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| **Guide for Review of Financial Management and Audits** | | | |
| Name of Recipient: | | | |
| Name of Subrecipient (if applicable): | | | |
| Name of Program(s) Monitored: | | | |
| 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, NOFA, 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 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:** This Exhibit is designed to monitor a non-Federal entity’s compliance with requirements in Subparts D and F of 2 CFR part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, except for questions related to Cost Allowability, Procurement, and Equipment, which are covered in other Exhibits in this Chapter.

To determine how to this exhibit is to be used with respect to policies or procedures used or obligations or expenditures made November 12, 2020, monitors should refer to the latest CPD guidance on the 2020 changes to 2 CFR part 200.

Applicability: This Exhibit applies to the CDBG Disaster Recovery Supplemental Grants (CDBG-DR). In addition, as of calendar year 2021, this Exhibit is to be used for the following programs:

* Community Development Block Grant (CDBG) Entitlement, Small Cities, Non-Entitlement CDBG Grants in Hawaii, and Insular Areas Programs;
* State CDBG Program (Only Section K, Audit Requirements, is directly applicable to State CDBG grantees. Sections A through J of this Exhibit are not applicable to State CDBG grantees, unless the grantee has chosen to apply this portion of 2 CFR part 200 to satisfy the requirement for fiscal controls and accounting procedures pursuant to 24 CFR 570.489(d));
* Section 108 Loan Guarantee Program (follows the CDBG program regulations);
* HOME Investment Partnerships Program (HOME);
* Housing Opportunities for Persons With AIDS (HOPWA):
* Emergency Solutions Grants (ESG) Program;
* Continuum of Care (CoC) Program (grants awarded in the FY 2015 competition and later);
* Appalachia Economic Development Initiative (AEDI);
* Border Community Capital Initiative (BCCI);
* Delta Community Capital Initiative (DCCI);
* Self-Help Homeownership Opportunity Program (SHOP);
* Rural Capacity Building for Community Development and Affordable Housing (RCB);
* Capacity Building for Community Development and Affordable Housing (Section 4); and
* Community Compass Technical Assistance and Capacity Building Program (TA Program), including programs linked to its Catalog of Federal Domestic Assistance (CFDA) Number, 14.259.

Effective Date: To ensure that the requirements are correctly applied to awards made before January 6, 2016, HUD reviewers will need to review Notice CPD-16-04 at (<http://portal.hud.gov/hudportal/documents/huddoc?id=16-04cpdn.pdf>). It is possible that reviewers will need to use both this Exhibit and a program-specific Financial Management Exhibit simultaneously if funds being monitored are covered under pre- and post-2 CFR part 200 requirements. Program-specific exceptions to the Uniform Requirements are not included in this Exhibit but are retained in each program Chapter; therefore, HUD reviewers will also need to review program-specific Financial Management Exhibits to determine if their use is needed to ensure a complete review. Questions in this Exhibit that don’t apply to one of the programs listed in the *Applicability* section above (pursuant to HUD’s conforming rule or governing NOFA) will have that exception noted above the question.

Program Citations:In addition to the citations for 2 CFR part 200, program-specific citations are included either on a question-by-question basis, or in a single reference, as noted below, depending on how the Uniform Requirements apply.

* Appalachia Economic Development Initiative (AEDI): All questions apply pursuant to the FY 2014 AEDI Notice of Funding Availability (NOFA) and Grant Agreement, Article I.G.
* Border Community Capital Initiative (BCCI): All questions apply pursuant to the FY 2013 NOFA and Grant Agreement, Article I.E.
* Delta Community Capital Initiative (DCCI): All questions apply pursuant to the FY DCCI 2014 NOFA and Grant Agreement, Article I.F.6.
* Self-Help Homeownership Opportunity Program (SHOP): All questions apply pursuant to the FY 2014 SHOP NOFA and SHOP Grant Agreement, Article XVIII, B, C.
* Rural Capacity Building for Community Development and Affordable Housing (RCB): All questions apply pursuant to the NOFA, Section VI.B.4.
* Capacity Building for Community Development and Affordable Housing (Section 4): All questions apply pursuant to the NOFA, Section VI.B.4.
* Community Compass Technical Assistance and Capacity Building Program (TA Program): All questions apply pursuant to the NOFA, and Cooperative Agreement.

A Note on Findings: HUD reviewers need to ensure that, if deficiencies are identified, the monitoring Finding cites to both the relevant provision in 2 CFR part 200 and the specific program regulation/NOFA/Grant Agreement citation that incorporates the requirements (e.g., 24 CFR 92.505, or 24 CFR 570.502(a)). However, as described in Section 4.b of Notice CPD-16-04, HUD reviewers will not make findings of noncompliance with the Uniform Requirements (i.e., the part 200 requirements) if a grantee used CDBG, CDBG-DR, ESG, or HOME funds in accordance with comparable requirements under parts 84 or 85 (2013 edition) between December 26, 2014 and January 6, 2016.

Terminology: Note that the terminology used to reference the entities receiving the Federal awards mirrors the language in 2 CFR part 200 and uses “recipient” to mean the entity that directly received the Federal funds, e.g., program participant, Participating Jurisdiction, or grantee, and “subrecipient” to mean the entity that receives funds through a pass-through entity (see §§200.74, 200.86, and 200.93). The definition of “subrecipient” for certain programs, e.g., the CDBG and HOME programs, differs from the part 200 definitions. The reviewer must use the program definition, if it is different. Certain program regulations may also use other terms, such as “State recipient,” that are included within the meaning of the term “subrecipient.” Where the question pertains to both a recipient and a subrecipient, the term “non-Federal entity” is used (see §200.69).

The term “state” in this exhibit refers to “any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any agency or instrumentality thereof exclusive of local governments,” as defined in 2 CFR 200.90. Even if the program statute or rule uses a different definition of “state” for purposes of other program requirements, reviewers should apply the part 200 definition of “state” to the part 200 requirements in this exhibit.

In this Chapter, the term “grant” and “cooperative agreement” have the same meaning.

Exhibit Structure: The Exhibit is divided into 11 sections: Financial Management; Internal Controls; Bonds; Payment and Financial Reporting; Improper Payments; Cost Sharing or Matching; Program Income; Revision of Budget and Program Plans; Period of Performance; Record Retention and Access; and Audit Requirements.

**Questions:**

A. FINANCIAL MANAGEMENT

To answer these questions, you will need the following with respect to the grant(s) under review:

1. A list of expenditure transactions by amount and description (i.e., identification of object of expenditure, such as activity) from the non-Federal entity’s financial management system/accounting system of record. The list should include expenditures incurred since the last monitoring review of the non-Federal entity’s financial management system.
2. Supporting documents for each item in the sample, such as invoices, purchase orders, journal vouchers (for non-cash expenditures),contracts and for the TA Program, TA work plans.
3. The chart of accounts used by the non-Federal entity to classify accounting transactions.
4. Current financial statements for the non-Federal entity under review. The financial statements must specify the amount of grant funds budgeted, obligated, expended, and remaining balances.
5. Report(s) detailing history of expenditures made by award type (i.e. grant, subgrant) and categories (e.g., programs, projects, activities).
6. Budget variance report.

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| Typically, the non-Federal entity’s chart of accounts will contain classification instructions that allow the questions to be answered (e.g., account names/codes that identify each Federal program by name and CFDA number, grant number.). If the non-Federal entity’s chart of accounts does not provide the information required, the entity must furnish other evidence of compliance. **As with other questions in this exhibit, the HUD reviewer should answer these questions only with respect to the grant(s) and program(s) under review.** | |
| a. Do the non-Federal entity’s accounts identify all Federal awards received and expended, and the Federal programs under which they were received?  [2 CFR 200.302(b)(1); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** |  | |
| b. Does the award and program information in the accounts include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any?  [2 CFR 200.302(b)(1); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** |  | |
| c. Is the award and program information in the accounts consistent with the applicable award/subaward document(s)?  [2 CFR 200.302(b)(1); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** |  | |
| d. Are the account classifications in the chart of accounts consistent with the account classifications in the general ledger? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** |  | |
| **Describe Basis for Conclusion:** | |
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| The non-Federal entity’s financial management system records must identify adequately the source and application of funds for HUD-funded activities. The non-Federal entity can facilitate compliance with this requirement if it accounts for a HUD program in a separate accounting fund (e.g., Special Revenue Fund). **Note**, however, that HUD **cannot** require the non-Federal entity to establish an accrual accounting system. | |
| 1. Do the non-Federal entity’s accounting records contain information on HUD grant awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest?   **NOTE**: Non-Federal entities may use the term “encumbrance” in lieu of “obligation” in their accounting records.  [2 CFR 200.302(b)(3); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| 1. Does the financial management system contain records (e.g., accounting records) that show the amounts budgeted/allocated for activities to be undertaken with the assistance provided under the award(s) reviewed?   [2 CFR 200.302(a) and 2 CFR 200.302(b)(3); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. Are the amounts budgeted/allocated for activities consistent with the corresponding amounts in the source documents (such as the award/subaward document (e.g., cooperative agreement, grant agreement, and subrecipient agreement) or action plan/substantial amendment)?   [2 CFR 200.302(a) and 2 CFR 200.302(b)(3); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. Does the non-Federal entity identify expenditures in its accounting records according to eligible activity classifications specified in the statute, regulations, or grant agreement to identify the use of program funds for eligible activities?   [2 CFR 200.302(a) and 2 CFR 200.302(b)(3); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. Does the non-Federal entity’s financial management system provide for comparison of expenditures with budget amounts for each award reviewed?   [2 CFR 200.302(a) and 2 CFR 200.302(b)(5); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. Do the non-Federal entity’s accounting records reconcile with financial data reported to HUD through IDIS or DRGR systems?   **NOTE**: If the non-Federal entity maintains its records on other than an accrual basis, it must be able to support accrual data in its reports on the basis of the documentation on hand.  [2 CFR 200.302(b)(2); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. Does the information on obligations, expenditures, and program income submitted to HUD in the Consolidated Performance and Evaluation Report (CAPER), or other applicable report(s), reconcile with the non-Federal entity’s accounting records for the time period reviewed?   **NOTES**:   1. The information on obligations in the report to HUD may be limited to unliquidated obligations. 2. If the non-Federal entity maintains its records on other than an accrual basis, it must be able to support accrual data in its reports on the basis of the documentation on hand.   [2 CFR 200.302(b)(2); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

