
**FORM H: INTERNAL CONTROLS QUESTIONNAIRE
FINANCIAL MANAGEMENT AND ADMINISTRATION**

Legal Business Name of Respondent:	
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Introduction

By accepting an award from Health and Human Services Commission (HHSC) your organization and the Board of Directors or other oversight authority accept responsibility for complying with the management and administration of programmatic, financial and reporting requirements of the award. Communication and coordination between the organization's program implementation and financial staff is essential for the success of the project being funded by the award. It is critical that staff responsible for the programmatic and accounting functions is aware of the financial and administrative requirements applicable to grants and subgrants. Key personnel within the organization should be identified and assigned responsibilities for the programmatic, financial and administrative requirements applicable to the HHSC award.

All HHSC Grantees are required to have a financial management system in place that meets federal and state standards for expending and accounting for the funds received under the award. Documents and records must be maintained that identify the receipt and expenditure of funds separately for each HHSC Grant Agreement. The system must be able to capture and report expenditures by the budget cost categories for each HHSC Grant Agreement. This requires establishing within the chart of accounts and general ledger, a separate set of accounts for each HHSC Grant Agreement. All financial reports should be prepared with information that comes directly from the organization's accounting system. There should be a reconciliation of the information that is reported to amounts recorded in the accounting system. In order to ensure the fiscal integrity of accounting records, the contractor must use an accounting system that does not permit overwrite or erasure of transactions posted to the general ledger.

FINANCIAL AND ADMINISTRATIVE REQUIREMENTS

All Grantees must comply with applicable cost principles, audit requirements, and administrative requirements in the **Exhibit B, HHS Uniform Terms and Conditions-Grant, Version 3.5.**

ACCOUNTING SYSTEM

The type of accounting system often depends on the size of the organization. Briefly describe your organization's accounting system including:

- a) Is the accounting system computerized, manual or a combination of both;
- b) How are different types of transactions (e.g., cash disbursements, cash receipts, revenues, journal entries) recorded and posted to the general ledger;

- c) When do you close your general ledger (e.g., monthly by the 10th of the following month);
- d) How are transactions organized, maintained, and summarized in financial reports. If your accounting system is computerized, indicate the name/type.

Answer each of the following questions with either a “yes” or “no” answer by checking the respective box.

- 1. Is the Applicant’s accounting system organized to allow an auditor to trace financial report balances through the general ledger and other summary ledgers/journals to each detail accounting transaction and supporting source documentation?**

☐ YES ☐ NO

- 2. Does the Applicant’s accounting system have the capability of identifying the receipt and expenditures of program funds and program income separately for each HHSC Grant Agreement?**

☐ YES ☐ NO

- 3. Does the Applicant’s accounting system provide for the recording of expenditures for each HHSC Grant Agreement by the budget cost categories shown in the proposed budget?**

☐ YES ☐ NO

- 4. Does the Applicant’s accounting system provide for the segregation of direct and indirect expenses and the allocation of indirect costs?**

☐ YES ☐ NO

- 5. Are time records (e.g., time sheets) maintained for all employees where their actual time/effort is recorded and specifically identified to a particular cost objective?**

☐ YES ☐ NO

- 6. Is the employees’ time/effort that is recorded on the time record the source/basis of the calculation of salary/wage costs recorded in the general ledger for each cost objective?**

☐ YES ☐ NO

GENERAL ADMINISTRATION & INTERNAL CONTROLS

1. **Is the staff who will be responsible for the financial management of the award generally familiar with the existing regulations and guidelines containing the cost principles and financial administrative requirements applicable to state and federal contracts/grants?**

☐ YES ☐ NO
2. **Does the Applicant organization have written accounting policies and procedures?**

☐ YES ☐ NO
3. **Are generally accepted accounting principles followed for separation of duties regarding receipts and deposit of funds and payment of goods and services?**

☐ YES ☐ NO
4. **Are procedures in place with adequate controls to ensure that receipts and disbursements are authorized and appropriately documented?**

☐ YES ☐ NO
5. **Are all disbursements approved prior to payment?**

☐ YES ☐ NO
6. **Is there any additional review or special approval required for checks exceeding a specific dollar amount?**

☐ YES ☐ NO
7. **Are there written procedures and internal controls established for the procurement of goods and services?**

☐ YES ☐ NO
8. **Do purchase orders/requisitions require specific approvals from authorized individuals in the requesting department?**

☐ YES ☐ NO
9. **Are supporting documents (invoices, receipts, approvals, receiving reports, canceled checks, etc.) maintained for each disbursement and on file for easy location and retrieval?**

☐ YES ☐ NO

10. Do supporting documents accompany checks for the check signer's signature?

☐ YES ☐ NO

11. Are supporting documents marked when paid to prevent reuse or duplication of payment?

☐ YES ☐ NO

12. Are invoices coded to identify allocation of payment by cost objective and sub-account?

☐ YES ☐ NO

13. Does your organization stay current with payments of its accounts payable, payroll taxes and other liabilities, loans, taxes, etc.?

☐ YES ☐ NO

14. Do you have written personnel policies?

☐ YES ☐ NO

15. Does the Applicant's policy require individual daily time and attendance records for personnel (part-time, full-time, and/or in-kind volunteers)?

☐ YES ☐ NO

16. Do procedures ensure that time and attendance reports can be specifically traced to costs recorded in the general ledger for each payroll period for each cost objective?

☐ YES ☐ NO

17. Does the Applicant have a written job descriptions with set salary levels for each employee?

☐ YES ☐ NO

18. Does the Applicant have on file authorizations covering rates of pay, withholding and deductions for each employee?

☐ YES ☐ NO

