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The Subrecipient Risk Assessment Report is intended to provide OGRA with a method for assessing Subrecipient risk and to be applicable across federal granting authorities, as well as across University monitoring authorities. This report was developed to be as comprehensive as possible. Some sections may not be applicable to specific programs or subrecipients as it applies to the scope of work or amount of funding. If items are not applicable, "N/A" should be used. The report should also include documentation to support particular risk items as they relate to governing compliance statutes, rules and supplements for the program.

<b>SUBRECIPIENT RISK ASSESSMENT REPORT</b>		
<b>Name of Agency:</b>  <b>Address:</b>  <b>Telephone:</b>  <b>Email Address:</b>	<b>Senior Officers (Print or Type):</b> (a) <b>Chief Executive Officer:</b> _____ (b) <b>Chief Business Officer:</b> _____ (c) <b>Chief Program Officer:</b> _____	<b>Type of organization (check one)</b> (a) College or University <input type="checkbox"/> (b) State or Local Government <input type="checkbox"/> (c) Hospital <input type="checkbox"/> (d) Other non-profit organization <input type="checkbox"/> (e) Commercial Firm <input type="checkbox"/> (f) School District <input type="checkbox"/> (g) Other: <input type="checkbox"/> Please describe: _____
<b>Proposal Title:</b>	<b>Prime Sponsor:</b>	
<b>CSU PI/FO:</b>	<b>CSU Grant Fund No.:</b>	<b>Project No.:</b>
<b>FEIN:</b>	<b>DUNS:</b>	<b>CFDA:</b>
<b>INSTRUCTIONS FOR COMPLETING THIS REPORT</b>		
<p>When the Office of Grants and Research Administration receive the completed Intent to Submit a Proposal (ISP) form identifying Subrecipient(s), a Subrecipient Commitment Form (SCF) is sent to the Subrecipient for completion. When the complete SCF is received by OGRA, the Post-Grants and Compliance Administration working with the Grants and Finance Accounting Specialist completes this report to determine the risk associated with a specific Subrecipient. The following completed documents should be attached to this report or on file: (1) the Intent to Submit a Proposal; (2) Proposal Approval Form; (3) Proposal, Budget and Budget Description and (4) the Subrecipient Commitment Form (SCF). Once this risk assessment report is completed it is forwarded with support documentation to the Associate Vice President of Sponsored Programs for review. A status letter is prepared by the AVP of Sponsored Programs and mailed to the Subrecipient with a copy to the Principle Investigator/Fiscal Officer. The Subrecipient is given the opportunity to review their status and request a re-assessment and provide information that will decrease their risk. There are six (6) sections to this report and only certain sections will be assessed based on the scope of work and award amount to the Subrecipient.</p>		

NO.	RESPONSE	QUESTION	COMMENTS
<b>SECTION 1: INTERNAL CONTROLS:</b> <i>To the maximum extent possible, the organization should segregate responsibilities for receipt and custody of cash and other assets; maintaining accounting records on the assets; and authorizing transactions. In the case of payroll activities, the organization, where possible, should segregate the timekeeping, payroll preparation, payroll approval, and payment functions. Do the procedures for cash receipts and disbursements include the following safeguards?</i>			
1.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Receipts are promptly logged in, restrictively endorsed, and deposited in an insured bank account?	
2.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Bank statements are promptly reconciled to the accounting records, and are reconciled by someone other than the individuals handling cash, disbursements and maintaining accounting records.	
3.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Supporting documents (e.g., purchase orders, Invoices, etc.) accompany checks submitted for signature and are marked "paid" or otherwise prominently noted after payments are made.	
4.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are proposals for Federal awards coordinated with and approved by the organization's business management officials prior to submission to sponsoring agencies?	
5.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there other areas of internal controls that serve as risks that are specific to this Subrecipient?	
<b>SECTION 1: GENERAL ASSESSMENT OF THE SUBRECIPIENT</b> <i>(Yes responses indicate area of risk):</i>			
1.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Is the Subrecipient new to operating or managing state and/or federal funds (has not done so within the past five years)?	

