



FY 2010 Office of Head Start Monitoring Protocol Guides

September 10, 2009

Fiscal Management Reviewer's Guide



Fiscal Management Reviewer Guides

The following Guides are used by Fiscal reviewers to collect information on program performance with respect to the program's fiscal management:

- Fiscal Pre-site Document Review
- Fiscal Document Review
- Fiscal Officer Interview
- Fiscal Observations
- Transaction Guide – Journal Entries
- Transaction Guide – Payroll
- Transaction Guide – Non-personnel Costs
- Transaction Guide – Non-Federal Share
- Staff Files—Fiscal Officer
- Fiscal Management Systems Analyses



Fiscal Pre-site Document Review

Financial Assistance Award (FAA)

- Was the grantee awarded funds for purchasing a building?
FIS3A
- Does evidence exist that the grantee was awarded Head Start funds for building construction, renovation, or repair?
FIS3B
- Was the grantee awarded funds for major renovation (as defined in 1309.3(k)) of a building?
FIS3A
- Were supplemental or one-time funds (e.g., program improvement) awarded by ACF for specific purposes?
FIS2L
- Were supplemental or one-time funds used for other purposes without ACF's prior written approval?
FIS2L

SF-424

- Review the grant application for the current award period. Are the current Executive Director, Finance Director, and Head Start Director different than those reflected on the grant application? If so, was Administration for Children and Families (ACF) approval obtained before new individuals were hired in these key positions?
FIS2L
- Is the SF-424 grant application signed by an official of another entity?
(Note to reviewer: Once on-site, consider looking into the role played by the official who has signed the SF-424.)
FIS1C

PSC-272

- Review PSC-272 reports for the most recent 2 years. Was the grantee timely in filing these reports?
FIS5B
- From a recent PSC-272 report, select a sample of drawdowns and verify that the grantee has appropriate documentation to support the requested amount. Based on the sample, does the grantee disburse Federal cash immediately?
FIS2D
- Do the PSC-272 reports reflect significant Federal cash balance?
FIS2D
- Your review of PSC-272 reports indicated significant Federal cash balance. Ask the fiscal officer: Can you explain the significant cash balance?
(Note to reviewer: Listen for examples of valid reasons, which might include pending disbursements that can be shown to have occurred in the first days of the next quarter or a pending adjustment requiring coordination with the Regional Office, the Payment Service Center, or both.)
FIS2D



Procurement Policies and Procedures

- For nonprofit grantees: Do the organization's written procedures address the items required specifically by 74.44(a)(1-3)?
For governmental grantees: Do the organization's written procedures address the items required specifically by 92.36(c)(3)?
FIS2J
Applies to: Nonprofit or Governmental Organizations

Code of Conduct

- Does the organization maintain a code of conduct for employees involved in contract award and administration, meeting the requirements of either 74.42 or 92.36(b)(3)?
(Note to reviewer: The code of conduct might exist as a separate document or within the personnel policies of an employee handbook.)
FIS1E

Audits

- Review the SF-SAC Harvester online database at <http://harvester.census.gov/sac/>. Were audits filed with the Single Audit Clearinghouse within 9 months of the end of each of the last 3 fiscal years?
FIS1G
- Review the last 3 years' audits and audit management letters. Do audits include the compliance reporting required by A-133?
FIS1G
- Are there audit findings or management letter comments related to the Head Start (HS) program?
FIS1G
- Are findings or comments related to Head Start inconsistent with appropriate internal controls?
FIS1G
- Does the most recent audit report include repeat findings?
(Note to reviewer: A repeat audit finding implies the grantee did not implement appropriate corrective action for the original audit finding.)
FIS1G
- Since the release of the most recent audit report, did the grantee take effective action to correct all audit findings and address management letter comments?
FIS1G
- Is there an audit footnote disclosure of delegation of fiscal or governance responsibilities to another entity? Describe such audit footnote disclosure of delegation.
FIS1G, FIS1C
- Does the audit report show notes or mortgages payable?
FIS1G
- Did the audit opinion reflect qualifications?
FIS1G
- Are the qualifications related to internal controls, the accuracy of the financial statements, or the organization's ability to continue as a going concern?
FIS1G



