Pre-Award Risk-Based Monitoring

1. **Written Process** – Develop and follow a written process to review and assess potential subgrantee organizations.

2. **Purpose of Process** – To ensure organization is managerially and financially responsible and capable to carry out grant award and account for Federal funding.

3. **Assessment** – Assess information that organization has adequate history of performance and financial and management systems that appropriately account for allowable and unallowable costs, documentation of expenditures, allocation of costs, cash management, and internal controls. Examples of Items to Review or Assess:
   - Any recent history of program and financial performance on other Federal or CNCS direct or sub-awards
   - Other recent past program and administrative performance and compliance history with awards of comparable size
   - Most recent A-133 audit and/or other audits and management letters
   - Most recent IRS Form 990 – if a non-profit organization
   - Most recent financial statements
   - Financial Management Surveys, Forms, Questionnaires, or Self Assessments
   - On-site review of financial accounting systems, policies, processes, and staff
   - Other, as appropriate to the program

4. **Documentation** – Document review and assessment and determine whether organization appears to have adequate financial and management systems to carry out program and to account for and report on Federal and other funds.
   - If not adequate or unable to determine adequacy, identify additional information, improvements, or technical assistance needed for adequacy
   - Determine level of risk and whether grant award should be made, and if so, any special conditions, requirements, training, technical assistance, and monitoring that may be desirable or needed to strengthen systems and policies and to ensure compliance

5. **Follow-Up** – Follow-up with early site visits and other monitoring to ensure the organization is in compliance and that any special requirements and conditions are being met.