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| The non-Federal entity must maintain source documentation that supports the information in the financial management system regarding HUD grant awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest. The sampling method and questions below may be used when assessing the adequacy of documentation supporting expenditure information.  **Step One:** Using the list of expenditure transactions for the grant(s) under review, determine the population (total number of expenditures) and enter this number in the “Sample Method” table below.  Next, decide on an appropriate sample method and size, based on the monitoring strategy and time and resource constraints. If time and resource constraints permit and the monitoring strategy is to make a statistically confident judgment of compliance across all expenditures in the review timeframe, either: a) review every expenditure or b) choose your sample using random sample methodology including review of at least the number of instances shown in the table below.   |  |  | | --- | --- | | **Random Sample Methodology** | | | **POPULATION SIZE** | **MINIMUM SAMPLE SIZE** | | 1 | 1 | | 2 - 4 | 2 | | 5 - 12 | 3 | | 13 - 52 | 10 | | 53 - 250 | 30 | | 250+ | 45 |   If time and resources are constraints, you may randomly select a lesser number of expenditures as your sample and note this in “Sample Method” table below. You may also choose a non-random sample, as discussed in Chapter 2-7 C.1. Again, if you select a non-random sample, note this in the “Sample Method” table below.  **Your sample method affects the conclusions you may make. If you do not undertake a review of every expenditure in the timeframe or do not randomly select a sufficiently large sample, any findings of noncompliance should apply only to the instances you actually reviewed. The presence of such a case-specific finding(s) may, however, form the basis for a concern(s) about the overall universe.**   |  |  |  |  | | --- | --- | --- | --- | | **Sample Method** | | | | | **Planned Review Method**  (check only one) | **Population**  (total # of expenditures under grant(s) reviewed) | **Planned Sample Size/ Number to Review** | **Actual Number Reviewed** | | Review ALL expenditures in timeframe  Review random sample with sufficient sample size (see “Random Sample Methodology” table above)  Review random sample with smaller sample size  Review non-random sample (state reason or purpose in space below) |  |  |  |   **Step Two:** Select your sample from the population in accordance with your chosen sample method. One way to randomly select a sample is by completing the following steps: The items in the population would be sequentially numbered. If the desired sample size is 30 and the population is 150, 30 random numbers between 1 and 150 would be generated. (The random numbers could be selected by using the random number function in Excel (randbetween(bottom,top)). The 30 random numbers would be used to select a sample consisting of the corresponding numbered items in the population.   |  | | --- | | **Describe how you made your selection:** |   **Step Three:** Input sample items, by unique identifier and Subpart E cost category, in the table, “Expenditures Selected for Review.”   |  |  |  |  | | --- | --- | --- | --- | | **Expenditures Selected for Review** | | | | |  | **UniQue COST IdenTIFIER  OR  detailed Description of sampled Cost Item** | **AMOUNT** | **DATE**  **RECORDED[[1]](#footnote-2)** | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  |   **Step Four:** For each of the selected expenditures, obtain the non-Federal entity’s supporting documentation.  **Step Five:** Answer questions 3a through 3g, based on the expenditures selected for review. When finished answering these questions, note the number of expenditures actually reviewed in the “Sample Method” table above. | |
| 1. Do the invoice amounts in the non-Federal entity’s financial management system/system of record match the amounts on the actual invoices? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Does the amount on each invoice match the amount on the corresponding purchase order? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Was the amount on the most recent invoice within the available funds amount for the corresponding contract at the time of payment? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Is the total calculation amount on each invoice accurate? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Does the invoice or other source document for the expenditure show the expenditure was incurred within the period of performance or, if applicable, the period for which HUD approved pre-award costs?   [2 CFR 200.309; CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. For each contract that is a “covered transaction” and for each subaward, is there documentation showing the non-Federal entity took the required steps to determine that the contractor or subrecipient was not debarred, suspended, or otherwise excluded from, or ineligible for, participation in Federal programs or activities?   **NOTE:** A contract is a “covered transaction” if it   1. is expected to equal or exceed $25,000; 2. requires the consent of an official of a Federal agency; or 3. is for Federally-required audit services.     [2 CFR 200.213; 2 CFR 180.300; 2 CFR 2424.300; CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. Does each invoice or payment request reviewed contain a dated signature or other evidence that an appropriate, authorized person (e.g., program manager or technical reviewer) approved the payment before it was made?   [2 CFR 200.302(b)(4); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