- Do audit reports reflect findings related to the administrative cost limitation?
FIS2F

SF-269 Financial Reports

- Review the SF-269 reports for the most recent 3 years. Was the grantee timely in filing these reports?
FIS5B
- Is the SF-269 signed by an official of another entity?
(Note to reviewer: Once on-site, consider looking into the role played by the official who has signed the SF-269.)
FIS1C
- Did a review of the supporting schedule for administrative costs establish that the grantee identified all indirect costs as administrative?
FIS2F
- Review the SF-269 report for the most recently completed award period. Compute the non-Federal share percentage: non-Federal share divided by the total of the Federal share plus the non-Federal share.
Did the grantee's reported non-Federal share percentage meet or exceed the percentage specified in the FAA?
FIS2G
- Review the supporting schedule for non-Federal share reported on the SF-269 for the most recently completed award period. Is the total amount on the grantee's supporting schedule at least as much as the amount reported on the SF-269?
FIS2G
Were the grantee's administrative costs in excess of 15 percent of total approved costs?
(Note to reviewer: Approved costs equal total Federal share plus non-Federal share up to the amount approved in the Financial Assistance Award [FAA].)

IRS Forms

- Review the IRS Form 990. Was it filed by the 15th day of the 5th month after the organization's fiscal year end?
FIS5B
Applies to: Nonprofit Organizations
- Does the IRS Form 990 contain evidence of a related party under the organization's control (or a related party controlling the organization)?
FIS3F
Applies to: Nonprofit Organizations
- Does review of the IRS Form 990 reveal any Board member with compensation under either the schedule of Current Officers, Directors, Trustees and Key Employees or the schedule of the Highest Paid Employees?
FIS1A
Applies to: Nonprofit Organizations
- Does the IRS 990 for the prior period show any employee with compensation exceeding the Level II rate?
FIS4B
Applies to: Nonprofit Organizations
- Are any of the leases with the related party entities identified in the review of the IRS Form 990?
FIS3F
Applies to: Nonprofit Organizations



Notice of Federal Interest

- For modulars situated on land not owned by the organization, has the owner posted a Notice of Federal Interest as described in 1309.31(b)? Does the Notice of Federal Interest comply with requirements in 45 CFR 1309.21?
FIS3A

Wage Comparability Study

- When was the wage comparability study completed? Are the positions identified in the wage comparability study reasonably comparable to the organization's Head Start positions? Are comparisons based on the labor markets in which the organization competes?
(Note to reviewer: Although no regulation requires conducting a wage comparability study within a certain timeframe, within 3 years is good practice.)
FIS4D



Fiscal Document Review

Loan Agreements

- Review loan agreements to determine whether loans are secured by assets and property owned by the organization. Are the agreements secured by either all assets of the organization or by assets acquired or improved with Head Start funds?
FIS3E

Regional Office Correspondence

- A concern was identified related to one-time funds expended for purposes other than those listed in the FAA. Did the grantee obtain prior written approval to use the funds for other purposes?
(Note to reviewer: In developing a PANC (preliminary area of noncompliance), include the exact restrictive language found in the comments section of the FAA.)
FIS2L
- Service reviewer observations of program options were inconsistent with the program options described in the approved refunding application. Did the grantee obtain prior written approval from the Regional Office for the observed program options?
FIS2L

Grant Application Budget Instrument (GABI)

- Are the program options described in the approved refunding application consistent with options observed by the service area reviewers?
(Note to reviewer: During your team meeting discuss with service area reviewers the program options they observed in operation.)
FIS2L
- Does the budget allocate funds for purchase and upkeep of equipment, toys, materials, and furniture that are age appropriate, safe, and supportive of children with disabilities?
SAF1I
Applies to: Center-based and family child care programs

Accounting Policies and Procedures

- Does the grantee have written procedures for minimizing the time elapsing between the drawdown of funds from the Payment Management System and disbursement of those funds? Describe the procedures.
FIS2D
- Does the organization have procedures for determining the allowability, allocability, and reasonableness of costs in accordance with the applicable cost principles?
(Note to reviewer: Procedures must be written for nonprofit organizations.)
FIS2A