2.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Is this program new for the entity (managed for less than three years)?	
3	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has there been high staff turnover or agency reorganization within the last year that affects this program?	
4.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are the staff assigned to the program inexperienced with the program (worked with the program for less than one year)?	
5.	<p><b>Has the entity been untimely in the submission of any of the following?</b></p> <p><b>A. Applications:</b> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p><b>B. Subcontract/Amendments:</b> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p><b>C. Fiscal Reporting:</b> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p><b>D. Progress Reporting:</b> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p><b>E. Budgets/Revisions:</b> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p><b>F. Invoicing</b> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>		
6.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has the Subrecipient been timely in responding to program/fiscal questions?	
7.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Is the program unusually complex (e.g., program, funding, matching requirements?)	
8.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Have any other entities (program officers, auditors, staff employed by the Subrecipient, etc.) alerted us of potential risk areas?	
9.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Does the entity have effective procedures and controls for ensuring compliance with the program?	
10.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there other areas of general assessment risk that are specific to the Subrecipient?	

<b>SECTION 2: PROGRAMMATIC ASSESSMENT</b>		
1.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Did the Subrecipient meet the objectives that were established in the Scope of Work?
2.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Were there any notification requirements in the program and did the Subrecipient meet those requirements?
3.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Were there meeting requirements stipulated for the program and did the Subrecipient meet those requirements?
4.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Were there assessment requirements in the program and did the Subrecipient meet those requirements?
5.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there other areas of general assessment risk that are specific to the Subrecipient?
<b>SECTION 2: LEGAL ASSESSMENT (Yes responses indicate risk)</b>		
1.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Does the Subrecipient have or previously had a lawsuit(s) filed against them? If yes, list all pending and/or previous lawsuits with information regarding who filed the lawsuit, the reason for filing and the final judgment rendered attached to this report.
2.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has the Subrecipient currently or previously been suspended or debarred? Attach an explanation to this report.
3.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	Have any of the Subrecipient's staff been jailed, convicted of a felony or are currently under criminal investigation.
4.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there other areas of legal assessment risk specific to the Subrecipient?
<b>SECTION 3: MONITORING/AUDIT ASSESSMENT (Yes responses indicate risk)</b>		

5.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Have more than last two funding cycles passed since the entity had an on-site monitoring visit?	
6.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Were there findings/violations in the prior visit? Attach an explanation of the number and extent of findings/violations in prior visits to this report.	
7.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has it been more than one year since the recipient received a single audit? If No, attach an explanation of why not.	
8.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Were there any audit findings as a result of the Subrecipient being audited in the past two years? If so, attach an explanation of those audit findings and how they were corrected.	
9.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has it been more than one year since the program audited was as a major program?	
10.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there other facts of monitoring/risk assessment specific to the Subrecipient?	

**SECTION 3: FINANCIAL SYSTEM ASSESSMENT** (*No responses indicate risk*)

1.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Does the state require the use of a uniform financial management/accounting system? If the answer is 'Yes' proceed to Question 3.	
2.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Does the entity have a financial management system in place to trace and record the program expenditures? ( <i>Example: QuickBooks, Visual Bookkeeper, Socrates Media, Peachtree or a Custom Proprietary System</i> )	
3.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Does the accounting system identify the receipts and expenditures of program funds separately for each award?	
4.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Will the accounting system provide for the recording of expenditures for each award by the budget cost categories shown in the approved budget?	

5.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Does the entity have a time and accounting system to track effort by cost objective?	
6.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there time distribution records (time sheets or time cards) maintained for all employees when his/her effort cannot be specifically identified to a particular program cost objective? <i>If 'No', does the entity have an approved alternative system to account for time distribution and when was it approved.</i>	
7.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Does the entity have an indirect cost rate that is approved and current? <i>If 'Yes' who approved the rate?</i>	
8.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are the Federal base dollars of this indirect cost rate calculation comparable to other organizations of similar size, purpose and budget?	
9.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there other items of financial system assessment that is specific to the Subrecipient?	

**SECTION 4: OVERALL FISCAL ASSESSMENT (Yes responses indicate risk)**

1.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Is this grant large in terms of percentage of overall funding for the entity?	
2.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Is there an unusual level of discretion in monetary decisions with respect to the Subrecipient and this program?	
3.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	Has the Subrecipient frequently been untimely in submitting their invoices?	
4.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there variations between expenditures and the budget?	
5.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has the Subrecipient returned significant unspent funds?	

