a tri-partite board of which 1/3 of its members of the board are elected public officials, no fewer than 1/3 of the members are persons chosen in accordance with democratic selection procedures of low-income individuals, and the remainder of the members are members of business, industry, labor, religious law enforcement, education, or other major groups in the neighborhood served (F, CSBG 42 U.S.C. 9910) _____

2. Low-income representatives are democratically selected Obtain procedure at (6.2) (F, CSBG 42 U.S.C. 9910, IM-82) _____

3. Board roster includes name, address, date of appointment and county represented (S, GMP) _____

4. Number of board members is consistent with agency by-laws and compliant with Indiana law governing CAA's at (6.3) (C, by-laws, IC 12-14-23-6) _____

5. By-laws outline a procedure for filling board vacancies (C, if over 90 days IHEDA, by-laws) _____

6. There is a schedule for board meetings, obtain at (6.4) (F, agency by-laws) _____

7. Board regularly consults with executive director and develops a strong understanding of roles and responsibilities (C, GMP, IM 82) _____

8. Board establishes goals and expectations for the annual review of the Executive Director and conducts an annual review of the Executive Director (C, agency by-laws, IM 82) _____
9. A complete set of minutes are maintained review minutes of all meetings for past 12 months (C, by-laws) _____
10. Minutes reflect that Board is a policy making body Board minutes should reflect sufficient discussion to support this (S, IM-82) _____
11. Board reviews program and monitoring reports Obtain language from minutes at (6.5) (C, IM-82) _____
12. Board reviews annual budget with year-to-date actual and financial statements on a regular basis (C, GMP, IM-82) _____
13. Board meetings are open to the public, obtain advertisements at (6.6) (F, IC 5-14-1.5) _____
14. Date of most recent by-laws, review by-laws (C, by-laws) _____
15. By-laws specify preparation and verification of board minutes (C, agency by-laws) _____
16. Do any board members represent another entity that receives funds from the agency? (C, Agency by-laws and Conflict of Interest Policy) _____
18. Board has a thorough and effective new member orientation process review (C, GMP, IM-82) _____
19. Board members adhere to the attendance policy by regular attending board meetings (C, IM-82, by-laws) _____

PROGRAMMATIC – STRATEGIC PLANNING

7.0

Initial _____

1. The agency has formally adopted and actively uses an agency wide strategic plan, obtain at (7.1) (F, CAP 2011 SOE 2.1, IM-82) _____

2. The strategic plan has been updated every three-to-five years and reviewed on an annual basis by the board (C, GMP, board policy) _____

3. Senior leadership including program management is aware of strategic plan goals (C, CAP 2011 SOE 1.1 and 2.4) _____

4. Strategic plan goals are measurable and progress is checked on a reasonable basis (C, CAP 2011 SOE 2.4, IM-49) _____

5. Agency uses needs assessment to target key external customers, constituents, and stakeholders – list examples and review most recent needs assessment (C, CSBG 42 U.S.C. 9925) _____

6. The board was presented with a copy of the needs assessment. What actions were taken by the board as a result? (C, CAP 2011 SOE 2.3, IM-82) _____

7. The services the agency offers address the following needs in the community.

NEEDS/SERVICES	AGENCY PROVIDES SERVICES?	NAME OF PROGRAM
EMPLOYMENT		
EDUCATION		
INCOME MANAGEMENT		
HOUSING		

EMERGENCY SERVICES		
NUTRITION		
LINKAGES		
SELF-SUFFICIENCY		
HEALTH		
YOUTH		
SENIORS		

8. Based on the needs identified in the needs assessment, what partnerships are maintained to support these services? (C, IM-49, ROMA Goal #4, CSBG 42 U.S.C. 9925)

PROGRAMMATIC – CUSTOMER FOCUS

8.0

Initial _____

A. External Customers

- 1. Feedback information is solicited from clients from various programs regarding programs effectiveness, obtain at (8.1) (C, CAP 2011 SOE 3.2, agency policy) _____
- 2. Solicited information is tracked and indicates that clients are satisfied/dissatisfied with both the amount and variety of services they received, obtain at (8.2) (S, CAP 2011 SOE 3.2) Yes _____ No _____
- 3. How is information collected and tracked? (Circle One) Survey box, Electronic Format, Intake, Other (describe) _____
- 4. How are results evaluated? Describe _____
- 5. Are there any instances of operational changes resulting from customer feedback? Describe _____

B. Internal Customers

- 1. Employees are surveyed, interviewed, or regularly asked about program operations, agency procedures, and their work environment Summary data is sufficient, obtain at (8.3) (S, GMP, agency policy CAP 2011 SOE 3.3) _____
- 2. How is information collected and tracked? _____
- 3. What is done with information collected? _____
- 4. Are there any instances of operational changes resulting from employee feedback? Describe _____

PROGRAMMATIC – PROCESS MANAGEMENT

9.0

Initial _____

1. An emergency action plan has been developed and employees have practiced the plan, obtain at (9.1) (F, OSHA 29 CFR 1910.38) _____

2. The agency regularly publishes positive news releases with outcome language pertaining to program accomplishments and community impact, obtain samples of releases at (9.2) (S, GMP, CAP 2011 SOE 6.4) _____

3. The agency publishes a newsletter for community stakeholders, clients, and volunteers recognizing program accomplishments
Obtain samples of newsletters at (9.3) (S, GMP, CAP 2011 SOE 6.4) _____

4. The agency publishes an annual report to board, stakeholders, and clients identifying organizational accomplishments and progress toward agency goals, obtain latest annual report at (9.4) (S, GMP) _____

5. Clients are referred to other agency programs by intake staff
Describe the referral methods? (S, GMP, CAP 2011 SOE 6.5) _____

PROGRAMMATIC – PERFORMANCE MANAGEMENT

10.0

Initial _____

1. Agency has contingency funding in place in event of funding losses or un-allowable costs (C, GMP) _____

2. Auditors presented audit results to the board. Check board minutes to confirm that audit results were discussed (F, OMB Circular A-133) _____

3. The board is aware that they can ask the auditors to present them with a management letter (C, OMB Circular A-133) _____

4. Review other funder monitoring reports for the past two years. Check to see acknowledgement in board minutes (C, GMP) _____

5. The agency has been cited for significant program or fiscal non-compliance from other funding sources, obtain at (10.1) (C, OMB Circular A-133, program monitoring reports and correspondence) _____

6. The agency has put in place plans to correct the issues raised in the monitoring reports, obtain at (10.2) (F, GMP, OMB Circular A-133) _____

7. The agency has sought outside help to correct problems Obtain status of problems at (10.3) (S, GMP) _____

PROGRAMMATIC – RESULTS ACCOUNTABILITY – (ROMA) 11.0

Initial _____

1. The agency systematically tracks progress towards stated action steps in its strategic plan, obtain evidence at (11.1) (C, CAP 2011 SOE 2.1) _____

2. The agency can demonstrate using narratives and situational examples how it has moved families from poverty to self-sufficiency
Obtain example at (11.2) (C, ROMA Goal 1, CSBG U.S.C. 42 9917 and 9901) _____

3. The agency tracks multiple years of information indicating trends related to agency success, customer satisfaction, and community needs, obtain evidence at (11.3) (S, CAP 2011 SOE 4.3) _____

4. An accurate and unduplicated count of individuals served throughout the agency’s programs is available and updated continuously.
(C, Section G, CSBG IS Report) _____

5. If a true unduplicated count is not available, how is the unduplicated count asked for in the CSBG IS report generated?
(C, Section G, CSBG IS Report) _____

6. Progress on agency goals and strategic plan action steps are relayed to program management and staff (C, CAP 2011 SOE 2.4 and 7.1) _____

7. Final reports are generated for each program indicating successes/ weaknesses and contributions/detractions to the agency’s overall goals/strategies, and improvements for the future,
obtain example at (11.4) (C, CAP 2011 SOE 2.4) _____

8. The agency generates accurate and usable program reports that relate to one or more of the ROMA goals (C, GMP) _____

- 9. The agency can show origin of entries for CSBG IS Report Sections E,F,G and National Performance Indicators, (F, CSBG IS Report) _____

- 10. The agency tracks ROMA goals as part of their strategic planning (S, CAP 2011 SOE 2.4) _____

- 11. All agency programs have goals and objectives (C, CAP 2011 SOE, 6.6, IM-49) _____

PROGRAMMATIC – HUMAN RESOURCES

12.0

Initial _____

1. Review personnel manual. Is it up to date? Date of last board approval
(C, GMP) _____

2. Personnel manual details fringe benefits, including leave and holidays
(S, GMP) _____

3. Personnel manual has written discipline and termination policies
Obtain copy at (12.1) (C, GMP) _____

4. Personnel manual has whistle blower/anti-retaliation policy
Obtain copy at (12.2) (F, IHEDA Contract Terms) _____

5. Personnel manual has written travel policy, review against two
sample travel records in past year, obtain any discrepancy
at (12.3) (C, GMP, agency personnel policies) _____

6. Personnel manual has a non-discrimination statement
Obtain at (12.4) (F, OMB Circular A-110, IHEDA Contract Terms) _____

7. Personnel manual has a conflict of interest statement
Obtain at (12.5) (F, OMB Circular A-110, IHEDA Contract Terms) _____

8. Personnel manual has a nepotism policy, obtain at (12.6)
(F, IHEDA Contract Terms) _____

9. The agency defines work day, work week, and hours.
Observe in the personnel manual (S, GMP) _____

10. Overtime requires written, advance, approval and is paid at time and one-half for non-exempt employees. Obtain listing of non-exempt employees and payroll records. If overtime is found, is it approved? Is it paid? Obtain at (12.7) (C, GMP) _____

11. The agency requires all staff driving on company business to have a current driver's license (C, GMP, personnel policy) _____

12. Employee confidential information is kept in a locked, secure, and non-public location (C, GMP) _____

13. Review I-9 forms for completeness, obtain copies of forms with errors at (12.8) (F, OMB Circular 1615-0047) _____

14. Agency has an agency-wide pay structure, obtain at (12.9) (C, GMP) _____

15. Agency maintains employee training records (C, GMP) _____

16. Agency conducts reference checking and drug testing for new employees, and review records (C, GMP, personnel hiring policies) _____

17. Annual written evaluations of all staff are completed on an annual basis, obtain sample copy of evaluation form at (12.10) (C, CAP 2011 SOE 5.2, personnel policies) _____

18. Staff evaluations are directly linked to the implementation and success of the agency's strategic plan goals, (S, CAP 2011 SOE 5.2) _____

19. The employee evaluation tool allows for the employee to evaluate himself/herself (S, CAP 2011 SOE 5.2) _____
20. The agency has conducted salary/wage surveys within the past two years (S, GMP) _____
21. The agency has been able to support Cost of Living increases for all employees during the past three years. If not, why not? (S, GMP) _____
22. Merit based increases are available to employees (S, GMP) _____
23. Are any relatives of current senior management or board members employed by the agency? If yes, obtain names and relationships at (12.11) (C, GMP) _____
24. Have any employees received assistance under any of the agency's programs in the last three years? If yes, obtain names and relationships at (12.12) (C, GMP, agency policy) _____
25. Does the agency maintain material safety data sheets (MSDS)? Where? (F, OSHA 29 CFR 19.10) _____
26. Employees are classified as either exempt or non-exempt obtain record at (F, Fair Labor Standards Act, 29 U.S.C. 213) _____
27. There is a job description for each type of job (C, GMP) _____

REQUIRED POSTINGS *

POSTINGS	YES	NO	COMMENTS
USERRA			
INDIANA MINIMUM WAGE			
EQUAL EMPLOYMENT OPPORTUNITY			
FAIR LABOR STANDARDS ACT			
UNEMPLOYMENT INSURANCE			
IOSHA-HEALTH AND SAFETY			
CHILD LABOR LAW			
WORKERS WITH DISABILITIES			
WORKERS COMPENSATION			
MIGRANT WORKER PROTECTION			
FAIR EMPLOYMENT			
FAMILY MEDICAL LEAVE ACT			
EMPLOYEE POLYGRAPH ACT			
OSHA 300 LOG			