Allocation

- Does the cost allocation plan identify staff who have shared duties in both the Head Start program and a program other than Head Start?
(Note to reviewer: Document names of persons with shared duties.)
FIS2B



Bank Reconciliations & General Ledger

- A concern was identified related to the use of one-time funds. Review the general ledger to determine whether the financial records establish that supplemental or one-time funds were expended for purposes listed in the FAA.
FIS2L
- Review accounts receivable for the Head Start program(s). Are funds due from other funding sources?
FIS2E
- Scan the general ledger, payroll journal, and adjusting journal entries. Is there an indication the award has been charged for costs unrelated to Head Start?
FIS2E

Contracts, Payments, and Reimbursements

- Do contracts show the grantee governing body has delegated fiscal or governance responsibilities to another entity?
FIS1C
- Did the organization file USDA reports within the required timeframe?
FIS5B
- For the most recently completed award period, compare budgeted USDA reimbursement to the actual amount received. If significant variances exist, can program staff provide reasonable explanations for the variances?
FIS5B

Financial Reports

- Do recent Head Start expenditure reports show indirect costs charged to the award?
FIS2C
- Are financial reports presented in logical groupings and with sufficient detail to allow the reader to understand the financial operations of the organization and the Head Start award?
FIS5C
- Do financial reports provide for a budget-to-actual comparison?
FIS5C
- Are financial reports generated to support the management of organizational components for which they are responsible?
FIS5C
- Review reports provided to the governing body. How much time elapsed between the end of the reporting period and the date on which reports were presented to the governing body? Did the organization present timely financial reports to the governing body?
FIS5C
- Does the grantee have a current indirect rate agreement?
FIS2C

Insurance Policies

- Are officials and employees of non-profit organizations authorized to disburse program funds bonded?
FIS3C
Applies to: Nonprofit Organizations



- Do the payables files show the organization is current on its premium payments?
FIS3C
Applies to: Nonprofit Organizations
- Does insurance cover liability for accidents on premises owned by the organization?
FIS3C
Applies to: Nonprofit Organizations
- Does the organization have transportation liability insurance?
FIS3C
Applies to: Nonprofit Organizations
- Does the organization insure vehicles purchased using Head Start funds?
FIS3C
Applies to: Nonprofit Organizations
- If student accident insurance is not a separate policy and not identifiable in the declaration page of a master policy, is there confirmation from the insurer of accident coverage for Head Start students?
FIS3C
Applies to: Nonprofit Organizations
- A concern was identified regarding authorization of officials and employees to disburse program funds. Ask the fiscal officer: Are officials and employees authorized to disburse program funds bonded? Can you show me documentation?
FIS3C
Applies to: Nonprofit Organizations

Leases & Rent Documents

- Does review of the transaction detail show charges for use of grantee-owned space?
FIS2N
- A concern was identified related to cost of space. Review the related party's financial records. Is the cost of space furnished by the related party limited to cost of ownership, defined as costs such as depreciation or use allowance, maintenance, taxes, and insurance?
FIS3F
- On any leases, did grantee or delegate staff sign as both lessor and lessee?
FIS3F

Salaries & Payroll

- For employees identified as having compensation exceeding the Executive Level II rate, is any portion of their compensation paid from Head Start funds or claimed as non-Federal share?
(Note to reviewer: Review detailed payroll documents and documents supporting the SF-269.)
FIS4B
- For all employees identified as having compensation exceeding the Executive Level II rate and who are charged to Head Start or are claimed as non-Federal share, list their names, job titles and total compensation amounts. Provide details on which documents were used to identify this information.
(Note to reviewer: Compensation includes salary, bonuses, periodic payments, severance pay, value of vacation time or paid leave benefit, and any other benefit except health, medical, life insurance, disability, or retirement.)
FIS4B



- Ask the fiscal officer to confirm the list employees you have identified as receiving compensation exceeding Executive Level II and who are charged to Head Start or claimed as non-Federal share.
FIS4B

SF-269 Financial Reports

- Are the indirect costs charged to Head Start included in the grantee's development and administrative cost for the period?
FIS2C
- Is the total indirect cost on the most recent Final SF-269 computed per the approved rate agreement?
FIS2C
- Review the final SF-269 report for the award period completed most recently. Verify that the grantee has included indirect cost (if applicable) and the administrative portion of non-Federal share in its accounting of administrative costs.
FIS2F

IRS Forms

- Review of the IRS Form 990 indicated that it was not filed by the 15th day of the 5th month after the organization's fiscal year end. Was an extension obtained? If so, obtain documentation of the extension.
FIS5B
Applies to: Nonprofit Organizations
- Did a review of IRS correspondence identify unresolved compliance issues?
FIS5B
- On a sample basis, trace tax deposits reflected on the IRS Form 941 to evidence of payment (i.e., check or electronic transfer) on the bank statement. Was the organization current in its payroll taxes?
(Note to reviewer: This question is applicable whether the taxes are handled by the organization or by a service.)
FIS5B
- Were IRS Form 941 reports filed on time?
FIS5B
- Is any Board member (or employer) listed on the Schedule of the Highest Paid Independent Contractors?
FIS1A

Non-Federal Share

- Are claims for donated medical services supported by records identifying number of children served and the service provided?
FIS2H
- Are donated services documented by the same methods (to the extent feasible) used to support time worked by grantee or delegate employees?
FIS2H
- Do volunteer records describe the provision of services benefiting the Head Start program and the service date or dates?
FIS2I



- Is documentation maintained to establish the value claimed is reasonable for the type of service and the community in which the service is provided?
FIS2I

Inventory and Equipment Records

- You have identified that the grantee charges for use of grantee-owned space. Review inventory and equipment records and record the value of the property and the fee charged to Head Start. Does this charge represent only the depreciation (based on a reasonable asset life) or a 2 percent (or less) use allowance?
FIS2N
- A concern has been identified related to the charges for use of grantee-owned space. Ask the fiscal officer: How does the financial system ensure that claims for the use of grantee- or delegate-owned space are based on depreciation or use allowance derived from the building cost reflected in the organization's records and excluding acquisition or renovation costs paid by the Federal Government?
FIS2N
- Review property records to identify property purchased using Head Start funds. Do the insurance policies reflect appropriate coverage for these assets?
FIS3C
Applies to: Nonprofit Organizations
- Review the equipment records. Do records exist for all equipment (including vehicles)? Do the records include all required elements:
- Equipment description;
 - Serial number;
 - Equipment source, including award number;
 - Whether title vests in the recipient or the Federal Government;
 - Acquisition date;
 - Information from which the percentage of Department of Health and Human Services' (HHS) share in the equipment cost can be calculated;
 - Equipment location and condition and date the information was reported;
 - Unit acquisition cost; and
 - Ultimate disposition data, including disposal date and sales price?
- FIS3D
- A concern was identified related to equipment records. Ask the fiscal officer: How does the financial system ensure that records are maintained for all equipment with a unit cost of \$5,000 or greater?
FIS3D
- Has a physical inventory of equipment been conducted within the last 2 years? Is the inventory document signed by the person or persons who observed the inventory? On a test basis, do amounts and quantities reflected in the inventory agree with the equipment records?
FIS3D
- If debts are secured by property, consult the property records to determine the percentage of Federal ownership. (Alternately, review grant applications and Federal Assistance Awards to identify Federal funds awarded for buildings.)
FIS3E



Fiscal Officer Interview

Program Planning

- How is information from the annual Self Assessment incorporated into your program planning and implementation?
FIS6A
- Describe how information from the Community Assessment (and its updates) is incorporated into your program planning and implementation.
FIS6A

Allocation

- Does the organization have programs other than Head Start, Early Head Start, and USDA Child and Adult Care Food Program (CACFP)?
FIS2B

Financial Reports

- How does your system identify separately the cash received and expended for each Early Head Start and Head Start award?
FIS5A
- How often are reports of non-Federal share and administrative costs updated?
FIS5A
- How often are balance sheet accounts reconciled to subsidiary ledgers or external statements to substantiate that account balances are correct? Which accounts are reconciled?
FIS5A

