



Recipient: \_\_\_\_\_ Contract #: \_\_\_\_\_

**I. Internal Controls and Separation of Duties**

1. Who is principally responsible for maintaining the Recipient’s CDBG financial records and recording transactions?			
Name:		Title:	
Name:		Title:	
2. Who is responsible for monitoring and reviewing the above individual’s work?			
Name:		Title:	
3. Who receives and processes invoices for disbursement?			
Name:		Title:	
Name:		Title:	
4. Who approves CDBG payments?			
Name:		Title:	
Name:		Title:	

*Check the appropriate box.*

5. Are the duties of the person responsible for maintaining the CDBG financial records separated from any cash-related functions?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
6. Are personnel who perform disbursement functions prohibited from purchasing, receiving, and inventory?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>If not</b> , are these functions approved by a third party?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
7. Who signs CDBG checks?	
Name:	Title:
Name:	Title:
Name:	Title:
Name:	Title:
Name:	Title:
8. Is the signing of disbursement checks limited to individuals:	
• who <b>are</b> authorized to make disbursements?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
• whose duties <b>do not include:</b>	
▪ posting and recording of accounts receivable?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
▪ approving vouchers for payment?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

**Comments:**



*Check the appropriate box.*

9. Is there documentation that all persons with check signing authority are bonded or insured?		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
10. Is a signature stamp or an electronic signature used for checks? <i>(If no, skip to #12.)</i>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<ul style="list-style-type: none"> <li>If <b>yes</b>, who has access to it?</li> </ul>			
Name:		Title:	
Name:		Title:	
<ul style="list-style-type: none"> <li>What internal controls has the Recipient put in place to keep unauthorized persons from access to checks and electronic signatures?</li> </ul>			
11. Does the person who has control of the signature stamp also have access to blank checks?		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
12. List the steps in the overall process from receipt of invoice to payment of request for funds.			
a)			
b)			
c)			
d)			
e)			
f)			
g)			
h)			
i)			
j)			

**II. Accounting System**

*Check the appropriate box.*

1. Is the Recipient on a reimbursement basis?		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
2. Are CDBG funds incorporated into the Recipient's general accounting system?		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
3. Does the Recipient's (not the consultant's) financial management system incorporate the following:			
<ul style="list-style-type: none"> <li>Cash Receipts &amp; Disbursements Tracking?</li> </ul>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<ul style="list-style-type: none"> <li>Detailed Activity Ledger?</li> </ul>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<ul style="list-style-type: none"> <li>Cash Control Register?</li> </ul>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<ul style="list-style-type: none"> <li>Property Control Register (if equipment was purchased)?</li> </ul>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
4. Do CDBG accounting records reflect total revenues and expenditures to date?		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	



*Check the appropriate box.*

5. Do the CDBG accounting records reflect current line item budget balances?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
6. If on an advance basis, were all expenditures made within three (3) days of deposit?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
7. If on an advance basis, does the Recipient deposit CDBG funds into a non-interest bearing account?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Comments:</b>	

### III. Procedures for Determining Allowable Costs

1. Does the Recipient anticipate charging any payroll costs to CDBG? <i>(If no, skip to #7.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2. List Recipient staff paid in whole or in part with CDBG funds:	
Name:	Title:
Name:	Title:
Name:	Title:
Name:	Title:
3. Who approves payroll costs charged to CDBG?	
Name:	Title:
Name:	Title:
4. Is the payroll approved by a person other than its preparer?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
5. Do time sheets show both CDBG and non-CDBG hours worked per day?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
6. Does the Recipient anticipate charging any overtime to the grant?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<i>[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.]</i>	
7. 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.	
a)	
b)	
c)	
d)	
e)	



*Check the appropriate box.*

8. Does the Recipient use a cost allocation plan? <i>(If no, skip to #11.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
9. Is the plan approved by the cognizant agency?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
10. Are costs being charged according the approved plan?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
11. Based on your review of the above areas, do any administrative costs appear to be unnecessary, unreasonable, or improper?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<b>Comments:</b>	

#### IV. Housing Escrow Account

1. Is the Recipient using a Housing Escrow Account? <i>(If no, skip to V. Conclusions.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2. Does the Recipient have a copy of the memo “Escrow Accounts for Housing Rehabilitation Activities and Cash-on-Hand” that explains CFR requirements? (The memo is available on the CDBG web page under the Technical Assistance - Downloads for Recipients [Forms, Documents and Program Guidance] link.)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
3. Is the Recipient following the CFR requirements discussed in the memo?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

#### V. Conclusions

<p>Explain any finding(s) or concern(s) and specify corrective actions the Recipient must take to resolve the issue(s). Describe any technical assistance provided.</p>