

SECTION 2: FINANCIAL POLICIES AND PROCEDURES

Core Competencies

- The organization has approved financial policies and procedures which are properly disseminated and consistently followed. (EV)
- Approved policies and procedures USG complaint and address areas of grants management, budgeting, accounting, payroll, procurement, travel, accounts payable, accounts/contract receivable and cash management. 45 CFR Part 74; 2 CFR Part 220, 230 (RV)
- Written policies and procedures are developed to determine reasonableness, allocability, and allowability of costs. 2 CFR Parts 220 Appendix A (C) and Part 230 Appendix A (A); 45 CFR Part 74.21 (RV)
- Written policies and procedures are in place to minimize the time elapsing between transfer of advance funds to recipient and issuance of checks or payments 45 CFR Part 74.22 (RV)

Open-Ended Questions

- Discuss who develops and approves the policies and procedures that the organization is expected to follow. (RV)
- How are policy changes / updates made and communicated to staff? (EV)
- Discuss areas covered by fiscal policies and procedures. (EV)
- How does the organization monitor and track actual use of the policies? (EV)
- Describe how the policies and procedures comply with USG financial requirements. (RV)

Performance Criteria	Verification Information	Comments
1. There are current written financial policies and procedures	<ul style="list-style-type: none">a. Written policies and procedures exist and are available for reviewb. Employees know processes, but no written policiesc. All processes in writing, but not official policyd. Some processes in writing	
2. Accounting policies and procedures have been approved by the organization leadership	<ul style="list-style-type: none">a. Policies have been approved and adopted by organizationb. Governance minutes reflect approvalc. Management meeting minutes reflect approvald. Staff not sure	
3. Accounting policies are shared with program managers and decision-makers:	<ul style="list-style-type: none">a. Policies shared at department meetingsb. Policies shared at management meetingsc. Staff receive management memos or lettersd. Varies depending on decisions and/or staff	