Control Activities

- What are the procedures for using automated check signers and signature plates?
(Note to reviewer: Listen for evidence that the operator of the check-signing equipment is uninvolved in the recording of transactions or the distribution of checks.)
FIS1F
- Does the program perform periodic cost projections to ensure that funds will be adequate to carry out the Head Start program, as described in the approved funding application?
FIS1F
- If you have a small number of fiscal staff, how do you compensate for the program's inability to segregate duties?
(Note to reviewer: Listen for: Management review of reports on detailed transactions, including selection of transactions to review supporting documents; and independent reconciliations or review of reconciliations of account balances.)
FIS1F
- Were end-of-year "bonuses" paid that were unscheduled or did not conform to established grantee and delegate policies?
(Note to reviewer: When citing, make sure to select the appropriate standard, depending on the type of grantee.)
FIS1F
- Are provisions in place for reconstructing data files in case of catastrophe?
FIS1F



Inter-fund Borrowing

- Does the organization have one or more of the following: programs operating at a deficit, loss of programs, or delayed reimbursement in other programs?
FIS2E

Mortgage of Property Acquired

- Did the grantee and delegate obtain HHS written approval in connection with the encumbrance or mortgage of property acquired or improved with Head Start funds?
FIS3E

Purchasing Facilities

- The grantee was awarded funds for purchasing a building. Ask the fiscal officer about the following items and request documentation for your review:
 - Approval to purchase the facility (including paying the cost of amortizing the principal and interest on loans) from the Regional Office,
 - Each Notice of Federal Interest required to have been filed, and
 - Submission of the Notice of Federal Interest to the Regional Office.FIS3A

Accounting System

- How do you ensure that written approval is obtained before using Head Start funds to purchase equipment costing more than \$25,000 not provided in the approved budget?
FIS2L

Procurement

- How does the organization ensure that procurement transactions in excess of the simplified acquisition threshold (\$100,000) conform to applicable requirements?
FIS2K
- A concern was identified related to procurement procedures. Ask the fiscal officer: Has the organization adopted the required procurement procedures (as found in 74.44(a)(1-3) or 92.36(c)(3), depending on the organization type)?
FIS2J

Contracts, Payments, and Reimbursements

- A concern was identified related to procurement procedures. Ask the fiscal officer: Are you aware of ongoing arrangements for which there has not been recent evaluation of the procurement?
FIS2K

COLA

- Can the grantee and delegate show that the entire COLA amount was expended for the purposes specified in the award document?
FIS4C
- Does the COLA increase become a permanent part of the employees' ongoing wage as well as increasing the organization's wage scales?
FIS4C



Wage Comparability Study

- How does the financial system ensure that wages are consistent with wages paid for similar work in the grantee and delegate's other activities or to wages paid for similar work in the labor markets in which the organization competes?
FIS4D

Audits

- During your pre-site review of audit findings and management letter comments you identified that the grantee has audit findings. Ask the fiscal officer to describe the specific actions taken to correct the findings in the most recent audit report.
FIS1G

Insurance Policies

- How does the financial system ensure that insurance rebates and credits allocable to Head Start are applied as a cost reduction or cash refund?
FIS3C
Applies to: Nonprofit Organizations

Rent

- How does the financial system ensure the cost of space provided a party controlled by the organization (or a party that controls the organization) does not exceed the cost of ownership, defined costs, such as depreciation or use allowance, maintenance, taxes, and insurance?
FIS3F

SF-269 Financial Reports

- According to the pre-site review of the SF-269, all indirect costs did not appear to be administrative. Describe your concern to the fiscal officer and ask: Do you consider all indirect costs to be administrative? Can you explain the categorization of indirect costs as programmatic costs?
FIS2F

Non-Federal Share

- A concern related to non-Federal share was identified in the pre-site review of the SF-269. Ask the fiscal officer whether the grantee requested a waiver of non-Federal share?
(Note to reviewer: Collect available documents to establish who was asked, the request date, and the response.)
FIS2G

Performance Reviews

- When did you receive your last annual performance review?
PDM7C
- How are the results of the annual performance review used? Do they help you identify your training and professional development needs? How does your manager help you improve skills and professional competencies?
PDM7C



Training

- Describe the opportunities for ongoing training that the program provides you to help you acquire and maintain the skills and knowledge necessary to fulfill your job responsibilities and to implement Head Start Program Performance Standards in the service area.

