

DELAWARE STATE HOUSING AUTHORITY
 FINANCIAL MANAGEMENT REVIEW CHECKLIST

CONTRACTOR: _____ DATE OF REVIEW: ____/____/____

REVIEWER: _____ FOLLOW-UP NEEDED? ____YES ____NO

FISCAL PERIOD: _____ TO _____

Contractor's Accounting Systems	Yes	No	Comments
<p>1. Does the contractor/subrecipient maintain separate bank accounts for each project/contract funds? (If "no", explain procedure)</p> <p>2. Does the examinee maintain a separate financial accounting system that:</p> <p>a) provides suggestions of each project's grant funds?</p> <p>b) provides for a system that is adequate to establish a clear audit trail?</p> <p>c) adequately identifies and documents each financial transaction that is attributable to individual contracts/projects?</p> <p>d) provides necessary fiscal information to support all financial disclosure required by close-out reports once the contract/project has been completed?</p> <p>e) provides for identification of any unused contract/project grant funds once the contract/project has been completed?</p> <p>f) provides safeguards to preclude encumbrance or disbursement of unobligated funds after the close-out/completion of the contract/project?</p> <p>g) time and attendance and/or time and effort records</p> <p>3. Are accounting and disbursement functions segregated so that accounting personnel cannot approve purchases or write, and approve issuing checks?</p> <p>4. Were generally accepted accounting principles followed?</p> <p>5. Were accounting procedures equivalent to those</p>			

specified in OMB Circular A-102?			
6.Were internal controls adequate to safeguard CDBG assets?			
7.Were CDBG transactions supported by original source documents?			
8.Will records be retained for a minimum of three years?			

Contracting and Procurement Procedures	Yes	No	Comments
<p>1.Do terms of the contract with DSHA, specify that State and/or Federal procurement/ contracting procedures will be adhered to?</p> <p>a.Does the contractor of grant funds have written policies and procedures governing procurement, contracting and bidding procedures?</p> <p>b.Does the contractor of CDBG grant funds obtain competitive bids or quotations in the open market when contracting for expenditure of CDBG funds?</p> <p>c.Does the contractor require bid and performance bonds from providers of major construction services?</p> <p>(1)Does the contractor require the building construction contractor to enter into a formal contract for completion of the work and at a specified date?</p> <p>d.Does the contractor pay for contracted work only on a verified percentage of completion of total contract?</p> <p>e.Does the contractor utilize the services of a competent building construction inspector who has no financial or management association with the building construction contractor?</p> <p>f.When the contractor subcontracts work to another entity of government or a nonprofit entity, does the contractor ensure that the</p>			

<p>subcontractor adheres to all of the above principles (explain any "No" answers in comment)?</p> <p>g.Does the contractor have a percentage of payment withholdings policy for payments made to the building construction contractor? (retainage)</p> <p>(1) What percentage or requisition?</p> <p>h.Does the contractor obtain a certificate of insurance for the construction contractor?</p> <p>i.Does the contractor/subrecipient obtain from the building contractor before releasing final payment for contract work: (if required)</p> <p>(1)Certificate of Completion?</p> <p>(2)Certificate of acceptance by inspector?</p> <p>j.Does the contractor require written documentation of reasons for delay when the building construction contractor cannot meet the completion schedule contracted for?</p> <p>k.Is a written extension of contract completion date transmitted to the building construction contractor?</p>			
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Contracting and Procurement Procedures (Continued)	Yes	No	Comments
<p>(1)Is the Delaware State Housing Authority notified of any delay in construction completion?</p> <p>(2)Is a written approval/disapproval of extension of completion time obtained from the Delaware State Housing Authority?</p> <p>4.Did the contractor have written policies and procedures for obtaining the services of architects, engineers, or consultants?</p> <p>(a)Did the procedures utilized prove that personal services so obtained would ensure that no apparent conflict of interest would be permitted?</p> <p>(b)Were formal contracts entered into with providers of</p>			

<p>personal and professional service which required the provider to certify that he/she had no financial contractor or other service provider or vendor being paid from CDBG funds?</p> <p>5. Have recipients followed procurement standards which ensure that:</p> <p>(a) Purchases are made on the basis of maximum open and free competition?</p> <p>(b) Equal employment opportunity and procurement performance programs have been instituted?</p> <p>(c) Adequate insurance has been secured to protect the interest of the recipient and the State and Federal Governments?</p> <p>(d) Did recipients follow all other State procurement standards?</p>			
<p><u>Drawdowns</u></p> <p>1. Were drawdowns limited to the minimum amounts of funds needed?</p> <p>2. Was the time between receipt of the drawdown payment and the disbursement of funds as close as administratively feasible?</p>			
<p><u>Allowable Expenditures</u></p> <p>1. Were recipient expenditures necessary and reasonable?</p> <p>2. Were recipient expenditures allowable?</p> <p>3. Were all recipient expenditures of CDBG funds used on eligible activities as defined by Title I, Section 105?</p>			
<p><u>Program Income</u></p> <p>1. Did recipients return any interest earned on grant advances to the U.S. Treasury?</p> <p>2. Were all expenditures of program income used to refund eligible community development activities?</p>			