* Federal and/or State Law

RECORDS RETENTION *

RECORD TYPE	RETENTION PERIOD	AGENCY RETENTION	REFERENCE
Personnel records relating to job applications, resumes, failure to hire, promotion, demotion, transfer, layoff, job orders submitted to employment agencies, employer issued aptitude testing, job openings, training programs opportunities for overtime	1 year		ADEA, ADA, TITLE VII
Reasonable Accommodation Requests	2 years		ADA
Employment and earning records, wage tables, records of additions or subtractions to wages paid, time schedules, job evaluations, merit or seniority systems, or any other matters that explain the difference in wages or payment to individuals of opposite sex in the same establishment	2 years		FSLA, TITLE VII, DAVIS BACON
Records relating to discrimination charges	3 years		TITLE VII, ADA, ADEA, REHABILITATION ACT
Payroll records containing each employee's name, address, DOB, occupation, rate of pay and compensation earned per week	3 years		FSLA, DAVIS BACON, WALSH-HEALEY, ADEA
I-9	The latter of three years from date of hire or one year from date of term.		IRCA
FMLA dates taken, employee notice, description of employer benefits	3 years		FMLA
Blood borne Pathogen safety training	3 years		OSHA
OSHA 300 Logs	5 years		OSHA

FISCAL REVIEW

FISCAL – GENERAL

13.0

Initial _____

Fiscal Staff _____, Title _____
_____, Title _____
_____, Title _____
_____, Title _____

1. What accounting software does the agency use? _____

2. The agency has written, current, and approved fiscal procedures manual (F, OMB Circular A-110) _____

3. The Board of Directors has reviewed and approved the accounting and procurement policies? (F, GMP) _____

4. Proper purchasing procedures are followed. Test for equipment purchases exceeding \$5,000 and purchases of services exceeding \$25,000 during last two years against fiscal manual, obtain copy of any irregularity at (13.1) (F, OMB Circular A-110, IHEDA Contract Terms) _____

5. Procurement procedures specify the solicitation of bids from minority and disadvantaged business owners, obtain copy at (13.2) (F, OMB Circular A-110 and IHEDA Contract Terms) _____

6. The agency has a line of credit, short term loans, or other financing arrangements. Yes _____ No _____
- a. How much? _____
 - b. Balance remaining? _____
 - c. Uses/Purposes? _____
(S, GMP) _____
7. The agency has an agency wide budget - Obtain at (13.3)
(C, GMP) _____
8. The agency has program specific budgets - Obtain sample at (13.4)
(C, CAP 2011 SOE 6.6, OMB Circular A-110) _____
9. The budgets are tracked each month with variations explained (C, GMP) _____
10. Program management staff receives monthly budget analysis with variations (C, GMP) _____
11. The agency submits financial and/or closeout reports to IHCD A on a timely and accurate basis on first submission (C, IHCD A Contract Terms) _____
12. Are CSBG funds used for matching in any other federal programs?
(F, OMB Circular A-122) _____
13. How is inventory with a fair market value in excess of \$5,000 disposed of? (F, OMB Circular A-110)

14. The agency requires receipts in support of all board and staff travel. Review two travel reports for each year, obtain a copy of any irregularity at (13.5) (C, Government Auditing Standards, agency fiscal policy and procedures manual) _____

15. The agency maintains mileage logs for all agency owned and leased vehicles (S, agency fiscal policy and procedures manual)

16. How does the agency reimburse travel expenses?

a. If per diem, does the agency use federal or state rates?

b. If reimbursed, how long does it take to reconcile travel expenses?
(S, GMP, agency fiscal policy and procedures manual)

FISCAL – SEPARATION OF DUTIES

14.0

Initial _____

Legend: FD-fiscal director; AP-accounts payable; AR-accounts receivable; PR-payroll;
 PM-program manager/supervisor; ED-executive director; EE-employee;
 BM-board member

Function Name	FD	AP	AR	PR	PM	ED	EE	BM	OTHER
Who Prepares									
Journal Entries									
Trial Balance									
Closing Entries									
G/L Reconciliation									
Expend. Reports									
PR Tax Reports									
Financial Statements									
Leave Records									
Who Approves									
Journal Entries									
Purchase Orders									
Travel Requests									
Vendor Invoices									
Time Sheets									
Purchase Requisitions									
Who is Responsible For									
Deposits Cash									
Signs Checks									
Opens Mail									