PDM7I



Fiscal Observations

Inventory and Equipment Records

- Test the existence of physical assets in two ways:
 - Existence of items on property records: Select a few items from the property records. Physically observe the asset.
 - Completeness of property records: Observe a few items. Trace back to property records.
- FIS3D

Fiscal Staff Expertise

- During the onsite review, did matters arise to suggest the fiscal officer did not have expertise in fiscal matters or the ability to:
 - Develop, monitor, evaluate, and report on financial control programs and procedures, including compensation and benefits, to policy groups and staff;
 - Develop and maintain accurate charts of accounts, including allocating program income and outlays and in-kind contributions;
 - Initiate and direct, in coordination with other staff and parents, cost studies and comparative analyses of alternative operating strategies; and
 - Help resolve audit exceptions, implement, make recommendations, and report all findings to management staff and governing bodies?

(Note to reviewer: To be answered on Wednesday evening.)

FIS1D

Physical Controls

- In conducting the onsite portion of the review, were problems noted in physical control, such as open access to check stock or purchase orders, cash not under lock and key, or open access to mechanical check signers or signature stamps?

(Note to reviewer: To be answered on Wednesday evening.)

FIS1F



Transaction Guide--Journal Entries

Regional Office Correspondence

- Identify all equipment purchases made with Head Start funds with a unit cost in excess of \$25,000. Does evidence exist of Regional Office approval on the FAA or through written Regional Office correspondence?
FIS2L

Bank Reconciliations & General Ledger

- Review two consecutive bank statements.
 - Are bank statements reconciled to the general ledger?
 - Are reconciling items (including outstanding checks) resolved within a reasonable time frame?
 - Do checks clear the bank within a reasonable amount of time after the issue date?
 - Are the signatures on cancelled checks those of individuals who the Board has authorized as signers?
FIS1F
- Were journal entries supported by appropriate documentation and approved by a person other than the preparer?
FIS1F
- Was the cost posted to the appropriate award period?
FIS2A
- Based on a scan of the general ledger, do amounts appear to be posted to the proper accounts?
FIS5A
- Do the costs and in-kind contributions appear to be necessary and reasonable for operation of the Head Start program?
FIS2A
- Were the costs allowable under the cost principles?
FIS2A
- Was the invoice adequately descriptive to support the allowability of the cost?
FIS2A
- Was the cost allocated to Head Start in proportion to the benefit received (as documented by the organization's cost allocation plan or other means)?
FIS2A
- Does the grantee maintain supporting documentation with adequate description to support the allowability and allocability of credit card transactions? Are credit card transactions approved by a person other than the orderer? Is credit card use consistent with the organization's written policy?
FIS2A
- Did documentation of receipt or acceptance by the program exist before the invoice was processed for payment?
FIS2A
- Does the balance sheet show notes or mortgages payable?
FIS3E



SF-269 Financial Reports

- For the most recently closed and audited Head Start award period is the final SF-269 report reconciled to the audited financial statements and to the general ledger? Are reasonable explanations furnished for reconciling items?
FIS5B



Transaction Guide--Payroll

Allocation

- Do the methods shown in the allocation procedures or plan ensure each program is paying only its share of the cost of resources used in common?
FIS2B

Bank Reconciliations & General Ledger

- Based on a scan of the general ledger, do amounts appear to be posted to the proper accounts?
FIS5A
- Does the review of a sample of recent procurements support the conclusion that:
 - Documentation is maintained to establish the organization obtained price quotations or bids as required by their own policies?
FIS2K

Salaries & Payroll

- Does evidence exist of payroll approval by a responsible organization official?
FIS4A
- Does the payroll sampling support a conclusion that all employees (including exempt employees) complete timesheets? Do timesheets for nonprofessional employees report actual time worked during the pay period?
FIS4A
- Does the payroll sampling support a conclusion that total hours for the employee agree with the timesheet?
FIS4A
- Does the payroll sampling in the Payroll Guide support a conclusion that allocation of time is based on the employee's personnel activity report?
FIS4A
- Was the work performed in the award period in which the related payroll cost was charged?
FIS2A

Job Descriptions

- Examine job descriptions of staff with shared duties. Do job descriptions describe duties and responsibilities that appear to be of benefit to the Head Start program?
FIS2A, FIS2B

Wage Comparability Study

- Does the review of payroll items in the Sampling Guide support the conclusion that Head Start employee pay rates (including rates for shared staff allocated in part to Head Start) are supported by the wage comparability study (or are comparable to similar positions within the grantee or delegate organization)?
(Note to reviewer: In developing a PANC, review the organization's audit report to determine whether the organization is predominantly engaged in federally funded activities.)
FIS4D



Transaction Guide--Non-Personnel Costs

Allocation

- Do the methods shown in the allocation procedures or plan ensure each program is paying only its share of the cost of resources used in common?
FIS2B

Bank Reconciliations & General Ledger

- Based on a scan of the general ledger, do amounts appear to be posted to the proper accounts?
FIS5A
- Was the cost supported by a contract, if appropriate?
FIS2A
- Is the cost allowable under the Cost Principles?
FIS2A
- Does the review of a sample of recent procurements support the conclusion that:
 - Documentation is maintained to establish the organization obtained price quotations or bids as required by their own policies?
 - Procurement is consistent with the organization's written policies and procedures?
 - Justification for sole source procurements is documented?
FIS2K
- Are approvals on the supporting documents consistent with the approval process described in the organization's accounting policies and procedures? Is the approver other than the orderer? Was a purchase order completed (if required by the organization's policies and procedures)?
FIS2A
- A concern related to ensuring allowability, allocability, and reasonableness of costs was identified in the transaction guide. Ask the fiscal officer to describe the process for reviewing and approving charges before obligation or payment. (Note to reviewer: Listen for confirmation that a member of management is required to review and approve charges before obligation or payment.)
FIS2A

Contracts, Payments, and Reimbursements

- Based on sampling of detailed transactions supported by a contract or lease, did the grantee ensure it maintained current, signed, and dated contracts with a description of services to be provided, an estimate of the time required, rate of compensation, and provision for termination?
FIS2M
- Does the program have Head Start-funded contracts exceeding \$2000 for constructing, renovating or repairing buildings?
FIS3B



- Review building construction, renovation, and repair contracts, purchase orders, and payment files.
For Head Start-funded contracts exceeding \$2,000 for constructing, renovating or repairing buildings:
 - Did the grantee or delegate obtain payroll certifications from the contractor?
 - Did the grantee or delegate compare the hourly rates reflected in the payroll certifications to the appropriate Department of Labor wage determination?
FIS3B

- A concern was identified related to Head Start-funded contracts for construction, renovation or building repairs. Ask the fiscal officer: How does the financial system assure that laborers and mechanics are paid prevailing wage on Head Start-funded construction, renovation or repair contacts exceeding \$2,000?
FIS3B



Transaction Guide--Non-Federal Costs

Bank Reconciliations & General Ledger

- Was non-Federal share posted into the appropriate award period?
FIS2A, FIS2H
- Do the costs and in-kind appear to be necessary and reasonable for operation of the Head Start program?
FIS2A
- Was the cost allocated to Head Start in proportion to the benefit received (as documented by the organization's cost allocation plan or other means)?
FIS2A

Non-Federal Share

- Is the amount claimed as non-Federal share on the most recent Final SF-269 supported by adequate documentation?
FIS2H
- Based on the sample of non-Federal share transactions, is the value of donated space supported by a current independent appraisal of fair market value?
FIS2H, FIS2I
- Are amounts claimed for donated supplies reasonable?
FIS2I, FIS2H
- Do records show how donated supplies were used to achieve Head Start program objectives?
FIS2I
- For volunteer services, are the dates, hours, description of service, and signature of the Head Start staff person supervising the volunteer included in the documentation?
FIS2H
- For services donated by employees of other organizations, is time valued at the volunteer's actual pay rate?
FIS2I
- Are rates used for volunteer services based on an internal scale established by the grantee or delegate agency or prevailing wages in the labor market in which the grantee or delegate competes?
FIS2I
- Using the description of non-Federal share, select a sample of non-Federal share items and trace entries to the source records for use of grantee or delegate-owned buildings. Are claims for use of grantee- or delegate-owned space based on depreciation or use allowance -- derived from the building cost reflected in the organization's records and excluding acquisition or renovation costs paid by the Federal Government?
FIS2N
- Has the organization identified and excluded costs paid by other Federal awards?
FIS2I



