# Annex 5. Financial Capability Questionnaire

**SECTION A: General Information**

Please complete this section which provides general information on your institution.

Name of Institution:

Name and Title of Financial Contact Person:

Name of Person Filling out Questionnaire:

Mailing Address:

Street Address (if different)

Telephone, Fax, Email (if applicable)

Enter the beginning and ending dates of your institution's fiscal year:

From: (Month, Day) To: (Month, Day)

**SECTION B: Internal Controls**

Internal controls are procedures which ensure that: 1) financial transactions are approved by an authorized individual and are consistent with U.S. laws, regulations and your institution's policies; 2) assets are maintained safely and controlled; and 3) accounting records are complete, accurate and maintained on a consistent basis. Please complete the following questions concerning your institution's internal controls.

1. Does your institution maintain a record of how much time employees spend on different projects or activities?

Yes:  No: 

2. If yes, how?

1. Are timesheets kept for each paid employee?

Yes:  No: 

1. Do you maintain an employment letter or contract which includes the employee’s salary?

Yes:  No: 

4. Do you maintain inventory records for your institution's equipment?

Yes:  No:  (if no, explain)

5. How often do you check actual inventory against inventory records?

6. Are all financial transactions approved by an appropriate official?

Yes:  No: 

7. The person responsible for approving financial transactions is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

8. Is the person(s) responsible for approving transactions familiar with U.S. Federal Cost principles as described in 2 CFR 200 Subpart E?

Yes:  No: 

9. Does your institution use a payment voucher system or some other procedure for the documentation of approval by an appropriate official?

Yes:  No: 

10. Does your institution require supporting documentation (such as original receipts) prior to payment for expenditures?

Yes:  No: 

11. Does your institution require that such documentation be maintained over a period of time?

Yes:  No: 

If yes, how long are such records kept?

12. Are different individuals within your institution responsible for approving, disbursing, and accounting of transactions?

Yes:  No: 

13. Are the functions of checking the accuracy of your accounts and the daily recording of accounting data performed by different individuals?

Yes:  No: 

14. Who would be responsible for financial reports? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SECTION C: Fund Control and Accounting Systems**

Fund Control essentially means that access to bank accounts and/or other cash assets is limited to authorized individuals. Bank balances should be reconciled periodically to the accounting records. If cash cannot be maintained in a bank, it is very important to have strict controls over its maintenance and disbursement.

An Accounting System accurately records all financial transactions, and ensures that these transactions are supported by documentation. Some institutions may have computerized accounting systems while others use a manual system to record each transaction in a ledger. In all cases, the expenditure of funds provided by the USAID-funded program must be properly authorized, used for the intended purpose, and recorded in an organized and consistent manner.

1. Does your institution maintain separate accounting of funds for different projects by:

Separate bank accounts: 

A fund accounting system: 

2. Will any cash from the grant funds be maintained outside a bank (in petty cash funds, etc.)?

Yes:  No: 

If yes, please explain the amount of funds to be maintained, the purpose and person responsible for safeguarding these funds.

4. If your institution doesn't have a bank account, how do you ensure that cash is maintained safely?

5. Does your institution have written accounting policies and procedures?

Yes:  No: 

6. How do you allocate costs that are “shared” by different funding sources, such as rent, utilities, etc.?

7. Are your financial reports prepared on a:

Cash basis:  Accrual basis: 

8. Is your institution's accounting system capable of recording transactions, including date, amount, and description?

Yes:  No: 

9. Is your institution's accounting system capable of separating the receipts and payments of the grant from the receipts and payments of your institution’s other activities?

Yes:  No: 

10. Is your institution's accounting system capable of accumulating individual grant transactions according to budget categories in the approved budget?

Yes:  No: 

11. Is your institution's accounting system designed to detect errors in a timely manner?

Yes:  No: 

12. How will your institution make sure that budget categories and/or overall budget limits for the grant will not be exceeded?

13. Are reconciliations between bank statements and accounting records performed monthly and reviewed by an appropriate individual?

Yes:  No: 

14. Briefly describe your institution’s system for filing and keeping supporting documentation.

**SECTION D: Audit**

The grant provisions require recipients to adhere to USAID regulations, including requirements to maintain records for a minimum of three years to make accounting records available for review by appropriate representatives of USAID or DAI, and, in some cases, may require an audit to be performed of your accounting records. Please provide the following information on prior audits of your institution.

1. Is someone in your institution familiar with U.S. government regulations concerning costs which can be charged to U.S. grants (2 CFR 200 Subpart E "Cost Principles" )?

Yes:  No: 

2. Do you anticipate that your institution will have other sources of U.S. government funds during the period of this grant agreement?

Yes:  No: 

3. Have external accountants ever performed an audit of your institution's financial statements?

Yes:  No: 

If yes, please provide a copy of your most recent report.

4. Does your institution have regular audits?

Yes:  No: 

If yes, who performs the audit and how frequently is it performed?

5. If you do not have a current audit of your financial statements, please provide this office with a copy of the following financial statements, if available:

a. A "Balance Sheet" for the most current and previous year; and

b. An "Income Statement" for the most current and previous year.

6. Are there any circumstances that would prevent your institution from obtaining an audit?

Yes:  No: 

If yes, please provide details: