

Attachment D
APPLICANT CAPABILITIES DETERMINATION
QUESTIONNAIRE

To be completed by the Chief Financial Officer/Manager

The term “administrative capability” means the capability of an applicant or recipient to develop and implement administrative systems required by 40 CFR parts 30 and 31, including systems related to financial management, property management, procurement standards, financial reporting, record-keeping, and submission of administrative reports/certifications for grant closeout.

The term “programmatic capability” generally means the technical capability of an applicant or recipient to successfully perform and manage a project taking into account factors such as the applicant’s:

- (i) past performance in successfully completing and managing federally and/or nonfederal funded assistance agreements similar in size, scope, and relevance to the proposed project, (ii) past performance in meeting reporting requirements on federally and/or non-federally funded assistance agreements including submitting acceptable final technical reports under the agreements, (iii) organizational experience and plan for timely and successfully achieving the objectives of the project, and (iv) staff (including paid employees and volunteers) expertise/ qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the project.

Review of Capability:

- a. Before making a funding recommendation the Missouri Department of Natural Resources (Department or MDNR) will assess the applicant’s programmatic capability as described in (i) above. If the assessment identifies weaknesses in programmatic capability, the Department may not approve the application for funding until it determines that the applicant has taken, or is on schedule to take, satisfactory corrective action. The Department may also include in the funding recommendation any special award conditions necessary to ensure programmatic capability.
- b. Before making a funding recommendation the Department will assess the applicant’s administrative capability as described in 40 CFR parts 30 and 31. Based upon evaluation of the below questionnaire form and the Department determines the applicant lacks the necessary administrative capability, the Department may not approve the application for funding or may impose pre-award conditions or special award conditions.

Organization:

1. Provide copy of Organization Chart with position titles (including the committee structure of the governing board).

2. Senior Officers (person's name and title if other than below)
 - a) Members of governing board

 - b) Chief executive officer/director _____
 - c) Chief business or financial officer _____
 - d) Chief program officer _____
 - e) Other contacts on business operations _____

3. To the maximum extent possible, the organization should segregate responsibilities for receipt and custody of cash and other assets; maintaining accounting records on the assets; and authorizing transactions. In the case of payroll activities, the organization, where possible, should segregate the timekeeping, payroll preparation, payroll approval, and payment functions.

Federal Required Documents:

1. Proof of 501(c)(3) status.

2. Copy of organizational Dun and Bradstreet (D&B) Data Universal Number System (DUNS) number. Organizations may obtain a DUNS number at no cost by calling the toll-free DUNS number request line at 1-866-705-5711 or via the internet through the following link: <http://fedgov.dnb.com/webform/>

3. Copy of organization's Internal Revenue Service tax exemption determination letter.

4. Copy of the Indirect Cost Negotiation Agreement(s) and rate certificate approved by a federal cognizant agency in order to be eligible to claim indirect costs against a Federal Assistance Agreement.

5. Under Executive Order 12549, "Debarment and Suspension." Subgrantees shall complete a Debarment/Suspension form required by the MDNR for federal grant awards. By signing the form, the organization verifies that it, its board of directors, and all of its principals are currently in compliance with all state and federal environmental laws and court orders issued pursuant to those laws, and that all environmental violations have been resolved [for example, no pending or

unresolved Notices of Violation (NOV)] at the time of application. Furthermore, the organization is also responsible for written debarment/suspension certification of all subcontractors receiving funding through a federally funded grant.

6. Signed certification form regarding lobbying when awarded federal grant funds greater than \$100,000. No portion of an award may be expended by the recipient to pay any person for influencing or attempting to influence the executive or legislative branch with respect to the following actions: awarding of a contract; making of a grant; making of a loan; entering into a cooperative agreement; or the extension, continuation, renewal, amendment or modification of any of these as prohibited by Section 319, Public Law 101-121 (31 U.S.C. 1352).
7. Copy of written policy and procedures where requested in specific sections of this questionnaire below.

