

SCAG Subrecipient Risk Assessment Checklist

| Question | | If Yes, the required procedures may include: |
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| 1 | The proposed project payment method is Fixed Amount Subaward with/without Technical Assistance (SCAG led Procurement). | <ul style="list-style-type: none"> Review of the documentations to substantiate the proposed budget. Review of financial management system, past audit records, accounting policies & procedures and qualification of grant and project management staff. |
| 2 | The proposed project payment method is Cost Reimbursement with/without Technical Assistance (SCAG led Procurement). | <ul style="list-style-type: none"> Review of financial management system, past Audit records, accounting policies & procedures and qualification of grant and project management staff. |
| 3 | The proposed project does not involve reimbursement by SCAG, and it includes Technical Assistance (SCAG led Procurement) only. | No review required |
| 4 | The applicant has received grant funds from SCAG in the past. | <p>In lieu of responses to #1~3 above:</p> <ul style="list-style-type: none"> Review items indicated for the annual certification process such as timely submittal of invoice and report, responsive communication, timely completion of the project, as well as audited financial statements for any findings. Any new risk areas that are unique to the current projects should be reviewed and evaluated in addition to the process indicated above. |
| 5 | The proposed project involves Capital Acquisition(s). | Review of property management system, policies & procedures, financial statements - cash flow. |
| 6 | The proposed project requires project management effort. | Review of qualification of project management staff. |
| 7 | The proposed project budget includes applicant's staff time/labor charges. | Review of financial management system including payroll records, time-keeping system, accounting policies & procedures. |
| 8 | The proposed project budget includes Indirect Costs. | Review of financial management system, NICRA issued by cognizant federal agency. |
| 9 | The proposed project budget includes Sub-recipient activities. | Review of pertinent policies & procedures, qualification of grant and project management staff. |
| 10 | The proposed project budget includes third party contracting costs and other direct costs. | Review of procurement system, procurement policies and procedures, financial management system, accounting policies & procedures. |
| 11 | The proposed project is subject to certain local, state and federal regulations and requirements. | Review of pertinent policies & procedures for compliance monitoring. |

Definitions

- **Fixed Amount Subaward** – SCAG reimburses Subrecipient based on the performance and deliverables produced. A price or rate is determined up front for a specific deliverable and is only paid if the deliverable is met.
- **Cost Reimbursement** – SCAG reimburses Subrecipient based on the actual cost incurred. All claimed costs need to be substantiated by supporting documents such as invoices, receipts, payment records, timesheets, payroll register etc.
- **Technical Assistance** – SCAG procures and manages a third party contract to perform the work for Subrecipient's project. SCAG manages the third party contract and processes payments to the third party vendor.
- **Capital Acquisition** – Purchase(s) of tangible/intangible assets. This can include purchasing machinery and equipment, software and hardware, land, buildings or other infrastructure, and furniture and fixtures.
- **Indirect Costs** – Costs that are not directly accountable to a cost object. Indirect costs may include administration costs such as Finance, HR, and IT personnel cost as well as facilities, utilities and insurances etc.
- **NICRA (Negotiated Indirect Cost Rate Agreement)** – An agreement to reflect an estimate of indirect cost rate negotiated between the Federal Government and Subrecipient's organization which reflects the indirect costs and fringe benefit expenses incurred by the organization.