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| Answer the following questions based the documents, records and other information reviewed for questions 1 through 3 above. | |
| 1. Does the non-Federal entity maintain source documentation that supports the information in the financial management system regarding HUD grant awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest?   [2 CFR 200.302(b)(3); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. Does the financial management system provide for effective control over, and accountability for, all funds, property, and other assets to ensure they are used solely for authorized purposes?   [2 CFR 200.302(b)(4); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. Does the financial management system provide for accurate, current, and complete disclosure of the financial results of each Federal award to assure compliance with applicable reporting requirements?   [2 CFR 200.302(b)(2); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

B. Internal Controls

The non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States (known as the "Green Book") or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). However, non-Federal entities, auditors, and HUD monitors are not required or expected to document or evaluate internal controls prescriptively in accordance with the Green Book or COSO. As explained by OMB, non-Federal entities and their auditors must exercise judgment in determining the most appropriate and cost-effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with Federal program requirements.

The evaluation of the effectiveness of the non-Federal entity's internal control system must cover a broad range of considerations. Many of the considerations addressed in the review are covered by questions in other monitoring Exhibits (e.g., exhibits on procurement, cost principles, and specific programs). Further, the audit requirements in Subpart F of part 200 include procedures to evaluate the auditee's internal control system. Therefore, the questions below are limited to those areas not specifically addressed elsewhere. However, if other monitoring reviews disclose frequent violations of applicable requirements, or an audit is not required to be performed under Subpart F, the HUD reviewer should take these considerations into account, together with the questions below, in making an overall assessment of the adequacy of the recipient’s internal controls. For more information on internal controls, please refer to the most recent version of Compliance Supplement available on the OMB web site.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Has the non-Federal entity performed a self-assessment of its internal control system?  [2 CFR 200.303(a); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| b. Does the non-Federal entity take reasonable measures to safeguard protected personally identifiable information (PII) and other information that HUD or a pass-through entity designates as sensitive, or the non-Federal entity considers sensitive, consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality? Check to see whether the non-Federal entity has a written policy on protecting PII and other information.  [2 CFR 200.303(e); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(x); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| c. Does the non-Federal entity have an organization chart or other documentation that establishes the actual lines of responsibility for HUD awards?  [2 CFR 200.303(a); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| d. Does the documentation supporting budgets and expenditures under the award(s) review include dated signatures or other evidence showing an appropriate, authorized person (e.g., program manager or technical reviewer) confirmed both the budgeted amounts and expenditures were for authorized purposes and complied with applicable requirements?  [2 CFR 200.303(a); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| e. Do the non-Federal entity's procedures preclude one person from issuing purchase orders, receiving merchandise, and approving payment vouchers? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Do the procedures preclude the person who prepares and records the budget in the financial management system and payment systems of record from executing or issuing payments? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Are duties and responsibilities segregated (to the extent practicable) so that no one individual has complete authority over a financial transaction?   [2 CFR 200.303(a); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