The following sections are helpful information and questions broken down in various areas of the Financial Management process to assist non-profit groups and federal/state agencies in assessing if an organization is prepared and capable of managing federal funds:

Accounting:

Generally Accepted Accounting Principles require organizations to maintain the following information:

- (a) Financial Statements:
 - Balance sheet or statement of financial position
 - Income statement or statement of operations
 - Statement of cash flows
 - Other statements, such as
 - Retained earnings statement
 - Industry-specific statements
- (b) Notes to the Financial Statements, such as:
 - Accounting policies
 - Related party transactions
 - Subsequent events
 - Contingent liabilities
 - Details about debt and equity investments, inventories, fixed assets and depreciation, long-term debt and capital stock
 - Disclosures as needed in other areas (e.g., leases, pensions or income taxes)

The accounting system must include sufficient internal controls, a clear audit trail, and written cost-allocation procedures as necessary. Financial management systems must be capable of distinguishing expenditures that are attributable to this grant from

those that are not attributable to this grant. This system must be able to identify costs by programmatic year and by budget line item and to differentiate among direct, indirect, and administrative costs. In addition, the grantee must maintain adequate supporting documents for the expenditures (federal and nonfederal) and in-kind contributions, if any, that it makes under this grant. Costs must be shown in books or records (e.g., disbursements ledger, journal, payroll register) and must be supported by a source document such as a receipt, travel voucher, invoice, bill, or in-kind voucher.

Place a checkmark \checkmark in the answer selections for all questions and additional information for questions requiring explanations. **DO NOT leave any question unanswered or your application will not be considered for funding.**

1. The following are areas that require written policy and procedures:

Accounting Function	Written Policy And Procedures? <i>Indicate Yes or No</i>
Procurement	
Contract Administration	
Payroll	
Timekeeping	
Inventory	
Vendor Payments	
Budgeting and Accounting	
Cash Management	
Allowable Costs	
Indirect Costs	
Audit Resolution	
Records Retention	

2. What system does the organization use to record accounting transactions? (i.e., QuickBooks, Visual Bookkeeper, Socrates Media, Peachtree or a custom Proprietary System)?

3. Does the organization use the same policies and procedures for accounting and expending Federal funds as it does for its State funds?

Yes _____ No _____

4. What staff positions are trained and have access to current federal policies, procedures, and instructions on accounting for and expending federal funds?

A. Provide examples of staff experience with federal funds:

5. Is the entity's accounting system on a (check appropriate answer)?

- A. Cash Basis
- B. Accrual Basis
- C. Modified Accrual

6. If the agency reports on the modified accrual basis, what controls are in place to ensure that open invoices and amounts for goods and services received are properly accrued or recorded in the books or controlled through worksheet entries?

A. How are federal funds identified and tracked in the accounting system?

B. How are sources of non-federal funds identified and tracked in the accounting system?

7. For each federal grant, does the accounting system provide information on the following?

- | | | |
|-------------------------|-----------|----------|
| A. Authorizations | Yes _____ | No _____ |
| B. Obligations | Yes _____ | No _____ |
| C. Funds received | Yes _____ | No _____ |
| D. Program Income | Yes _____ | No _____ |
| E. Subawards | Yes _____ | No _____ |
| F. Outlays | Yes _____ | No _____ |
| G. Unobligated balances | Yes _____ | No _____ |

8. Are obligations recorded by:

- A. Funding Sources Yes _____ No _____
- B. Object code Yes _____ No _____
- C. Other (explain)

9. What types of source documentation is maintained to support accounting records? (e.g., for time accounting, purchases, contracts)

A. If none, why not?

B. Is there a custodian of the accounting records for the organization? (name/title)

10. Are payment vouchers identified by:

- A. Grant Number? Yes _____ No _____
- B. Expense classification? Yes _____ No _____
- C. Funding source? Yes _____ No _____
- D. Transaction date? Yes _____ No _____
- E. Other _____

11. Are purchasing and payment functions separate? Yes _____ No _____

A. Who does the purchasing? (name and title)

B. Who does the payments? (name and title)

12. Do accounting staff review the following prior to entry into the system:

- A. Authorizations Yes _____ No _____
- B. Purchase Orders Yes _____ No _____
- C. Payments Yes _____ No _____

13. Explain how the requests for payment are made to the grantor and how determined.

14. Does the accounting system provide for prompt and timely recording and reporting of all financial transactions?

Yes _____ No _____

15. Are there controls to preclude:

- A. Over-obligation? Yes _____ No _____
- B. Under- or Overstatement of unliquidated obligations? Yes _____ No _____
- C. Duplicate payments? Yes _____ No _____
- D. Inappropriate charges to grants? Yes _____ No _____
- E. Describe some of the controls in place:

16. Are all reports prepared on the same basis as the accounting system (cash, accrual, modified accrual)?

Yes _____ No _____

Cash Management:

1. Who performs the cash receipts function?

2. Who is responsible for signing checks, reconciling bank accounts or maintaining non-cash accounting records, such as accounts receivable, the general ledger or journal?

3. How often are receipts (e.g., federal grant funds and all other funds including program income) deposited?

4. How are receipts controlled?

5. How does the organization ensure that the time elapsing between the transfer of funds and the disbursement of those funds is minimized?

6. Are bank statements received directly, unopened by the person who prepares the bank reconciliation?

Yes _____ No _____

If not, then who receives them directly? _____

7. How often are bank statements reconciled? _____

Who reconciles the bank statements? (Board, Fiscal Clerk, Contracted Fiscal Agent, etc.)

Name and Title _____

8. How are vouchers or supporting documents identified in the system?

9. Do supporting documents accompany checks when they are submitted for signature?

Yes _____ No _____

10. Are invoices or vouchers approved in advance by authorized officials? If no, explain how and when approved.

Yes _____ No _____

11. Are voided checks properly canceled and retained for future examination?

Yes _____ No _____

12. Are blank checks secured? How?

Yes _____ No _____

13. Are procedures in place to prevent checks from being issued on verbal authority?

Yes _____ No _____

14. What staff have authorized custody of any unrecorded cash or negotiable instruments of the agency?

15. What procedures are in place to prevent checks from being issued on verbal authority?

Payroll/Time Distribution:

1. Provide copy of written policies and procedures governing payroll administration.
2. Are payrolls supported by time and attendance or equivalent records for individual employees, including part-time employees?

If not supported by time and attendance, how is payroll supported?

3. Who approves time and attendance records? (name and title)

4. How often is payroll-verified? _____

How is it verified? _____

5. Are there written policies on recording time distribution for employees who work on more than one programs or cost objective? Yes _____ No _____

If no, explain how distribution is determined.

6. Where employees work on multiple activities or cost objectives, is the distribution of their salaries or wages supported by personnel activity reports or equivalent documentation?

Yes _____ No _____

7. If the answer to #6 is yes, do the personnel activity reports or equivalent documentation meet the following standards:
- A. They reflect an after-the-fact distribution of the actual activity of each employee?
Yes _____ No _____
 - B. They account for the total activity for which each employee is compensated?
Yes _____ No _____
 - C. They are prepared at least monthly and must coincide with one or more pay periods?
Yes _____ No _____
 - D. They are signed by the employee?
Yes _____ No _____
 - E. They are signed by the supervisor?
Yes _____ No _____
8. If budget estimates or other distribution percentages are used to support salary and wage charges to Federal awards, are they used for interim accounting purposes only? ***Interim accounting of time must be approved by funding agency in advance of award.***
Yes _____ No _____

If yes:

- i) Does the organization's system for establishing estimates produce reasonable approximations of the activity performed?
Yes _____ No _____
- ii) Are at least quarterly comparisons made of actual costs to budgeted distributions based on monthly personnel activity reports?
Yes _____ No _____
- iii) Are adjustments made to costs charged to Federal awards based on the activity actually performed? (Note: These adjustments can be made annually only if the quarterly comparisons show differences between budgeted and actual costs of less than 10%.)
Yes _____ No _____
- iv) Are the budget estimates or other distribution percentages revised at least quarterly, if necessary, to reflect changed circumstances?
Yes _____ No _____

9. Does the organization utilize a substitute system for allocating salaries and wages to Federal awards?

Yes _____ No _____

If yes, was the substitute system approved by the grant awarding agency?

Yes _____ No _____

10. Was the substitute system implemented as approved by the grant awarding agency?

Yes _____ No _____

Procurement:

1. Provide copy of written policies and procedures for procurement, including purchasing of goods and services for clients.

Yes _____ No _____

2. Do the organization's procurement policies and procedures meet the following Standards?

A. Does the organization administration ensure that contractors perform in accordance with the terms, conditions, and specifications of the contracts or purchase orders?

Yes _____ No _____

B. Does the organization provide specific oversight to guard against fraud, waste, and abuse?

Yes _____ No _____

C. Does the organization conduct a cost or price analysis in connection with every procurement action?

Yes _____ No _____

If no to any of the above, explain:

D. Does the organization attempt to obtain the most economical purchase?

Yes _____ No _____

How?

E. Are purchases (including purchase orders) in writing?

Yes _____ No _____

- F. Do purchases (including purchase orders) include a description of:
1. Services to be performed or goods to be delivered?
Yes _____ No _____
 2. Dates when services will be performed or goods delivered?
Yes _____ No _____
 3. Locations where services will be performed or goods will be delivered?
Yes _____ No _____
3. Does the organization ensure that any purchase order or contract include clauses required by Federal statutes and executive orders and their implementing regulations?
Yes _____ No _____
- A. Is all procurement conducted using full and open competitive procurement procedures?
Yes _____ No _____
 - B. Does the organization prescribe a minimum number of bids that should be required to proceed to procure goods and services?
Yes _____ No _____
 - C. If yes, what number is the minimum? _____
4. Concerning sole source practices:
- A. Does the organization ever use sole source procurements?
Yes _____ No _____
 - B. Does the organization have requirements that must be met for sole source procurements?
Yes _____ No _____
 - C. Does the organization comply with Federal sole source requirements when utilizing federal grant funds?
Yes _____ No _____ or N/A _____ (no experience with federal requirements)
5. Is there a written code of conduct for the organization's employees involved in procurements?
Yes _____ No _____

If yes, does the code of conduct address conflicts of interest?

Yes _____ No _____

6. How does the organization ensure that awards are only given to responsible contractors?

7. Do the organization's records contain sufficient detail to meet Federal requirements governing the history of procurements?

Yes _____ No _____

8. Does the organization set limits on the dollar amount of a procurement of supplies and equipment for which an official may be solely responsible?

Yes _____ No _____ What are the limits?

9. Does the organization set thresholds based on the type of procurement method use?

Yes _____ No _____

A. What is the threshold?

B. Who has the authority to purchase? _____

C. Who has the authority to pay? _____

10. Are requisitions, purchase orders, and receiving slips pre-numbered?

Yes _____ No _____

11. Are requisitions, purchase orders, and receiving slips safeguarded?

Yes _____ No _____

How and by whom? _____

12. Does the system have controls to ensure that payments are based on written invoices that include a description of:

A. Services performed or goods delivered?

Yes _____ No _____

B. Dates services were performed or goods delivered?

Yes _____ No _____

C. The location services were performed or goods delivered?

Yes _____ No _____

D. Students/teachers/etc.
Yes _____ No _____ N/A _____

If no to any of the above, explain:

13. Does the organization check the Excluded Parties List System or otherwise ensure that the following entities are neither suspended nor debarred before awarding subgrants or contracts to them?

A. All subcontracts and recipients of procurement contracts of \$100,000 or more?

Yes _____ No _____

B. All contractors that have procurement contracts regardless of amount of the contract?

Yes _____ No _____

C. Who is responsible for checking the Excluded Parties List? (name and title)

14. Does the organization have policies and procedures requiring the submission of lobbying certification from all recipients of subcontracts or procurement contracts in excess of \$100,000 if awarding federal funds?

Yes _____ No _____

15. Do contracts supported with federal funds contain the following required provisions?

A. Remedies for breach, sanctions and penalties?

Yes _____ No _____

B. Termination for cause and convenience?

Yes _____ No _____

C. Compliance with federal statutes and executive orders?

Yes _____ No _____

D. Reporting requirements?

Yes _____ No _____

E. Copyrights?

Yes _____ No _____

F. Access by federal agencies or the Comptroller General of the U.S. to records of the contractor?

Yes _____ No _____

G. Retention of records for three years after final payment?

Yes _____ No _____

If no to any of the above, explain:

16. Does the organization maintain a contract administration system that ensures contractors perform in accordance with the terms, conditions and specifications of the contract?

Yes _____ No _____

A. Briefly describe how the contract administration system works?

B. Does the organization have legal counsel or access to legal counsel to assist with contract development/language, liability issues, contract compliance enforcement or remedies?

