

Guide for Review of Community Compass TA Program Financial Management and Audits			
Name of Recipient:		Name of Subrecipient (if applicable):	
Award Numbers Reviewed:			
Staff Consulted:			
Name(s) of Reviewer(s):		Date:	

NOTE: Most questions that address requirements contain the citation for the source of the requirement (statute, regulation, *Federal Register* notice/NOFA, or cooperative agreement). However, in some instances, a controlling document (i.e., cooperative agreement or *Federal Register* Notice/NOFA) is provided without a specific citation. This is because requirements can vary significantly by award, causing the applicable cooperative agreements and published Notices/NOFA to vary accordingly. If requirements are not satisfied in these instances, HUD should ensure that citations to the source of the requirement are appropriately noted in the section identified as “Describe Basis for Conclusion.” In addition, certain requirements may only apply to certain award recipients; carefully review the citation to determine its applicability. If a requirement is not met, HUD must select “NO” in response to the question and make a finding of noncompliance. Other questions may not address requirements, but are included to assist the reviewer in understanding the recipient’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: The Exhibit is to be used to review the financial management requirements of recipients and the eligibility of TA Program award expenditures, and verify compliance with OMB Circular A-87, OMB Circular A-122, 24 CFR parts 84 and 85 (2013 edition), and awards issued before December 26, 2014. With respect to the applicability of OMB Circulars on cost principles, certain requirements do not apply to the TA program. Specifically, all expenditures for the TA program must be based on actual, incurred costs. Costs that do not represent an incurred cost, such as depreciation or professional retainer fees, are not allowable. Follow the sampling guidance in introduction section of Chapter 17 of this Monitoring Guide, to select cost items to review. The Exhibit is divided into eight sections: Financial Management; Internal Controls; Payment and Financial Reporting; Improper Payments; Program Income; Period of Performance; Record Retention and Access; and Audit Requirements. For awards issued on or after December 26, 2014 and, therefore, subject to 2 CFR Part 200, HUD reviewers are to use Exhibit 34-1 in this Handbook.

Questions:

A. FINANCIAL MANAGEMENT SYSTEM

1.

Do the recipient’s accounting records identify TA Program awards received and expended by specifying the HUD award identification number and year? [24 CFR 84.21(b)(2) or 24 CFR 85.20(b)(2)]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Describe Basis for Conclusion:	

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2.

The recipient's accounting records must identify adequately the source and application of funds for TA-funded activities.		
a. Do the recipient's accounting records contain information on HUD TA awards, authorizations, obligations, unobligated balances, assets, liabilities, expenditures, program income, and interest? [24 CFR 84.21(b)(2) or 24 CFR 85.20(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
	N/A	
Describe Basis for Conclusion:		
b. Does the non-Federal entity maintain adequate source documentation? To determine compliance, select a sample of accounting entries and determine whether they are supported by invoices, contracts, or purchase orders, etc. (Describe sample in response below.) [24 CFR 84.21 or 24 CFR 85.20]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
	N/A	
Describe Basis for Conclusion:		
c. Does the recipient's financial management system provide for comparison of expenditures with budget amounts for each HUD TA award? NOTE: Governmental entities will usually demonstrate compliance with this requirement by making entries in its accounting records of the amounts budgeted/allocated for activities to be undertaken with the assistance provided under the HUD award which, in turn, facilitates preparation of financial statements that provide for such comparison.	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
	N/A	
Describe Basis for Conclusion:		
d. Does the recipient enter in its accounting records an encumbrance/ obligation when contracts are executed, purchase orders issued, etc.? NOTE: Non-Federal entities may use the term "encumbrance" in lieu of "obligation" in its accounting records. [24 CFR 84.21(b)(2) or 24 CFR Part 85]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
	N/A	
Describe Basis for Conclusion:		
e. Does the recipient identify expenditures in its accounting records according to eligible activity classifications specified in the regulations or cooperative agreement that clearly identify the use of program funds for eligible activities? [NOFA; Cooperative Agreement; 24 CFR 84.21 or 24 CFR Part 85]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
	N/A	
Describe Basis for Conclusion:		
f. Does the information on obligations, expenditures, and program income submitted to HUD reconcile with the non-Federal entity's accounting records for the time period reviewed? [24 CFR 84.21 or 24 CFR Part 85.20]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
	N/A	

Describe Basis for Conclusion:

3.