**NOTE:** Further internal controls questions appear in Section E (Improper Payments) below.

C. BONDS

6. QUESTIONS NOT APPLICABLE TO THE ESG OR COC PROGRAMS.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Where HUD has included a provision on bonding within an award agreement, has the non-Federal entity obtained fidelity bond coverage for responsible officials? (If no provision on bonding has been included, mark “N/A” and note below.)  [2 CFR 200.304(b); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. If a bond has been obtained, was the bond obtained from a company holding a certificate of authority as an acceptable surety, as prescribed in 31 CFR Part 223, *Surety Companies Doing Business with the United States*?   [2 CFR 200.304(c); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

D. Payment and financial reporting

7. QUESTION NOT APPLICABLE TO THE TA PROGRAM, THE HOME PROGRAM OR FOR LUMP SUM DRAWDOWNS OF CDBG OR CDBG-DR FUNDS UNDER 24 CFR 570.513.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1. If the recipient is a state, payments under awards that are not governed by a Treasury-State Cash Management Improvement Act (CMIA) agreement or are not otherwise covered by subpart A of 31 CFR Part 205, must comply with subpart B of that part. If the HUD award is subject to subpart B, are the timing and amount of funds transfers as close as is administratively feasible to the state's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs?   [2 CFR 200.305(a); 31 CFR 205.33(a); CDBG Entitlement: 24 CFR 570.502(a); HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

QUESTION NOT APPLICABLE TO THE TA PROGRAM, THE HOME PROGRAM OR FOR LUMP SUM DRAWDOWNS OF CDBG OR CDBG-DR FUNDS UNDER 24 CFR 570.513.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1. If the state transfers grant funds to subrecipients under a HUD award that is subject to subpart B, does the state have procedures to minimize the time elapsing between the receipt of funds from the Federal government and the transfer of funds to the subrecipients?   [2 CFR 200.305(a); 31 CFR 205.33(a); CDBG Entitlement: 24 CFR 570.502(a); HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

8. QUESTION NOT APPLICABLE TO THE TA PROGRAM, THE HOME PROGRAM OR FOR LUMP SUM DRAWDOWNS OF CDBG OR CDBG-DR FUNDS UNDER 24 CFR 570.513.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. If the recipient is not a state and transfers grant funds to subrecipients, does the recipient have procedures to minimize the time elapsing between the receipt of funds from the Federal government and the transfer of funds to the subrecipients?  [2 CFR 200.305(b); CDBG Entitlement: 24 CFR 570.502(a); HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

QUESTION NOT APPLICABLE TO THE TA PROGRAM, THE HOME PROGRAM OR FOR LUMP SUM DRAWDOWNS OF CDBG OR CDBG-DR FUNDS UNDER 24 CFR 570.513

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| b. If the non-Federal entity is not a state, and requests funds in advance, does it minimize the time elapsing between the transfer of funds from the U.S. Treasury (or pass-through entity) and disbursement by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs; and are the advance payments limited to the minimum amounts needed and timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved project or program?  **NOTE**: The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity.  [2 CFR 200.305(b)(1) CDBG Entitlement: 24 CFR 570.502(a); HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

QUESTION NOT APPLICABLE TO THE TA PROGRAM, THE HOME PROGRAM OR FOR LUMP SUM DRAWDOWNS OF CDBG OR CDBG-DR FUNDS UNDER 24 CFR 570.513.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1. If the recipient held cash advances in excess of three business days, including cash advances provided to subrecipients, has the recipient provided sufficient justification?   **NOTE**: Holding cash advances for a period longer than three business days is not a violation *per se*; it is a preliminary screening measure to determine whether further explanation is required. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

9. QUESTIONS NOT APPLICABLE FOR THE TA PROGRAM, STATES OR FOR LUMP SUM DRAWDOWNS OF CDBG OR CDBG-DR FUNDS UNDER 24 CFR 570.513.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1. Does the non-Federal entity 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 advance payments?   **NOTE:** This question does not apply to the HOME Program.  [2 CFR 200.305(b)(5); CDBG Entitlement: 24 CFR 570.502(a) and 24 CFR 570.504(b); HOME: 92.503(a) and 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** |  |
| 1. Are advance payments of HUD funds deposited and maintained in insured accounts whenever possible?   [2 CFR 200.305(b)(7)(ii); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)]] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** |  |
| c. (i) If the non-Federal entity receives grant advances, does it maintain its advance payments in an interest-bearing account? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| (ii) If not, does one of the following apply?   * The non-Federal entity receives less than $120,000 in Federal awards per year. * The best reasonably available interest-bearing account would not be expected to earn interest in excess of $500 per year on Federal cash balances. * The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.   [2 CFR 200.305(b)(8); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

