

Pre-Award Risk Assessment

Please complete the following pages.

* **Yellow highlights** indicate that supporting documentation must be attached to the Pre-Award Risk Assessment form.
* **Teal highlights** indicate questions that will be completed by DEED-VRS staff.

Please reach out to DEED-VRS staff if you have questions:

* Extended Employment – [Meghan.Hanson@state.mn.us](mailto:Meghan.Hanson@state.mn.us)
* Independent Living Centers – [Brad.Westerlund@state.mn.us](mailto:Brad.Westerlund@state.mn.us)
* Individual Placement and Support – [Lori.Thorpe@state.mn.us](mailto:Lori.Thorpe@state.mn.us)

Thank you.

# Applicant Information

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Organization name and address | |  | | | Employer Identification Number | | | |  | | | |
| Unique Entity Identifier | |  | | | Number of Employees | | | | Full Time: Part Time: | | | |
| Does the applicant have 501(c)3 status? | | | | | Yes  No | | | | | | | |
| If so, when was it received? (MM/DD/YYYY) | | | | | | | | | | | | |
| Does the organization have a current business registration with the Minnesota Secretary of State (SOS)? Yes  No  N/A Attach a copy of SOS registration to this Pre-Award Risk Assessment. | | | | | | | | | | | | |
| Is the applicant affiliated with or managed by any other organization (e.g. regional or national offices)? | | | | | | | | | | Yes  No  N/A | | |
| If so, provide details: | | | | | | | | | | | | |
| Does the applicant receive management or financial assistance from any other organizations? | | | | | | | | | | Yes  No  N/A | | |
| If so, provide details: | | | | | | | | | | | | |
| What is the total revenue in the most recent accounting period (12 months)? | | | | | | | | | |  | | |
| How many different funding sources does the total revenue come from? | | | | | | | | | |  | | |
| Are any of those different funding sources from other DEED areas? | | | | | | Yes  No | | If so, how many? | | | |  |
| Does the applicant have written policies and procedure for the following business practices? (If yes, attach a copy of the table of contents.) | | | | | | | | | | | | |
| Accounting | Yes  No  N/A | | Purchasing | Yes  No  N/A | | | Payroll | | | | Yes  No  N/A | |

# General Assessment

|  |  |
| --- | --- |
| Is the entity new to operating or managing state and/or federal funds (has not done so within the past five years)? | Yes  No  N/A |
| Comments | |
| Is this program new for the entity (managed for less than three years)? | Yes  No  N/A |
| Comments | |
| Has there been high staff turnover or agency reorganization that affects this program? | Yes  No  N/A |
| Comments | |
| 1. Are the staff assigned to the program inexperienced with the program (worked with the program for less than two funding cycles)? | Yes  No  N/A |
| Comments | |
| 1. VRS Staff complete this question: If the entity has a past history with DEED, has the entity been untimely in the submission of: |  |
| 1. Applications | Yes  No  N/A |
| 1. Amendments | Yes  No  N/A |
| 1. Fiscal reporting (e.g., FSR, invoices) | Yes  No  N/A |
| 1. Draw downs | Yes  No  N/A |
| 1. Budgets/revisions | Yes  No  N/A |
| 1. Progress reports | Yes  No  N/A |
| 1. Responses to correspondence or requests for information | Yes  No  N/A |
| Comments | |
| 1. VRS Staff complete: Has the entity been untimely in responding to program/fiscal questions? | Yes  No  N/A |
| Comments | |
| 1. VRS Staff complete: Is the program unusually complex (e.g., program, funding, matching requirements)? | Yes  No  N/A |
| Comments | |
| 1. VRS Staff complete: Have any other state agencies, auditors, or staff employed by the entity alerted us of previous problems with this organization? (Check the [MN Transparency website](https://mn.gov/mmb/transparency-mn/).) | Yes  No  N/A |
| Comments | |

# Legal Assessment Attach additional pages if needed

|  |  |
| --- | --- |
| Does the entity have or has previously had a lawsuit(s) filed against them? (If yes, list all pending and/or previous lawsuits in the comments section with detailed information regarding who filed the lawsuit, the reason for filing and the final judgment rendered.) | Yes  No  N/A |
| Comments | |
| Is entity currently, or have they previously been, suspended or debarred? (Check the [Federal Awardee Performance and Integrity Information System](https://www.fapiis.gov/fapiis/index.jsp) and/or [System for Award Management](https://www.sam.gov/portal/SAM/#1)) | Yes  No  N/A |
| If so, when and why? | |
| 1. Is there any pending litigation against this organization? | Yes  No  N/A |
| If so, explain | |
| Have any organization staff been jailed, convicted of a felony, or are currently under criminal investigation? | Yes  No  N/A |
| Comments | |
| Has the organization lost funding due to accountability issues, misuse or fraud? | Yes  No  N/A |
| Comments | |
| Are the officials of the organization bonded? | Yes  No  N/A |
| Comments | |

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| accounting system assessment  |  |  |  | | --- | --- | --- | | Which of the following best describes the accounting system? | Manual  Automated  Combination | | | Does the accounting system identify the receipts and expenditures of program funds separately for each award? | | Yes  No  N/A | | Will the accounting system provide for the recording of expenditures for each award by the budget cost categories shown in the approved budget? | | Yes  No  N/A | | 1. Are time distribution records (time studies) maintained for all employees who receive funding from multiple sources? | | Yes  No  N/A | | If “No,” does the entity have an approved alternative system to account for time distribution, and when was it approved? | | | | 1. If grant funds are mixed with other funds, can the grant expenses be easily identified? | | Yes  No  N/A | | 1. Does the entity have an indirect cost rate that is approved and current? | | Yes  No  N/A | | If so, who approved the rate? | | | | 1. Are the Federal base dollars of this indirect cost rate calculation comparable to other organizations of similar size, purpose and budget? | | Yes  No  N/A |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Financial assessment  |  |  | | --- | --- | | Is this grant large in terms of percentage of overall funding for the entity? | Yes  No  N/A | | What is the percent of overall? | | | Does the organization have unpaid tax liabilities with the Minnesota Department of Revenue or the Internal Revenue Service? (Check the Federal [System for Award Management](https://www.sam.gov/portal/SAM/#1) (SAM).) | Yes  No  N/A | | Comments: | | | Does the organization have outstanding unemployment insurance debt or worker status issues? (Check with Unemployment Insurance or examine an internal audit of the organization.) | Yes  No  N/A | | Are there any other major contingent liabilities? | Yes  No  N/A | | If yes, list them here: | | | Is there an unusual level of discretion in monetary decisions? (Is the organization’s board or leadership allowed to disregard past promises when making changes for the future? Ex. Can the CFO meaningfully alter budgets without board approval?) | Yes  No  N/A | | If yes, explain: | | | VRS Staff complete: If the entity has a past history with DEED, has the entity frequently been untimely in the drawn down of funds? | Yes  No  N/A | | If yes, explain: | | | 1. VRS Staff complete: Are expenditures within approved budgets? | Yes  No  N/A | | If no, explain: | | | 1. VRS Staff complete: Has the entity returned (lapsed) significant unspent funds? | Yes  No  N/A | | 1. VRS Staff complete: Does the entity have a large amount of budget carryover? | Yes  No  N/A | | Explain: | | | 1. Does the organization have reasonable non-program expenses as indicated in audit reports, tax returns, or financial statements? (e.g., much more expenditures on supplies than average)? | Yes  No  N/A | | 1. What is the current amount of unrestricted funds? |  | | 1. Is the “current ratio” of assets to liabilities 1:1 or less (i.e., the organization cannot or can just barely pay its bills)?   Formula is: Current Assets ÷ Current Liabilities | Yes  No  N/A | | 1. Is the “acid test ratio” less than 1:1?   Formula is: (Current Assets – Inventories) ÷ Liabilities | Yes  No  N/A | | 1. Is the organizations debt to equity ratio less than 2:1?   Formula is: Total Liabilities ÷ Total Equity | Yes  No  N/A | | 1. Has the organization incurred any large or unusual debt in the last 6 months? | Yes  No  N/A | | 1. What was the cause for the new debt? | | | 1. What is the funding source for paying back the new debt? | | | 1. Does the organization have an emergency line of credit? Yes  No   If so, how much and with whom? | | | |
| monitoring/audit assessment (VRS Staff complete this entire section)  |  |  | | --- | --- | | If DEED has an existing relationship with this entity, have more than three funding cycles passed since the entity had an on-site monitoring visit? | Yes  No  N/A | | Comments | | | Were there findings/violations in the prior visit? | Yes  No  N/A | | * 1. What were the number and extent of findings/violations in prior visit (more violations/more severe=higher risk)? | | | Has it been more than one year since the recipient received a single audit? | Yes  No  N/A | | If yes, why? | | | 1. Did an independent certified public accountant (CPA) ever examine the organization’s financial statements? | Yes  No  N/A | | * 1. If yes, were there findings? | Yes  No  N/A | | What were the number and extent of findings/violations in prior visit (more violations/more severe=higher risk), and does the entity have a corrective action plan for correcting the finding? | | |

# Additional Comments

# Certification

1. GRANTEE

The grantee certifies that the appropriate person(s) have provided information for this assessment on behalf of the Grantee, and that, to the best of the grantee’s knowledge, this information is current and accurate. The grantee understands that if the grantee has any compliance issues; items of significant concern; performance issues; unemployment insurance back-taxes owed or associated penalties; interest, fees, outstanding debt, or disputed financial obligations to a local state, or federal government entity; or is not current on wage-detail reporting requirements the issues must be resolved prior to any grant award.

Name:

Signature:

Title:

Date:

1. DEED-VRS AGENCY AUTHORIZED REPRESENTATIVE

(select one)

I completed the risk assessment on behalf of the Department of Employment and Economic Development and I certify that, to the best of my knowledge and based on the information provided by the grantee, the organization has no compliance issues; items of significant concern; performance issues; unemployment insurance back-taxes owed or associated penalties; interest, fees, outstanding debt, or disputed financial obligations to a local state, or federal government entity; and is current on wage-detail reporting requirements.

I completed the risk assessment on behalf of the Department of Employment and Economic Development and, in accordance with PPM 521, am bringing this risk assessment to the attention of my Division Director and DEED’s Internal Auditor so they can further assess the situation and, where possible, help develop effective supports.

Name:

Signature:

Title:

Date: