



Pre-Award Risk Assessment

(010-GP 011)

Purpose:

The Pre-Award Risk Assessment is a critical step in the award determination process. You need to know if the potential sub-awardee has the structures, habits and authorizations in place to successfully fulfill their commitments. The results determine your monitoring approach, and the level of technical assistance needed.

Legal Authority & Sources

Below are the legal authority citations and documents sources you need to successfully complete this risk assessment.

- [2 CFR 200.1](#) – Definitions
- [2 CFR Part 180 Subpart F](#) – General Principles Relating to Suspension & Debarment Actions
- [Appendix B to Part 1138, Title 2](#) – Terms and Conditions for SUB Article II, Pre-Award and Time of Award Responsibilities
- [2 CFR 200.206](#) – Federal Agency Review of Risk Posed by Applicants
- [2 CFR 1402.204](#) – What Are the Merit Review Requirements for Competitive Awards?
- [2 CFR 200.208](#) – Specific Conditions
- [2 CFR 200.205](#) – Federal Agency Review of Merit of Proposals
- [2 CFR 910.372](#) Special Award Conditions
- Federal Notice of Funding Opportunity
- State Notice of Funding Opportunity
- Application
- Pre-Award Risk Assessment Questionnaire - if not part of the application
- Applicant's Website
- Previous performance records

Instructions

Read all the compiled documents before starting the Risk Assessment.

1. Evaluate the number of risk types, any special conditions and concerns before determining the level of risk.
2. Once a risk level is determined have two (2) people review and sign the evaluation.
3. Required: Keep a PDF of the UEI status in the grant file for audit readiness purposes.
4. Required: Two signatures

How to Score

Use the information given to evaluate each question. Then assign the potential answer.

Tally the score in each section as you move through the risk assessment. Enter the score and the section determination at the end of each section.

Then transfer the results from all the sections to the Final Determination section for a final review.



Special Conditions

- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period Requiring additional, more detailed financial reports such as general ledgers, supporting documentation on an ongoing basis.
- Requiring additional project reporting
- Requiring additional program monitoring
- Requiring non-federal entity to attend the <list state agency> grant management sponsored trainings or receive more one-on-one discussion with granting agency
- Establishing additional prior approvals for more specific expenditures
- Require financial and budgetary documentation, at a later date, if not available at pre-award
- Requiring payments as reimbursements rather than advance payments

Assessment Questions

Section A: Federal Technical Review (Suspension, Debarment & Good Standing)		
Verified UEI in SAM.gov*	<input type="checkbox"/> Yes (10 pts)	<input type="checkbox"/> No (0 points)
Is the Expiration date less than 90 days away?	<input type="checkbox"/> Yes (0 pts)	<input type="checkbox"/> No (10 points)
Under valid UEI, do findings exist? (replaces FAPIIS)	<input type="checkbox"/> Yes (0 pts)	<input type="checkbox"/> No (10 points)

*Keep a PDF copy for your audit readiness purposes

Section A Subtotal

Enter the score and select the corresponding level of risk.

Section A score: _____

- ☐ Low risk (30 points)
- ☐ Medium Risk (20 points)
- ☐ High risk (00 points)

Section B: Performance History		
Submits accurate reports. <i>Subrecipients who are consistently submit reports late and or with error may need technical assistance</i>	<input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts)	Score:
Submits timely required project documents (budgets, draws, reports, etc.) <i>Subrecipients who are consistently submit reports late and or with error may need technical assistance</i>	<input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts)	Score:
Responsiveness to informational requests. <i>Subrecipients who delay responding to communication/information requests may have organizations and operating risk requiring additional monitoring or special conditions.</i>	<input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts)	Score:



Met the schedule of project milestones for previous awards. <i>Projects may be ahead or behind the approved schedule. Is there a risk if the project is ahead of schedule?</i>	<input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts)	Score:
Met the approved budget for previous awards. <i>Projects may be over or underspending relative to the scope of their project. Is there a risk to underspending?</i>	<input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> Not at all (0 pts)	Score:
Proposal goals align with the state strategic goal. <i>Awards not in line with an organization's goals may be seen as a waste, even when the project is providing value to beneficiaries.</i>	<input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts)	Score:

Section B Subtotal

Enter the score and select the corresponding level of risk.