Fiscal Officer--Staff File Review

Staff Qualifications and Expertise

- What training and experience does the fiscal officer have related to accounting and fiscal matters?
FIS1D
- What experience does the fiscal officer have in managing public or private organizations?
FIS1D
- Review the personnel file, contract, or resume of the person designated as the fiscal officer for documentation of training and experience in accounting and fiscal matters. Does the fiscal officer meet the qualifications identified by the grantee as required for that position?
FIS1D

Staff Hiring Procedures

- Was a criminal background check conducted?
 - If no, does this staff member provide direct services to children? If they do not provide direct services to children, indicate whether the staff member has an office in a center serving children or in an administrative building where there are no children present.
 - If yes, indicate the date the criminal background check was conducted.
PDM7E
- Review staff files for documentation of initial health examination (including screening for tuberculosis) and reexamination (if required by health care provider or as mandated by State, local or Tribal laws). Has an initial health exam, including screenings, been completed?
 - Document the date of the most recent health exam and screening.
 - Document whether a reexamination is required.

(Note to reviewer: If the health care provider or State, local or Tribal law requires re-examination, describe the requirement, including required timeframes for reexamination if applicable, and indicate whether the program has complied with the requirement for the staff you are reviewing.)

 - Document the date of the reexamination, if required.
 - Document the date the tuberculosis screening was completed.
PDM7F

Staff Training and Development

- Indicate the date of the most recent performance review.
PDM7C
- Review staff files for evidence of training opportunities for staff and volunteers. Briefly summarize the types of training offered.
PDM7I
- Has the staff member received training in identifying and reporting child abuse and neglect?
 - Indicate the date the staff member received this training.
PDM7J



Fiscal Management Summary Analysis--Overall Summary and Strengths

Overall Service Summary

- Summarize your general impressions of the program's fiscal management. The summary should describe what the program does well, which areas need improvement, and your overall level of confidence in the program's fiscal management. Your summary should not directly reiterate the strengths and findings you identified through implementation of the protocol but, rather, should reflect your overall analysis and impressions of the program's effectiveness in fiscal management.

FIS6A

Service Specific Strengths

- Summarize program strengths noted in fiscal management. Describe any practices that were found to be new or innovative and had a positive impact, that helped the grantee overcome challenges and provided greater/improved service quality or surpassed established performance indicators. Some examples of broad categories of program strengths include (but are not limited to):
 - Collaborations with local/community-based services
 - Exemplary fiscal practices to ensure the safeguarding of Federal dollars
 - Highly successful efforts to address and improve school readiness
 - Expansion of the program and increased accessibility
 - Extraordinary accommodations for children/families (e.g., children with disabilities)
 - Innovative program design and management

Do not include strengths that will contradict any PANCs identified on this review.

FIS6A



Fiscal Management Summary Analysis-- Reporting

Reporting

- Based on your notes from FIS5A, FIS5B, FIS5C, prepare a summary that describes whether the program maintains and implements efficient, effective reporting systems that:
 - Are current and accurate,
 - Contain appropriate information, and
 - Are made available to the appropriate groups to ensure program quality and accountability.

Your summary might reflect a potential program strength, a concern, or general compliance.

FIS6A



Fiscal Management Summary Analysis--Internal Controls

Internal Control

- Based on your review of the completed fiscal management protocol, has the program's governing body established and implemented strong, appropriate internal controls to safeguard Federal funds?

In responding, consider the following issues:

- Is an independent governing body with appropriate expertise engaged in fiscal oversight?
- Has the organization ensured the fiscal function is competently staffed?
- Are accounting controls in place to ensure the organization uses Head Start resources for authorized purposes?
- Do adequate controls over cash and other assets exist?
- Has the organization demonstrated a capacity to take effective, timely corrective action to address the findings of auditors and its funding sources?

FIS6A