Yes _____ No _____

17. Does the contract administration system have controls to ensure that contracts are in writing and that they include a description of:

A. Services to be performed or goods to be delivered?

Yes _____ No _____

B. Dates when services will be performed or goods delivered?

Yes _____ No _____

C. Locations where services will be performed or good will be delivered?

Yes _____ No _____

Indirect Costs:

1. Does the organization have an approved and current:
 - A. Indirect cost rate?
Yes _____ No _____
 - B. Cost allocation plan?
Yes _____ No _____
2. If answer to question #1 is yes, which cognizant agency approved the rate or plan? _____
3. **Provide a copy of the approval.**

Property Management:

1. Provide a copy of written policies and procedures covering the use, management, and disposition of property acquired under Federal programs
2. Do the organization's policies and procedures distinguish the following classes of property?
 - A. Real Property (land & buildings): Yes _____ No _____
 - B. Personal Property: Yes _____ No _____
 1. **Equipment** (tangible personal property with a unit acquisition cost of \$5,000 (or a lesser amount set by the organization) and a useful life of one year (or longer set by the organization).
Yes _____ No _____
 2. **Valued, Non-Capitalized Property (VNCP)** [tangible personal property that does not rise to the level of equipment but which is nevertheless vulnerable to theft (lap tops, blackberries, cell phones, etc.)]
Yes _____ No _____
 3. **Supplies** (tangible personal property that is neither equipment nor VNCP, and which is generally consumed in the course of use)
Yes _____ No _____
 4. **Intellectual Property** (copyrightable ADP programs, training materials, etc.)
Yes _____ No _____

3. The following items refer to **property records**:

A. Do the organization's policies and procedures require equipment records to include:

1. A description of the equipment? Yes _____ No _____
2. A serial number or other identification number? Yes _____ No _____
3. Source? Yes _____ No _____
4. Who holds title? (if not the organization, why not?) Yes _____ No _____
5. Acquisition date? Yes _____ No _____
6. Cost of equipment? Yes _____ No _____
7. Percentage of Federal participation in cost? Yes _____ No _____
8. Location? Yes _____ No _____
9. Use? Yes _____ No _____
10. Condition of equipment? Yes _____ No _____
11. Disposition data (date of disposition, sale price of equipment if applicable, etc.)? Yes _____ No _____

4. The following items refer to **control over and accountability for property**:

A. Equipment:

1. Does the organization require a physical inventory or equipment and reconciliation of the inventory results with equipment records at least every two years?
Yes _____ No _____
2. Who performs the inventory? _____
3. Does the organization maintain a system of internal controls that provides reasonable assurance against loss, theft, damage, or unauthorized use of equipment?
Yes _____ No _____
4. Does the organization investigate loss, theft, damage, etc.
Yes _____ No _____

B. Other Personal Property:

1. What policies and procedures does the organization employ to obtain reasonable assurance against the risk of loss, theft, etc. to VNCP?

2. Does the organization maintain a perpetual inventory system for supplies?
Yes _____ No _____

5. The following item refers to **maintenance of property**:

Do the organization's policies and procedures provide for keeping equipment in good condition?

Yes _____ No _____

6. The following items refer to the **disposition of property**:

A. Do the organization's policies and procedures provide for the disposition of property when no longer needed for any federally-assisted activities?

Yes _____ No _____

B. If the property is to be sold, do the organization's policies and procedures include:

1. Sales procedures for ensuring the highest possible return?

Yes _____ No _____

2. Compensation to the awarding agency for its share if the disposed property is:

a. Equipment with a per-unit fair market value of \$5,000 or more,

Yes _____ No _____

b. Residual inventory of unused supplies and/or VNCP with an aggregate fair market value of \$5,000 or more,

Yes _____ No _____

Program Income:

A. Under federal grants, subgrantees are encouraged to earn income to defray program costs. Program income means income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under the subgrant, and from payments of principal and interest on loans made with subgrant funds. Program income does not include items such as interest on grant funds, rebates, credits, discounts, or refunds.

B. Program income shall be deducted from outlays, which may be both state and subgrantee unless the MDNR, with approval of the federal awarding agency, as negotiated with the subgrantee, specifies an alternative method in the subgrant. The default deductive alternative requires that program income be deducted from total allowable costs to determine the net amount to which the respective matching ratios are applied. For example, 50/50 share ratio subgrant with total

allowable costs of \$10,000 that earns \$1,000 in program income would result in \$4,500 net share and a \$4,500 net sub-grant share.

1. Provide copy of written policies and procedures on the receipt and obligation/expenditure of program income.
2. What individual is assigned the responsibility for the receipt of program income funds? (name and title)

3. Is an individual assigned the responsibility for the obligation of program income funds? (name and title)
Yes _____ No _____
4. Is the individual under #2 and the individual under #3 the same person?
Yes _____ No _____
5. Do the organization's policies and procedures assure that program income is obligated properly and during the required period?
Yes _____ No _____

Prepared by: _____
(Print or type name)

(Position Title)

(Signature) Date