Records Receipts									
Reconciles Bank State-ments									
Manages Insurance									
Manages Building/Prop.									
Manages Equipment									
Handles Pay-roll									
Handles A/P									
Handles In-ventory									
Who is Responsible For									
Blank Checks									
Signature Stamp									
Undelivered Checks									
Inventory Records									
Personnel Records									
Payroll Rec-ords									

FISCAL – INVENTORY

15.0

Initial _____

- 1. Obtain inventory listing at (15.1)
Inventory list should contain name of item, description, date acquired, original cost, accumulated depreciation, and depreciated balance. If a vehicle, should have VIN number. Total of inventory list should equal equipment line on Balance Sheet (F, OMB Circular A-110) _____

- 2. Review copy of titles for vehicles purchased with CSBG funds since last CAR review (if available) at (15.2) (F, OMB Circular A-110) _____

- 3. When was the last physical inventory taken? (C, if more than 2 years, OMB Circular A-110, agency fiscal policy and procedures manual) _____

- 4. Is a purchase record keeping system in place? (C, OMB Circular A-110) _____

- 5. Are purchase orders dated prior to purchase? (C, Agency Fiscal Policy and Procedures Manual) _____

- 6. Are purchase orders approved by the correct authority? (F, Agency Fiscal Policy and Procedures Manual) _____

- 7. Are purchase orders pre-numbered? (S, Agency Fiscal Policy and Procedures Manual) _____

- 8. Are purchase orders attached to the vendor’s invoice? (S, GMP) _____

FISCAL – PAYROLL ANALYSIS

16.0

Initial _____

1. Obtain time sheets of two exempt employees and one non-exempt employee (whose pay is allocated) for two payroll periods during the period of review at (16.1). Time sheets must be signed by employee and supervisor (F, GMP) _____

2. Obtain from HR Director or staff appropriate person the rate of salary for the three employees selected in 16.1 for the time periods selected at (16.2) (F, GMP) _____

3. Obtain the payroll register for the payroll periods selected in 16.1 at (16.3). Ensure that employees are paid correctly according to time sheet distribution and correct rate of pay (F, Government Auditing Standards) _____

4. There is adequate documentation for distribution of hours worked for employees selected at 16.1 for test (F, Government Auditing Standards) _____

5. Verify the number of checks with the payroll register and the number of employees to be paid for each period tested (F, GMP) _____

6. Does the agency reconcile the payroll account on a monthly basis? (C, GMP, Generally Accepted Accounting Practices) _____

7. Have payroll accountant or fiscal director reconcile IRS 941 Report for four quarters selected at random during the monitoring period (F, if not reconciled or does not agree with respective payrolls, GMP, Generally Accepted Accounting Principles, OMB Circular A-110) _____

8. Does the agency account for leave time when earned or when taken? If accounting system is on a cash basis, is there sufficient cash reserve to pay for leave time when taken? (C, GMP) _____

FISCAL – CLAIMS ANALYSIS

17.0

Initial _____

1. Select three CSBG Reimbursement claims from IHEDA files for each year of review (total of 6 claims) at (17.1) _____

2. Review line item amounts and ensure back-up detail supports amounts. Vouch approximately 50% of expenses claimed and make copy of supporting detail. Look for unallowable costs per OMB Circulars. Claims detail should clearly support line item expenses. Claims should be signed by authorized signatory. Purchases are not permitted for improvements of land, buildings or permanent improvements. Review food and entertainment carefully, look for alcohol. (F, OMB Circular A-110, OMB Circular A-122) _____

3. Check to determine if and when some of the items were paid. Review the check register. Note the date the check was paid and cashed by the vendor. Obtain copy of sampling of paid checks with vouched invoices and enter at (17.2) (C, if past the vendor payment terms or pattern of late payments) _____

FISCAL - PAYMENTS AND SUPPORTING DOCUMENTATION 17.2

Initial _____

PAYEE	INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	CHECK NUMBER	ALLOWABLE EXPENSE ?	ITEM DESCRIPTION	TRACE TO LEDGER

