

## South Carolina Department of Education

### Pre-Award Audit Questionnaire

Please provide answers to the following questions and submit with your application for grant funding. If you need clarification on any question, please contact auditing services at [auditingervices@ed.sc.gov](mailto:auditingervices@ed.sc.gov) or 803-734-8453. ***If the entity is a startup entity, for each question please include your plan for meeting the requirements and financial management expectations.***

1. What is the entity's basis of accounting? Cash basis \_\_\_\_\_ Accrual \_\_\_\_\_ Modified Accrual \_\_\_\_\_ Other \_\_\_\_\_ If other, please explain \_\_\_\_\_
2. What is the entity's fiscal year period? \_\_\_\_\_
3. In the prior fiscal year, was the entity required to obtain an audit under OMB Circular A-133 (currently listed at 2 CFR Part 200 Subpart F)?  
Yes \_\_\_\_\_ No \_\_\_\_\_
4. What system does the entity use to record accounting transactions?  
\_\_\_\_\_
5. How do you ensure that access and use of the accounting system is limited to appropriate personnel?
6. Who is responsible for assigning roles and/or access to the accounting system?
7. Are sources of federal and non-federal funds identified and tracked in the accounting system?  
Yes \_\_\_\_\_ No \_\_\_\_\_ If no, please explain how funds are tracked.
8. Are budgeted revenues and expenditures entered in the accounting system by project?  
Yes \_\_\_\_\_ No \_\_\_\_\_ If no, please explain how items are entered.
9. Are comparisons of budgeted to actual (revenues and expenditures) conducted on a periodic basis for each grant? Yes \_\_\_\_\_ No \_\_\_\_\_ If so, at what frequency are the comparisons done? If no, how and at what frequency are reviews conducted?

10. Describe the controls in place to prevent duplicate payments to vendors.
11. Describe the controls in place to prevent duplicate requests for payment to grantors.
12. Describe the controls in place to ensure compliance with cost allowability and period of availability requirements.
13. What controls are in place to prevent over obligation of resources?
14. How do you ensure that all reporting of grant financial activity is accurate, current, and complete?
15. Do appropriate entity personnel (both programmatic and financial) possess the knowledge and experience necessary to manage grant awards? Yes \_\_\_\_\_ No \_\_\_\_\_
16. Does entity management ensure staff (specifically finance and federal grant program staff) receives adequate training to perform their duties? Yes \_\_\_\_\_ No \_\_\_\_\_ Please explain.
17. Are finance employees bonded? Yes \_\_\_\_\_ No \_\_\_\_\_ If so, which classification of employees? How much coverage?

18. Do you have written policies and procedures in place related to the following:

Procurement	Yes _____	No _____
Payroll and timekeeping	Yes _____	No _____
Travel	Yes _____	No _____
Equipment acquisition and disposal	Yes _____	No _____
Budgeting	Yes _____	No _____
Accounts Payable	Yes _____	No _____
Grants Accounting	Yes _____	No _____
Indirect Cost Allocation	Yes _____	No _____
Allowability of Costs	Yes _____	No _____
Cash Management	Yes _____	No _____
Drawdowns	Yes _____	No _____

If yes, how are these procedures shared with employees?

Do you acquire and maintain documentation to support that staff has been trained on these policies and procedures?

19. Do you have segregation of duties between the authorization, custody, and recording functions related to the following processes:

Receipt of cash and assets process	Yes _____	No _____
Payroll process	Yes _____	No _____
Procurement and Disbursement process	Yes _____	No _____

20. How are disbursements made (i.e., cash, paper checks, electronically)?

If you use paper checks,		
Are they pre-numbered?	Yes _____	No _____
Do you prohibit the use of checks made to "cash"?	Yes _____	No _____
Do you prohibit advance signing of checks?	Yes _____	No _____
Are all blank checks secured?	Yes _____	No _____
Are voided checks properly canceled and retained	Yes _____	No _____

21. Are multiple signatures required on checks? If so, whose signature is required?

22. Are bank statements reconciled to the accounting records monthly? Yes \_\_\_\_\_ No \_\_\_\_\_  
Who performs the reconciliations? Who reviews the reconciliation?

23. Explain the entity's authorization levels for procurement.

24. What is your record retention period for grant award documents?

25. Do any communication channels exist for employees to report suspected improprieties or areas of noncompliance? Yes \_\_\_\_\_ No \_\_\_\_\_ Please explain.

26. Has the entity been designated as a high risk grantee by any grantor? Yes \_\_\_\_\_ No \_\_\_\_\_

27. Does the entity have an outstanding liability with the Internal Revenue Service? Yes \_\_\_\_\_  
No \_\_\_\_\_ If yes, please explain.

28. Will any board members or trustees be compensated from grant funds for providing goods or services to the entity? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, please explain.

29. Does the entity maintain general liability coverage? If so, how much coverage?

30. What measures does the entity take to safeguard and protect personally identifiable information and other information it considers to be sensitive?

I certify that the responses above are complete and accurately reflect the position of the entity.

\_\_\_\_\_  
Signature and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Entity Name

## **Required Documents**

The entity should have the following documents available onsite to help facilitate the pre-award audit:

- Articles of incorporation
- By-laws or other governing documents
- Determination letter from the IRS (recognizing the subrecipient as exempt from income taxes under IRC section 501(c)(3), if applicable)
- List of board members
- Organizational chart
- Resumes or equivalent document for grant personnel managing the programmatic and financial aspect of the anticipated grant
- Most recent financial audit report including the management letter
- Copies of reports of government agencies (Inspector General, state or local government auditors, etc.) resulting from audits, examinations or monitoring procedures performed in the last three years
- Most recent Form 990 or 990-EZ, including all supporting schedules and attachments
- Written policies and procedures related to Procurement including contract administration; Payroll including timekeeping; Travel; Equipment (acquisition and disposal); Accounts payable; Budgeting; Grants Accounting including procedures for charging indirect costs; Allowability; Cash Management; and Drawdowns;
- Signed statements by employees acknowledging receipt and understanding of policies and procedures, if applicable.
- Proof of general liability insurance coverage and fidelity bonding coverage (employee dishonesty coverage)
- Accounting reports and records
  - If awarded this grant in a prior year, please provide a copy of that fiscal year's general ledger, expenditure reports submitted to SCDE for reimbursement, and have source documentation available to support expenditures submitted for reimbursements (i.e., timesheets, salary agreements, job descriptions, contracts, invoices, receipts, travel logs ,etc.).
  - If this will be your first grant award, please provide a copy of your most recent general ledger for one grant award received from a grantor, expenditure reports submitted to the grantor for that award, and have source documentation available to support those expenditures submitted for reimbursement.