Do the fiscal records indicate evidence that the recipient has effective internal control over, and accountability for, all award funds, property and other assets? [24 CFR 84.21(b)(3) and (6) or 24 CFR 85.20(b)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

B. INTERNAL CONTROLS

4.

Does the recipient have written procedures regarding the maintenance of accounting records? [24 CFR 84.53(b) or 24 CFR 85.42]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

5.

If the recipient has a policy manual, does it provide guidelines for controlling expenditures, such as purchasing requirements and travel authorizations? [24 CFR 84.21(b)(3) or 24 CFR 85.20(b)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

6.

Are the recipient's fiscal records and valuables secured in a limited-access area? [24 CFR 84.21(b)(3) or 24 CFR 85.20(b)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

7.

Does the recipient's approval controls provide reasonable assurance that appropriate individuals approve recorded transactions in accordance with management's general or specific criteria? [24 CFR 84.21(b)(3) or 24 CFR 85.20(b)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

8.

Does a review of the sample transaction records indicate that TA expenditures were for eligible costs and supported by adequate source documentation (invoices, contracts, or purchase orders)? [24 CFR 84.21(b)(7) or 24 CFR 85.20(b)(6)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

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9.

Do the financial records reveal that costs were drawn on a reimbursement basis (and not advance)? [Cooperative Agreement, Payments; 24 CFR 84.21(b)(5) or 24 CFR 85.20(b)(7)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

10.

Are journal entries for expenditures clearly explained and reviewed by some form of a checks and balance system? [24 CFR 84.21(b)(1) or 24 CFR 85.20(b)(1)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

11.

Is there evidence that the recipient requires subsidiary records for accounts, etc., to be balanced with control accounts on a regular basis? [2 CFR 84.21(b)(1) or 24 CFR 85.20(b)(1)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

12.

a. Are charges to the TA program for salaries and wages, whether treated as direct or indirect costs, based on payrolls documented in accordance with generally accepted accounting principles and approved by a responsible official(s) of the organization being monitored?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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Describe Basis for Conclusion:

b. For employees working solely on the TA 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
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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
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Describe Basis for Conclusion:

13.

Is there evidence that the staff duties are separated so that no one individual has complete authority over an entire financial transaction? [24 CFR 84.21(b)(1) or 24 CFR 85.20(b)(1)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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Describe Basis for Conclusion:

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14.

Are payments for employee salaries supported by timesheets indicating actual times, not percentages? [OMB Circular A-87, Attachment B, #8(h) or OMB Circular A-122, Attachment B, #8]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

15.

If salaries are being paid from more than one source, do the fiscal records clearly define payments among the funding sources? [OMB Circular A-87, Attachment B, #11(h) or OMB Circular A-122, Attachment B, #11(m)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

16.

If salaries involve payments from more than one work plan, can payments for wages be clearly tracked within the recipient’s fiscal records? [24 CFR 84.21(b)(1) or 24 CFR 85.20(b)(1)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

17.

Is there evidence in the financial records of any cash payments being provided directly to the HUD grantees?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

18.

Does DRGR or LOCCS withdrawal information match the information from the TA award recipient’s drawdown voucher requests?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

C. PAYMENT AND FINANCIAL REPORTING

19.

Does the financial information (e.g., drawdowns, unexpended balances) recorded in HUD’s financial management systems (e.g., Line of Credit Control System, or LOCCS) match the recipient’s official accounting records for the period covered by the last CPD-required performance report? [24 CFR 84.21(b)(1) or 24 CFR Part 85.21]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

20.