10. QUESTION NOT APPLICABLE FOR THE TA PROGRAM, STATES OR FOR LUMP SUM DRAWDOWNS OF CDBG OR CDBG-DR FUNDS UNDER 24 CFR 570.513 OR FOR INTEREST EARNED ON HOME FUNDS IN FIRST 15 DAYS AFTER DEPOSIT IN PARTICIPATING JURISDICTION’S LOCAL HOME Investment Trust Fund account.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If grant advances are deposited into an interest-bearing account, have provisions been made for remitting interest income in excess of $500 annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either the Automated Clearing House (ACH) network or a Fedwire Funds Service payment?  [2 CFR 200.305(b)(9); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.502(c)(2); HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

E. IMPROPER PAYMENTS

“Improper payment” 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 any 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. As noted above in section B (Internal Controls), this section provides further internal controls questions concerning the non-Federal entity’s prevention, detection, and correction of improper payments. Sampling and testing of expenditures for compliance with the requirements separating improper payments from allowable costs are addressed elsewhere in this exhibit (e.g., section A, above), chapter 34 (Cost Allowability, Procurement) and the program chapters (e.g., eligible activities exhibits).

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1. Is there documentation or other evidence that the non-Federal entity conducted procedures to detect or safeguard against duplicate or other improper payments, if and as specified in the non-Federal entity’s written internal control procedures?   [2 CFR 200.302(b)(4) and 2 CFR 200.303(a); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505 and 92.508(a)(3); HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| 1. If the non-Federal entity’s monitoring or audit documents identified improper payments or other instances of non-compliance, did the non-Federal entity take prompt and appropriate corrective action(s)?   [2 CFR 200.302(b)(4) and 2 CFR 200.303(d); CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.504 and 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

F. Cost Sharing or matching.

**NOTE:** This section does not apply to the CDBG, HOME, HOPWA and ESG Programs. For the TA Program, this section is applicable for awards issued under a NOFA that requires cost sharing or matching funds.

11.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do contributions meet cost sharing or matching requirements (if required under a HUD program), including cash and third party in-kind contributions, meet all of the following criteria:   1. Are verifiable from the non-Federal entity's records; 2. Are not included as contributions for any other Federal award; 3. Are necessary and reasonable for accomplishment of project or program objectives; 4. Are allowable under Subpart E—Cost Principles; 5. Are not paid by the Federal Government under another Federal award, except as authorized by Federal statute; 6. Are provided for in the approved budget when required by HUD; and 7. Conform to other provisions of 2 CFR part 200, as applicable?   **NOTE:** Criterion (e) above does not apply to the CoC Program.  [2 CFR 200.306(b); CoC: 24 CFR 578.73, 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

12.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If unrecovered indirect costs (i.e., the difference between the amount charged to the HUD award and the amount which could have been charged to the HUD award under the recipient’s approved negotiated indirect cost rate) are included as a contribution for cost sharing or matching purposes, did the recipient receive prior HUD approval of such inclusion?  [2 CFR 200.306(c); CoC: 24 CFR 578.73, 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

13.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If applicable, are non-cash contributions valued in accordance with the requirements at 2 CFR 200.306(d) through (j)?  [2 CFR 200.306(d)-(j); CoC: 24 CFR 578.73 and 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

G. Program Income

14.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If revenue-generating activities are being undertaken (e.g., rehabilitation loans, economic development loans), has the non-Federal entity established revenue accounts in its accounting records to record program income?  [2 CFR 200.302(b)(3); CDBG Entitlement: 24 CFR 570.502(a)(3) and 24 CFR 570.504(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(u); CoC: 24 CFR 578.99(e), 24 CFR 578.103(a)(15) (for grants awarded under the FY 2015 NOFA) or 578.103(a)(16) (for grants awarded under the FY 2016 NOFA or later)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

15.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Does the non-Federal entity have a system for tracking program income generated by subrecipients?  [2 CFR 200.302(b)(3), (4); CDBG Entitlement: 24 CFR 570.502(a)(3) and 24 CFR 570.504(a); HOME: 24 CFR 92.503(a) and 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| b. If program income is retained by the subrecipient, does the non-Federal entity have a system for ensuring that such income is reported in a timely and accurate manner?  [2 CFR 200.302(b)(2); CDBG Entitlement: 24 CFR 570.502(a)(3) and 24 CFR 570.504(c); HOME: 24 CFR 92.503(a) and 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| c. Upon expiration of any agreements between the non-Federal entity and its subrecipients, does the non-Federal entity have a system for ensuring:   1. the timely transfer of any funds required to be returned to the non-Federal entity; and/or 2. the timely transfer of outstanding loans or accounts receivable?   [2 CFR 200.302(b)(4); CDBG Entitlement: 24 CFR 570.502(a)(3) and 24 CFR 570.503(b)(7); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

16.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the recipient comply with the requirements governing the reporting on receipt and use of program income in the Integrated Disbursements and Information System, Disaster Recovery Grant Reporting system or SF-425, as applicable?  [2 CFR 200.302(b)(2); CDBG Entitlement: 24 CFR 570.502(a)(3) and 24 CFR 570.504(a); HOME: 24 CFR 92.502(a) and 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(aa); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

H. REVISION OF BUDGET AND PROGRAM PLANS. (Complete only if the HUD award is required to comply with the requirements at 2 CFR 200.308.)

**NOTE**: For the TA Program, this section is applicable for both the awards and the TA work plans.

17. QUESTIONS NOT APPLICABLE TO THE CDBG OR CDBG-DR PROGRAM PURSUANT TO 24 CFR 570.502(a)(4) OR TO THE HOME OR ESG PROGRAMS.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Have any changes to the approved project’s budget, scope, or objectives been identified? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| b. If the recipient made one or more of the following changes with respect to a non-construction award, did the recipient obtain prior approval from HUD for those changes?  i. Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).  ii. Change in a key person specified in the application or the Federal award.  iii. The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.  iv. The inclusion, unless waived by HUD, of costs that require prior approval in accordance with Subpart E—Cost Principles of this part, or 45 CFR part 75 Appendix IX, *Principles for Determining Costs Applicable to Research and Development under Awards and Contracts with Hospitals*, or 48 CFR part 31, *Contract Cost Principles and Procedures*, as applicable.  v. The transfer of funds budgeted for participant support costs as defined in §200.75, *Participant support costs*, to other categories of expense.  vi. Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award, including fixed amount subawards a**s** described in §200.332, *Fixed amount subawards* (this provision does not apply to the acquisition of supplies, material, equipment or general support services).  vii. Changes in the approved cost sharing or matching provided by the non-Federal entity.  viii. The need arises for additional Federal funds to complete the project.  [2 CFR 200.308(c)(1); HOPWA: 24 CFR 574.605; CoC: 24 CFR 578.99(e); and 24 CFR 578.105] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

18. QUESTION NOT APPLICABLE TO THE CDBG OR CDBG-DR PROGRAM PURSUANT TO 24 CFR 570.502(a)(4) OR TO THE HOME AND ESG PROGRAMS.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| For HUD awards for construction, has the recipient requested prior approval from HUD for budget revisions whenever (a), (b), or (c) below applies?  a. The revision results from changes in the scope or the objective of the project or program.  b. The need arises for additional Federal funds to complete the project.  c. A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in Subpart E—Cost Principles.  [2 CFR 200.308(g); HOPWA: 24 CFR 574.605; CoC: 24 CFR 578.99(e) and 24 CFR 578.105] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

I. PERIOD OF PERFORMANCE

**NOTE:** For the TA Program, this section is applicable for both the awards and the TA work plans.

19.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Has the recipient charged to the HUD award only allowable costs (except as described in §200.461, *Publication and printing costs*) incurred during the period of performance and authorized pre-award costs?  [2 CFR 200.309; CDBG Entitlement: 24 CFR 570.502(a); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

J. record retention and access

20.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **For programs covered by the record retention requirements of 2 CFR part 200,** does the non-Federal entity comply with the record retention and access requirements of §§200.333 , 200.336, and the program-specific record retention requirements?  **NOTE:** The requirements of 2 CFR 200.333 are not applicable to the HOME or HOPWA Programs.  [2 CFR 200.333 and 2 CFR 200.336; CDBG Entitlement: 24 CFR 570.502(a)(7); HOME: 24 CFR 92.505 and 24 CFR 92.508; HOPWA: 24 CFR 574.530 and 24 CFR 574.605; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(y); CoC: 24 CFR 578.99(e), 24 CFR 578.103(c) and 24 CFR 578.103(d)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

K. Audit Requirements

**Instructions:** A recipient that expends $750,000 or more in Federal awards during the recipient’s fiscal year must have a single or program-specific audit conducted for that year in accordance with the provisions of Subpart F, *Audit Requirements*. 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 $750,000 expenditure threshold. Pass-through entities are required by 2 CFR 200.331 to ensure compliance with Subpart F. A recipient that expends less than $750,000 in Federal awards during the entity's fiscal year is exempt from audit requirements for that year, except as noted in 2 CFR 200.503. 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.

