

CMS Business Assessment of Applicant Organization

Applicants review and answer the business assessment questions outlined below. There are eleven (11) topic areas labeled A-K, with a varying number of questions within each topic area. **Applicants MUST provide a brief substantive answer to each question (and supporting documentation as applicable).** If the answer to any question is non-applicable, please provide an explanation. Please note, if CMS cannot complete its review without contacting the applicant for additional clarification, the applicant risks selection for award.

A. General Information

1. Provide organization:
 - a. Legal name:
 - b. EIN (include PMS prefix and suffix, if applicable-ex. **1-12356789-A1**):
 - c. Organizational Type:
2. What percentage of the organization's capital is from Federal funding? (percentage = total Federal funding received in previous fiscal year / organization's total gross revenue in previous fiscal year).
3. Does/did the organization receive additional oversight (ex: Correction Action Plan, Responsibility and Qualification (R/Q) findings, reimbursement payments for enforcement actions) from a Federal agency within the past 3 years due to past performance or other programmatic or financial concerns with the organization)?
 - a. If yes, please provide the following information: Name of the Federal agency; reason for the additional oversight as explained by the Federal agency
 - b. If resolved, please indicate how the issue was resolved with the agency.
4. Does the organization currently manage grants with other U.S. Department of Health and Human Services components or other Federal agencies?
5. Explain your organization's process to ensure annual renewal in System for Award Management including R/Q and Reqs and Certs.
6. Explain your organization's process to comply with (a) [45 CFR 75.113](#) Mandatory Disclosures and (b) your organization's process to comply with FFATA requirements.
7. Do you have conflict of interest policies? Does your organization or any of its employees have any personal or organizational conflicts of interest related to the possible receipt of these CMS award funds? If yes, please explain and provide a mitigation plan.
8. Does your organization currently, or in the past, had delinquent Federal debt in the last 3 years? If yes, please explain.
9. Have you filed bankruptcy or entered into proceedings for bankruptcy, whether voluntarily or involuntarily?
10. Has the organization obtained fidelity bond insurance coverage for responsible officials and employees of the organization in amounts required by statute or organization policy? What is that amount?
11. Do you have (and briefly describe) policies and procedures in place to meet the requirements below? If not, explain your plan and estimated timeline for establishing

these policies and procedures if selected for award.

- a. make determinations between subrecipients versus contracts in accordance with [45 CFR 75.351](#)?
- b. notify entities at the time of the award/agreement if they are a subrecipient in compliance with [45 CFR 75.352](#)?
- c. manage, assess risk, review audits, and monitor the subrecipients as necessary to ensure that subawards are used for authorized purposes in compliance with laws, regulations, and terms and conditions of the award and that established subaward performance goals are achieved (45 CFR § [75.351–75.353](#))?

B. Accounting System

1. Does the organization have updated (last two years) written accounting policies and procedures to manage federal awards in accordance with 45 CFR Part 75?
 - a. If no, please provide a brief explanation of why not.
 - b. Describe the management of federal funds and how funds are separated (not co-mingling) from other organizational funds.
2. Briefly describe budgetary controls in effect to preclude incurring obligations in excess of:
 - a. Total funds available for an award.
 - b. Total funds available for a budget cost category.
3. Has any government agency rendered an official written opinion within the last 3 years concerning the adequacy of the organization's accounting system for the collection, identification, and allocation of costs under Federal awards?
 - a. If yes, please provide the name and address of the Agency that performed the review.
 - b. Provide a summary of the opinion.
 - c. How did your organization resolve any concerns?
4. How does the accounting system provide for recording the non-Federal share and in-kind contributions (if applicable for a grant program)
5. Does the organization's accounting system provide identification for award funding by federal agency, pass-through entity, Assistance Listing (CFDA), award number and period of funding? If yes, how does your organization identify awards? If not, please explain why not.

C. Budgetary Controls

1. What are the organization's controls used to ensure that the Authorized Organizational Representative (AOR), as identified on the SF-424, approves all budget changes for the federal award?
2. Describe the organization's procedures for minimizing the time between transfer of funds from the U.S. Treasury (e.g. Payment Management System) and disbursement for grant activities (See 45 CFR §75.305, "Payment.").

D. Personnel

1. Does the organization have a current organizational chart or similar document establishing clear lines of responsibility and authority?
 - a. If yes, please provide a copy.
 - b. If no, how are lines of responsibility and authority determined?
2. Does the organization have updated (last two years) written Personnel and/or Human Resource policies and procedures? If no, provide a brief explanation.
3. Does the organization pay compensation to Board Members?
4. Are staff responsible for fiscal and administrative oversight of HHS awards (Grants Manager, CEO, Financial Officer) familiar with federal rules and regulations applicable to grants and cooperative agreements (e.g. [45 CFR Part 75](#))?
5. Please describe how the payroll distribution system accounts for, tracks, and verifies the total effort (100%) to determine employee compensation.

E. Payroll

1. In preparation of payroll is there a segregation of duties for the staff who prepare the payroll and those that sign the checks, have custody of cash funds and maintain accounting records? Please describe.

F. Consultants (See appendix I in the NOFO for relevant information)

1. Are there written policies or consistently followed procedures regarding the use of consultants which detail the following (include explanation for each question below):
 - a. Briefly describe the organization’s method or policy for ensuring consultant costs and fees are allowable, allocable, necessary and reasonable.
 - b. Briefly describe the organization’s method or policy to ensure prospective consultants prohibited from receiving Federal funds are not selected.

G. Property Management

1. Briefly describe the system for property management (tangible or intangible) utilized for maintaining property records consistent with 45 CFR 75.320(d).
**Refer to ([45 CFR 75.2](#)) for definitions of property to include personal property, equipment, and supplies.
2. Does the organization have adequate insurance to protect the Federal interest in equipment and real property (see [45 CFR §75.317](#), “[Insurance coverage.](#)”)? How does the organization calculate the amount of insurance?

H. Procurement

Describe the organization's procurement procedures (in accordance with [45 CFR §75.326--§75.335](#), "Procurement procedures")? If there are no procurement procedures, briefly describe how your organization handles purchasing activities.

A. Include individuals responsible and their roles.

B. Describe the competitive bid process for procurement purchases of equipment, rentals, or service agreements that are over certain dollar amounts.

I. Travel

1. Describe the organizations written travel policy. Ensure, at minimum, that:
 - a. Travel charges are reimbursed based on actual costs incurred or by use of per diem and/or mileage rates (see [45 CFR §75.474](#), "Travel costs.").
 - b. Receipts for lodging and meals are required when reimbursement is based on actual cost incurred.
 - c. Subsistence and lodging rates are equal to or less than current Federal per diem and mileage rates.
 - d. Commercial transportation costs incurred at coach fares unless adequately justified. Lodging costs do not exceed GSA rate unless adequately justified (e.g. conference hotel).
 - e. Travel expense reports show purpose and date of trip.
 - f. Travel costs are approved by organizational official(s) and funding agency prior to travel.

J. Internal Controls

1. Provide a brief description of the applicant's internal controls that will provide reasonable assurance that the organization will manage award funds properly. (see [45 CFR §75.303](#), "Internal controls.")
2. What is your organization's policy on separation of duties as well as responsibility for receipt, payment, and recording of cash transactions?
3. Does the organization have internal audit or legal staff? If not, how do you ensure compliance with the award? Please describe.
4. If the organization has a petty cash fund how is it monitored?
5. Who in the organization reconciles bank accounts? Is this person familiar with the organization's financial activities? Does your organization authorize this person to sign checks or handle cash?
6. Are all employees who handle funds required to be bonded against loss by reason of fraud or dishonesty?

K. Audit

1. What is your organization's fiscal year?
2. Did the organization expend \$750,000 or more in Federal awards from all sources during its most recent fiscal year?

3. Has your organization submitted;

- (a) an audit report to the *Federal Audit Clearing House (FAC)* in accordance with the Single Audit Act in the last 3 years? (see 45 CFR §75.501, “Audit requirements” and 45 CFR §75.216 “Special Provisions for Awards to Commercial Organization as Recipient.”) **or**
- (b) an independent, external audit? If no, briefly explain. If yes, address the following:
 - i. The date of the most recently submitted audit report.
 - ii. The auditor's opinion on the financial statement.
 - iii. If applicable, indicate if your organization has findings in the following areas:
 - a. internal controls
 - b. questioned or unallowable costs
 - c. procurement/suspension and debarment
 - d. cash management of award funds, and
 - e. subrecipient *monitoring*.
 - iv. Include (if applicable):
 - a. A description of each finding classified as Material Weakness.
 - b. A description of each finding classified as Significant Deficiency.

4. Does the organization have corrective actions in the past 2 years for the findings identified above (3(iii))? If yes, describe the status (closed or open) and progress made on those corrective actions.