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Does the recipient disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments? [24 CFR 84.22(g) or 24 CFR Part 85.21]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

D. IMPROPER PAYMENTS

21.

a. Does a review of program expenditures show that no improper payments were made? (Results from other Exhibits can be included here.) NOTE: Improper payments means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements and includes payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper. [24 CFR 84.22]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	
b. If the recipient discovered that improper payments were made, did the recipient take appropriate corrective action(s)? [24 CFR 84.22 or 24 CFR Part 85]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

E. PROGRAM INCOME

22.

a. Does the recipient undertake activities that generate program income?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	
b. If revenue-generating activities are being undertaken (e.g., loans or revolving loan fund), has the non-Federal entity established revenue accounts in its accounting records to record program income? [Cooperative Agreement; 24 CFR 84.24(a)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

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c. Does the recipient have a system for receipt and tracking program income? [Cooperative Agreement; 24 CFR 84.24(a)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	
d. Do the financial records demonstrate that the recipient is using program income in accordance with program requirements? [Cooperative Agreement; 24 CFR 84.24]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

23.

a. Does the recipient have a system for receipt and tracking program income generated by subrecipients? [24 CFR 84.24(a)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	
b. If program income is retained by the subrecipient, does the subrecipient have a system for receipt and tracking program income? [24 CFR 84.24(a)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

24.

Does the recipient comply with the requirements governing the reporting on receipt and use of program income in the Disaster Recovery Grant Reporting (DRGR) or SF-425, as applicable?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

F. PERIOD OF PERFORMANCE

25.

Has the recipient charged to the HUD award only allowable costs incurred during the period of performance and authorized pre-award costs? [Cooperative Agreement; 24 CFR 84.27 or 24 CFR Part 85.22]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

G. RECORD RETENTION AND ACCESS

26.

Did the recipient comply with the record retention and access requirements? [Cooperative Agreement; 24 CFR 84.53 or 24 CFR 85.42]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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Describe Basis for Conclusion:

F. AUDIT REQUIREMENTS (FOR MONITORING COVERED BY 24 CFR PART 84, SUBPARTS C AND D AND OMB CIRCULAR A-133)

Instructions: A recipient that expends \$500,000 or more during the recipient’s fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of OMB Circular A-133. Recipients that provide Federal awards to subrecipients are referred to as “pass-through entities.” A subrecipient must also have a single or program-specific audit if it meets the \$500,000 expenditure threshold. Pass-through entities are required by OMB Circular A-133 to ensure compliance. A recipient that expends less than \$500,000 in Federal awards during the entity's fiscal year is exempt from audit requirements for that year. This section of questions is designed to assist the HUD reviewer in determining whether the recipient is in compliance with the required elements of an audits management system.

27.

Does the recipient (or any of its subrecipients) meet the annual expenditure threshold (\$500,000) for having a single or program-specific audit conducted? If “no,” skip the remaining questions.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

28.

a. Did the auditee procure or arrange for the audit services in accordance with the procurement standard in OMB Circular A-133?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	
b. Did the request for proposal for audit services clearly state the objectives and scope of the audit and request a copy of the audit organization's peer review report which the auditor is required to provide under Generally Accepted Government Auditing Standards (GAGAS)? [OMB Circular A-133, Part 3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	
c. Did the factors to be considered in evaluating the proposal for audit services include the responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of peer and external quality control reviews, and price? [OMB Circular A-133, Part 3]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

29.

Did the auditee promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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[OMB Circular A-133, Part 3]	
Describe Basis for Conclusion:	

30.

Did the auditee electronically submit to the Federal Audit Clearinghouse the data collection form and reporting package? [OMB Circular A-133, Part 3, L]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

31.

a. Did the recipient inform subrecipients of the audit requirements at the time of the subaward? [OMB Circular A-133, Part 3, M]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

b. Has the recipient verified that every subrecipient is audited, as required by OMB Circular A-133, when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the \$500,000 expenditure threshold? [OMB Circular A-133, Part 3, M]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

c. Has the recipient ensured that the subrecipients take timely and appropriate action on all deficiencies pertaining to HUD awards it provided to subrecipients that were detected through audits, on-site reviews, and other means? [OMB Circular A-133]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

d. Has the recipient issued a management decision for audit findings that relate to HUD awards that it makes to subrecipients? [OMB Circular A-133]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

33.

Has the recipient ensured that the HUD award is charged no more than a reasonably proportionate share of the costs of audits required by, and performed in accordance with OMB Circular A-133? [OMB Circular A-133, Part 3, B]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	