SAVE FORM

SELF ASSESSMENT OF INTERNAL CONTROL

Form N-2

Compliance Requirement

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Department of _____

Fiscal Year Ending _____ ☐ NA-_____

		Yes	No	N/A	Comments
	Control Objectives				
	To provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the applicable cost principles.				
	Control Environment				
1	Management sets reasonable budgets for Federal and non-Federal programs so that no incentive exists to miscode expenditures.				
2	Management enforces appropriate penalties for misappropriation or misuse of funds.				
3	Organization-wide cognizance of need for separate identification of allowable Federal costs.				
4	Management provides personnel approving and pre-auditing expenditures with a list of allowable and unallowable expenditures.				
	Risk Assessment				
5	Process for assessing risks resulting from changes to cost accounting systems.				
6	Key manager has a sufficient understanding of staff, processes, and controls to identify where unallowable activities or costs could be charged to a Federal program and not be detected.				
	Control Activities				
7	Accountability provided for charges and costs between Federal and non-Federal activities.				
8	Process in place for timely updating of procedures for changes in activities allowed and cost principles.				
9	Computations checked for accuracy.				
10	Supporting documentation compared to list of allowable and unallowable expenditures.				
11	Adjustments to unallowable costs made where appropriate and follow-up action taken to determine the cause.				
12	Adequate segregation of duties in review and authorization of costs.				
13	Accountability for authorization is fixed in an individual who is knowledgeable of the requirements for determining activities allowed and allowable costs.				

		Yes	No	N/A	Comments
	Information and Communication				
14	Reports, such as a comparison of budget to actual provided to appropriate management for review on a timely basis.				
15	Establishment of internal and external communication channels on activities and costs allowed.				
16	Training programs, both formal and informal, provide knowledge and skills necessary to determine activities and costs allowed.				
17	Interaction between management and staff regarding questionable costs.				
18	Grant agreements (including referenced program laws, regulations, handbooks, etc.) and cost principles circulars available to staff responsible for determining activities allowed and allowable costs under Federal awards.				
	Monitoring				
19	Management reviews supporting documentation of allowable cost information.				
20	Flow of information from Federal agency to appropriate management personnel.				
21	Comparisons made with budget and expectations of allowable costs.				
22	Analytic reviews (e.g., comparison of budget to actual or prior year to current year) and audits performed.				