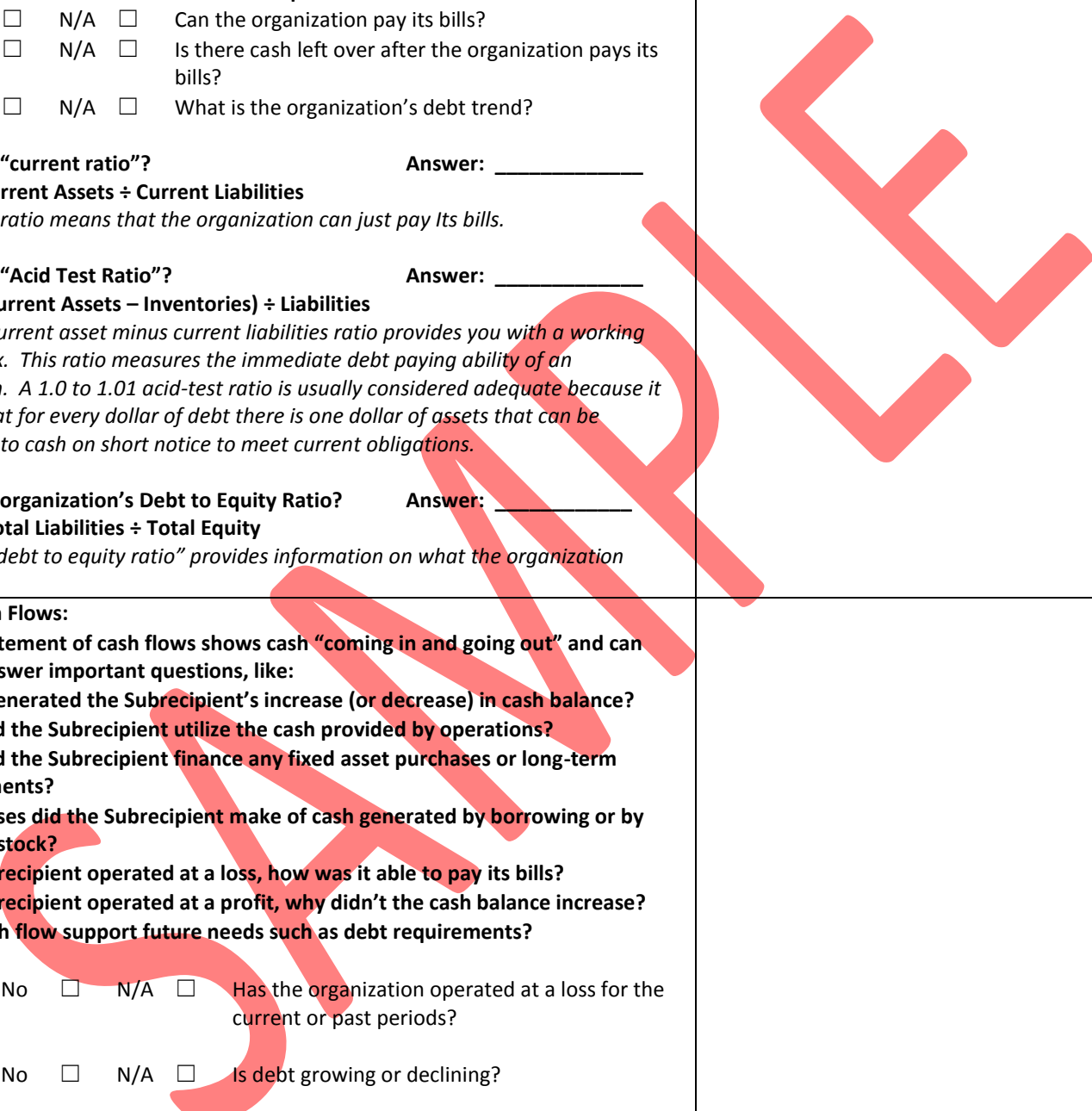
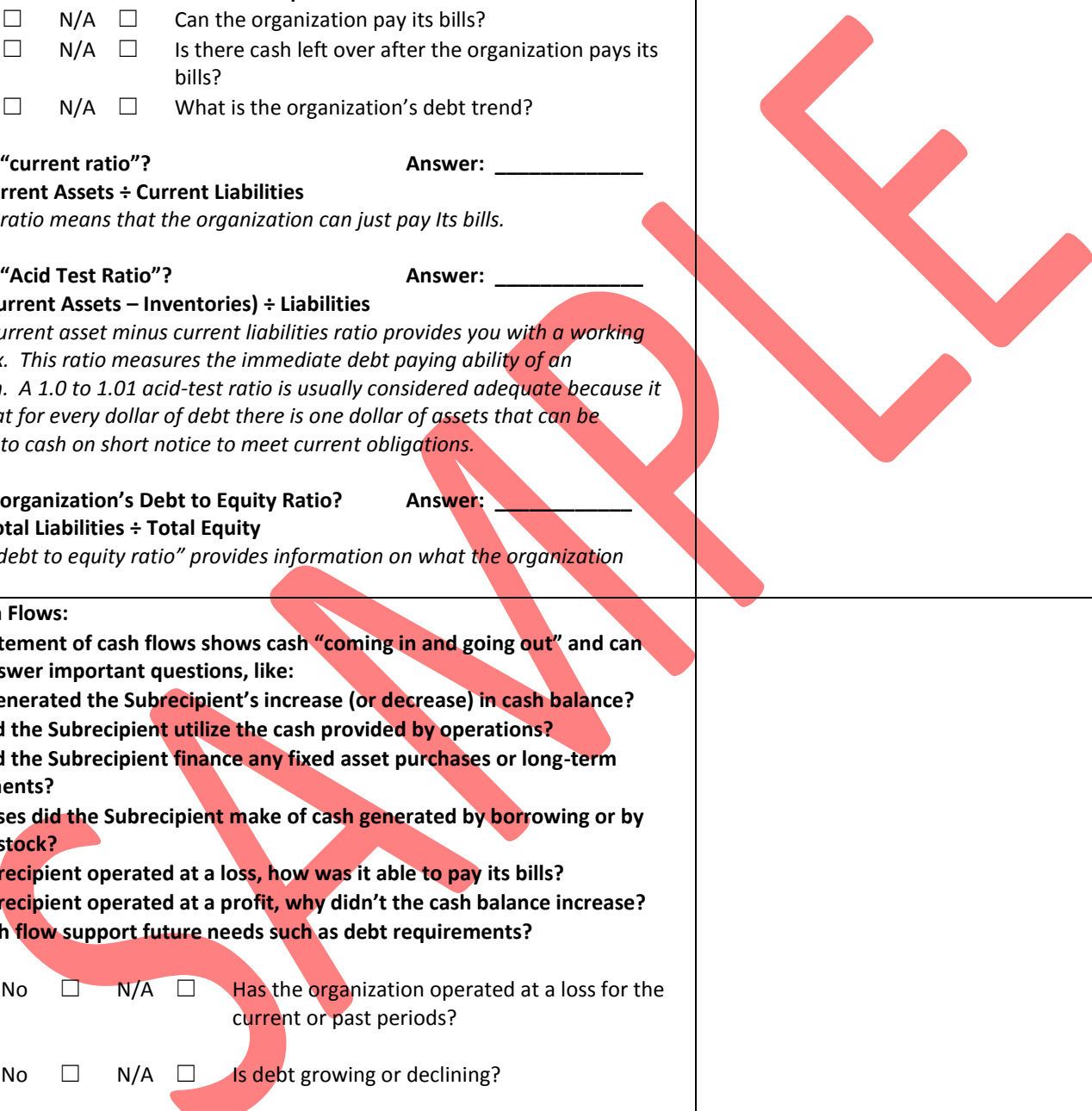
6.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Does the Subrecipient have a large amount of budget carryover?	
7.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are the entity's fiscal statistics outside of tolerance or trends (e.g., much more expenditures on supplies than average)?	
8.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there other items of overall fiscal assessment specific to the Subrecipient?	
<b>FINANCIAL STABILITY ASSESSMENT:</b>			
This section should be completed by the Grants and Finance Accounting Specialist. The assessment of financial stability of a Subrecipient will vary depending upon the type of entity being assessed. If the Subrecipient is a public entity (e.g., school district, public university, municipality, local air authority, etc.) the Public Entity criteria below may be used to assess financial stability. Non-public Subrecipients should be assessed using the Non-Public/Not-For-Profit/Community Base Organization criteria.			
<b>SECTION 5: FINANCIAL STABILITY ASSESSMENT: PUBLIC ENTITIES (Yes responses indicate risk)</b>			
1.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has the State or other authority placed the Subrecipient in a special financial status (e.g., financial watch, fiscal emergency, high risk, etc.)?	
2.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has the Subrecipient ever used special load or funding programs to meet its cash needs?	
3.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has the State or other authority placed special financial conditions on the Subrecipient's award?	
4.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	Do the financial reports show an insufficient fund balance after meeting its obligations?	
5.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has the Subrecipient had difficulties raising local revenue (e.g., taxes, levies, etc.)?	
6.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has the Subrecipient had difficulty meeting matching/maintenance of effort requirements?	