21.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the recipient (or any of its subrecipients) meet the annual expenditure threshold ($750,000) for having a single or program-specific audit conducted? If “no,” skip questions 18 through 24. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

22.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Did the auditee procure or arrange for the audit services in accordance with the procurement standards at 2 CFR 200.317 – 200.326?  [2 CFR 200.508(a) and 2 CFR 200.509; CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(n); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.650; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **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)?  [2 CFR 200.509(a); CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(n); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.650; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **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?  [2 CFR 200.509(a); CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(n); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.650; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| d. Did the auditee make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises, in procuring audit services as stated in §200.321, *Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms*?    [2 CFR 200.509(a); CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(n); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.650; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

23.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Did the auditee prepare financial statements, including the schedule of expenditures of Federal awards, required by 2 CFR 200.510?  [2 CFR 200.508(b); CDBG Entitlement: 24 CFR 570.502; State CDBG: 24 CFR 570.489(n); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.650; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

24.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 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 in accordance with 2 CFR 200.511(b) and 2 CFR 200.511(c), respectively?  [2 CFR 200.303(d) and 2 CFR 200.508(c); CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(n); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.650; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

25.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Did the auditee electronically submit to the Federal Audit Clearinghouse the data collection form described in 2 CFR 200.512(b) and reporting package described in 2 CFR 200.512(c) within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period?  [2 CFR 200.512(a) and 2 CFR 200.512(d); CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(n); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.650; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

26.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Did the recipient inform subrecipients of the Subpart F audit requirements at the time of the subaward?  [2 CFR 200.331(a)(2); CDBG Entitlement: 24 CFR 570.502; State CDBG: 24 CFR 570.489(m); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** |  |
| b. Has the recipient verified that every subrecipient is audited, as required by Subpart F, when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the $750,000 expenditure threshold?  [2 CFR 200.331(f); CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(m); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **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?  [2 CFR 200.331(d)(2); CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(m); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** |  |
| 1. Has the recipient issued a management decision for audit findings that relate to HUD awards that it makes to subrecipients?   [2 CFR 200.331(d)(3); CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(m); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** |  |

27.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 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, Subpart F?  [2 CFR 200.403(b) and 2 CFR 200.425(a); CDBG Entitlement: 24 CFR 570.502(a); State CDBG: 24 CFR 570.489(p); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.605; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

28.

|  |  |
| --- | --- |
| When a recipient expends Federal awards under only one Federal program and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §200.507, *Program-specific audits*. When a program-specific audit is elected for a HUD program, the auditee and auditor must have basically the same responsibilities for the Federal program as they would have for an audit of a major program in a single audit. Answer the following questions if the recipient has elected to have a program-specific audit performed. | |
| 1. Has the auditee prepared the financial statement(s) for the HUD program that includes, at a minimum, a schedule of expenditures of Federal awards for the program and notes that describe the significant accounting policies used in preparing the schedule, a summary schedule of prior audit findings consistent with the requirements of 2 CFR 200.511(b), and a corrective action plan consistent with the requirements of 2 CFR 200.511(c)?   [2 CFR 200.507(b); CDBG Entitlement: 24 CFR 570.502(a); State CDBG; 24 CFR 570.489(n); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.650; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** |  |
| b. Did the auditee electronically submit to the Federal Audit Clearinghouse the reporting package required by 2 CFR 200.507(c)(3) and the data collection form prepared in accordance with 2 CFR 200.512(b) within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period?  [2 CFR 200.507(c); CDBG Entitlement: 24 CFR 570.502(a); State CDBG; 24 CFR 570.489(n); HOME: 24 CFR 92.505; HOPWA: 24 CFR 574.650; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e) and 24 CFR 578.99(g)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

1. This is the date the cost (expenditure or expense) is recorded in the recipient or subrecipient’s accounting records in accordance with the basis of accounting (cash or accrual) used by that entity. [↑](#footnote-ref-2)