Use separate sheet if necessary

FISCAL – COST ALLOCATION PLAN

18.0

Initial _____

1. Obtain the most recent cost allocation plan at (18.1)
(F, OMB Circular A-110) _____

2. Is the current cost allocation plan one year old or less? (C, GMP) _____

3. Does the plan specify direct versus indirect cost allocation?
(C, OMB Circular A-110, IM-37) _____

4. What are the cost drivers? List (S, IM-37) _____

5. Determine the accuracy of the time study evaluation at (18.2)
How often is the time study completed?
(F, if no time study, OMB Circular A-110) _____

6. Have the Fiscal Director sit down with you and walk through and prove
the accurate application of the cost allocation plan based on the three
persons tested in the payroll analysis in section (16.0)
Obtain all documents and cross reference at (18.3)
(F, GMP, OMB Circular A-110) _____

7. Review at least three indirect costs of claims at 17.1 and test sample against
Cost Allocation Plan. Check costs for reasonableness and allow ability
(F, GMP) _____

FISCAL - TIME STUDY EVALUATION

18.2

Initial _____

steps to complete evaluation:

1. Use the allocation of the two exempt employees whose pay was analyzed at 16.0, item 1 _____

2. Test two pay periods from each year of review that the cost allocation plan applies to _____

3. Determine the percentage of actual time or pay that was charged to CSBG for the given pay period _____

4. Compare the actual time or pay to the amount determined by
The time study

YEAR	NAME	PAY PE-RIOD 1	% CHARGED TO CSBG	% PER CAP*	PAY PE-RIOD 2	% CHARGED TO CSBG	% PER CAP*
1							
2							
3							

* cost allocation plan

FISCAL – FINANCIAL

19.0

Initial _____

1. Obtain the most recent audited financial statements (unless they have recently been submitted to IHCD) at (19.1).
Review opinion letter and schedule of findings, low-risk auditee, review significant notes (F or C or Comment, GMP)

2. At (19.2) conduct financial analysis. Current Ratio should be 1.2 or greater.
Cash Ratio to current liabilities should not be less than .5.
Debt to Net Assets Ratio should not be more than 5:1.

	Current Year (CY)	Previous Year (PY)	Difference (CY)
Current Ratio			
Cash Ratio			
Debt Ratio			

Note if net assets are growing or declining. If declining, ask why. What are other assets mentioned in the notes to the financial statements?
Check to see if revenues exceeded expenses for the period. If they do, the difference will be the growth in net assets for the period.
(C or Comment, GMP)

3. Are in-kind contributions listed as a revenue? If so, is there an off-setting expense amount? At (19.3) obtain a sample listing of these contributions, who they were received from, and a determination as to how they were valued (S, or Comment, GMP)
4. Obtain interim statements (balance sheet and income statement) for the month prior to the month of visit and the month three months prior to the month of visit at (19.4). Is the organization making progress?
(C, or Comment, GMP)

5. Obtain an accounts receivable subsidiary ledger at (19.5). Does the month end A/R figure match with the interim balance sheet A/R of the same month? (F, Generally Accepted Accounting Principles) _____

6. Obtain an accounts payable subsidiary ledger at (19.6). Does the month end A/P figure match with the interim balance sheet A/P of the same month? (F, Generally Accepted Accounting Principles) _____

7. Review several other account balances in the General Ledger. Pay particular attention to legal fees, consultant fees, miscellaneous charges, and “other” charges. Check to ensure that the account balances on the G/L agree with the account balances on the statements for the same time period (F, Generally Accepted Accounting Principles) _____

8. Obtain the IRS Form 990 at (19.7). Are the figures on the balance sheet and the income statement similar? Note: Due to tax adjustments, they will probably not agree exactly (C, GMP) _____

9. Obtain two periods of bank statements and reconciliation papers for each year of the review at (19.8). Check to ensure that the reconciled cash equals the cash on the interim balance sheet for the same period. Look for NSF fees, missing check numbers, checks drawn to cash (F, Generally Accepted Accounting Principles) _____

10. Are the books posted and up-to-date?
(F or C or Comment, Generally Accepted Accounting Principles) _____

11. Are funds tracked separately by contract? By program?
Should be both (S, GMP) _____

12. Are General Ledger entries traceable to source documents?
(F, Generally Accepted Accounting Principles) _____

13. Is the chart of accounts organized by the entire agency or by program and grant? Should be both (S, GMP) _____

FISCAL - FINANCIAL ANALYSIS

19.2

Initial _____

- a. Audited Statements dated _____
- b. Name of Independent Auditor _____
- c. Date of most Recent Interim Statements _____

I. **LIQUIDITY RATIOS** – Shows the ability of the organization to meet short-term obligations

A. Current Ratio = $\frac{\text{current assets}}{\text{current liabilities}}$ (should be 1.2 or greater)

Recent Audited _____ Recent Interim _____

B. Cash Ratio = $\frac{\text{cash and cash equivalents}}{\text{current liabilities}}$ = (should be .5 to .75)

Recent Audited _____ Recent Interim _____

C. Day's Cash on Hand = $\frac{\text{cash and cash equivalents} \times 365}{\text{total expenses} - \text{depreciation}}$

Recent Audited _____ days Recent Interim _____ days

D. Working Capital = current assets – current liabilities

Recent Audited \$ _____ Recent Interim \$ _____

II. **EFFICIENCY RATIOS** - Measures the success in using assets in order to maximize cash flow

A. Receivable Turnover = $\frac{\text{annual revenue/support}}{\text{average receivables} *}$ = (should be no more than 30 days for A/R and 90 days for grants)

Recent Audited _____ days Recent Interim _____ days

* add current and prior year A/R if available and divide by 2

B. Average Collection Period = $\frac{365}{\text{Receivable Turnover}}$ = (should be 10 to 15 x's)

Recent Audited _____ day's Recent Interim _____ days

C. Administrative Expense as % of Total Expenses = $\frac{\text{administrative expenses}}{\text{total expenses}}$
(should be in the 20-25% range)

Recent Audited _____ % Recent Interim _____ %

III. LEVERAGE RATIOS - Measures the difference between funds generated by activities and funds supplied by debt

A. Debt to Net Assets Ratio * = $\frac{\text{long-term debt}}{\text{net assets}}$ = (should not exceed 5:1)

Recent Audited _____ Recent Interim _____

* Consider:

1. If the organization has a policy on what ratio is acceptable
2. The quality of the net assets (restricted? Questionable receivables?)
3. The ability to service debt
4. The reliability and consistency of revenue and support
5. The use of long term debt

B. Operating Ratio = $\frac{\text{total operating expenses}}{\text{revenue/support}}$

Recent Audited _____ Recent Interim _____

BOARD INTERVIEW

20.0

Initial _____

1. Make arrangements to either meet with at least two board members in person while on-site or conduct a phone interview with them.

At least one of the board members should represent the low-income sector. It is preferable to schedule the on-site review to be able to meet with the full board

2. Using the list of questions at (20.1), engage the board members in a discussion to determine their level of knowledge and involvement concerning agency operations. Also consider questions from board governance (Section 6) and ROMA (Section 11)

Notes of conversations:

Initial _____

Board interview – Interview a minimum of two Board members from different sectors

Board Member Name	Sector Representation	Length of Time on Board

Use the questions below as a guide. Interview each board member and assess the individual’s commitment, knowledge and involvement in serving on the agency’s board of directors.

1. How were you elected or chosen to be on the board?
2. How far in advance do you receive documents for review prior to the board meetings?
3. How are the reports explained or introduced to the board? Are the reports easy to understand?
4. How are you actively involved in board decisions? How is the board involved and how does it use the community needs assessment?
5. What is the most recent financial audit the board has reviewed?
6. What issues or problems, if any does it indicate?
7. Has the board approved any applications for new programs/funding sources?
8. What training has the board received?
9. How does the board evaluate the performance of the executive director?
10. How often is an evaluation done?
11. Does the agency have a strategic plan?
12. What are the agency’s strengths?
13. What are some areas for improvement?
14. Where do you see the agency being in five years?
15. Have you heard any complaints or concerns from agency staff?
16. What is your philosophy on fundraising?
17. What is your understanding of what ROMA is and why it is important?
18. Have you had ROMA training?
19. Do you feel that you receive adequate information to vote on important decisions?
20. Do you feel that you are made knowledgeable of all major action taken by the agency?
21. Do you have any questions for me?