7.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Do the Subrecipient financial reports indicate cash flow problems?
8.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Do the financial reports indicate possible supplanting issues?
9.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Do the Subrecipient's financial reports indicate a large number of corrections or journals?
10.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Has the Subrecipient provided adequate supporting documentation for draws and reporting requirements?
11.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Are there other items of financial stability assessment specific to the Subrecipient?

## SECTION 6: FINANCIAL STABILITY ASSESSMENT: NON-PUBLIC/NOT-FOR-PROFIT/COMMUNITY BASE ORGANIZATIONS

1.	<p>Purpose: The purpose of this section is to use the Financial Statements of the Subrecipient or Organization to determine its financial health. If independently audited financial statements are not available, the organization's Chief Financial Officer should be asked to prepare and certify a financial statement. Generally Accepted Accounting Principles require organizations to maintain the following information:</p> <p>(a) Financial Statements:</p> <ul style="list-style-type: none"> <li>• Balance sheet or statement of financial position</li> <li>• Income statement or statement of operations</li> <li>• State of cash flows</li> <li>• Other statements, such as: <ul style="list-style-type: none"> <li>○ Retained earnings statement</li> <li>○ Industry-specific statements</li> </ul> </li> </ul> <p>(b) Notes to the Financial Statements, such as:</p> <ul style="list-style-type: none"> <li>• Accounting policies</li> <li>• Related party transactions</li> <li>• Subsequent events</li> <li>• Contingent liabilities</li> <li>• Details about debt and equity investments, inventories, fixed assets and depreciation, long-term debt and capital stock</li> <li>• Disclosures as needed in other areas (e.g., leases, pensions or income taxes)</li> </ul>
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<p>2.</p>	<p><b>The Balance Sheet Statement can answer these questions:</b></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Can the organization pay its bills?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Is there cash left over after the organization pays its bills?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> What is the organization's debt trend?</p> <p><b>(a) What is the "current ratio"?</b> Answer: _____  <b>Formula: Current Assets ÷ Current Liabilities</b>  <i>Note: A 1:1 ratio means that the organization can just pay its bills.</i></p> <p><b>(b) What is the "Acid Test Ratio"?</b> Answer: _____  <b>Formula: (Current Assets – Inventories) ÷ Liabilities</b>  <i>Note: The current asset minus current liabilities ratio provides you with a working capital index. This ratio measures the immediate debt paying ability of an organization. A 1.0 to 1.01 acid-test ratio is usually considered adequate because it indicates that for every dollar of debt there is one dollar of assets that can be converted into cash on short notice to meet current obligations.</i></p> <p><b>(c) What is the organization's Debt to Equity Ratio?</b> Answer: _____  <b>Formula: Total Liabilities ÷ Total Equity</b>  <i>Note: The "debt to equity ratio" provides information on what the organization owns.</i></p>	
<p>3.</p>	<p><b>Statement of Cash Flows:</b></p> <ul style="list-style-type: none"> <li>• The Statement of cash flows shows cash "coming in and going out" and can help answer important questions, like:</li> <li>• What generated the Subrecipient's increase (or decrease) in cash balance?</li> <li>• How did the Subrecipient utilize the cash provided by operations?</li> <li>• How did the Subrecipient finance any fixed asset purchases or long-term investments?</li> <li>• What uses did the Subrecipient make of cash generated by borrowing or by issuing stock?</li> <li>• If a Subrecipient operated at a loss, how was it able to pay its bills?</li> <li>• If a Subrecipient operated at a profit, why didn't the cash balance increase?</li> <li>• Can cash flow support future needs such as debt requirements?</li> </ul> <p><b>(a)</b> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Has the organization operated at a loss for the current or past periods?</p> <p><b>(b)</b> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Is debt growing or declining?</p>	

<p>4.</p>	<p><b>Notes to the Financial Statement and Report of the Independent Auditor. The notes and “management letters” contain information and disclosures important to the understanding of the financial statements. The notes may seem lengthy and detailed, but some of the real story may be gleaned from a careful reading of these notes:</b></p> <p>(a) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Do the notes to the financial statements or management letters disclose potential financial problems at the organization (e.g., pending lawsuits, outstanding judgments, major loans to or from officers, etc.)?</p> <p>(b) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Do the loan notes reflect (including loans from officer) indicating poor financial health (e.g. unusually high interest rates, unusual repayment provisions, etc.)?</p> <p>(c) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Does the independent audit report for the most recent fiscal year contain an unqualified audit opinion? If not, what kind of opinion did the auditor express? Why did the Subrecipient not receive an unqualified option?</p>	
<p>5.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>	<p><b>Are there other non-public financial stability assessments specific to the Subrecipient?</b></p>