Section score: _____

- ☐ Low risk (40 – 60 points)
- ☐ Medium Risk (30-40 points)
- ☐ High risk (0 – 30 points)

Section C: Quality of Management & Meeting Management Standards

Does your federal funding opportunity have complex program requirements? <i>Programs with complex compliance requirements have a higher risk of non-compliance.</i>	<input type="checkbox"/> Yes (00 pts) <input type="checkbox"/> No (10 pts)	Score:
Does your program have complex reporting requirements? <i>Programs with complex compliance requirements have a higher risk of non-compliance.</i>	<input type="checkbox"/> Yes (0 pts) <input type="checkbox"/> No (10 pts) <i>Please describe and provide details.</i>	Score:
Will your organization subcontract out the program activities? <i>Programs with complex compliance requirements have a higher risk of non-compliance.</i>	<input type="checkbox"/> Yes (0 pts) <input type="checkbox"/> No (10 pts) <i>If yes, please describe and provide policies and procedures documenting the activity.</i>	Score:
Has your organization successfully managed similar programs (funding source, scope, size, etc.)? <i>Programs with complex compliance requirements have a higher risk of non-compliance.</i>	<input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts) <i>Please describe and provide details.</i>	Score:



<p>Do the following internal controls/policy and procedures exist within your organization?</p> <p>Conflicts of Interest Civil Rights Internal Controls Financial Management (Please provide copies of each)</p>	<p><input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts)</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If no,, explain and provide details.</i></p>	<p>Score:</p>
<p>Has your organization experienced changes to key personnel in immediate management of your program within the last year?</p>	<p><input type="checkbox"/> Yes (0 pts) <input type="checkbox"/> No (10 pts)</p> <p><i>If yes, please describe and provide details.</i></p>	<p>Score:</p>
<p>Has your organization experienced any changes in organizational structure within the last year?</p>	<p><input type="checkbox"/> Yes (0 pts) <input type="checkbox"/> No (10 pts)</p> <p><i>If yes, please describe and provide details and organization chart.</i></p>	<p>Score:</p>
<p>Has your organization experienced any changes to accounting, payroll, administration, technology, or reporting systems within the last year?</p>	<p><input type="checkbox"/> Yes (0 pts) <input type="checkbox"/> No (10 pts)</p> <p><i>If yes, please describe and provide details.</i></p>	<p>Score:</p>
<p>Has your organization experienced any loss of accreditation status or licensing within the last year?</p>	<p><input type="checkbox"/> Yes (0 pts) <input type="checkbox"/> No (10 pts)</p> <p><i>If yes, please describe and provide details and remedies, if any.</i></p>	<p>Score:</p>
<p>Does your organization segregate indirect costs when applicable on other projects?</p>	<p><input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts)</p> <p><i>Please describe and provide details.</i></p>	<p>Score:</p>
<p>What economic conditions increase or decrease the risk to your proposed project?</p>	<p><i>Please describe and provide details.</i></p>	
<p>What political conditions increase or decrease the risk to your proposed project?</p>	<p><i>Please describe and provide details.</i></p>	

Section C Subtotal

Enter the score and select the corresponding level of risk.

Section C score: _____



- ☐ Low risk (80-130 points)
- ☐ Medium Risk (50-70 points)
- ☐ High risk (0-50 points)

Section D: Financial Stability

What is the amount requested?	<input type="checkbox"/> < \$25,000 (10 Points) <input type="checkbox"/> \$25,000 - \$50,000 (10 Points) <input type="checkbox"/> \$50,000 - \$100,000 (5 Points) <input type="checkbox"/> \$100,000 - \$250,000 (5 Points) <input type="checkbox"/> > \$250,000 (0 Points)
Does your organization have any significant audit findings in the past three fiscal years?	<input type="checkbox"/> Yes (0 pts) <input type="checkbox"/> No (10 pts) <i>If yes, please describe and provide details. Attach copy of audit report.</i>
Is the subrecipient organization more than 3 years old AND received previous awards from this agency.	<input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts)
Considering the amount of any federal grants you have applied for and been awarded and/or received during the state fiscal year (July 1 – June 30), what is your total level of federal funding?	<input type="checkbox"/> < \$100,000 <input type="checkbox"/> \$100,000 - \$250,000 <input type="checkbox"/> \$250,000 - \$500,000 <input type="checkbox"/> \$500,000 - \$999,999 <input type="checkbox"/> > \$1,000,000
If your answer to question above is > \$1,000,000: a. What is your actual amount of federal funding? b. When was your last Single Audit completed? c. When is your next Single Audit scheduled?	a. Actual Amount: \$ _____ b. Last Completed Single Audit _____ <i>Provide copy of single audit report.</i> c. Next Scheduled Single Audit: _____

Section D Subtotal

Enter the score and select the corresponding level of risk.

Section D score: _____

- ☐ Low risk (30 points)
- ☐ Medium Risk (15 points)
- ☐ High risk (0 points)



Section E: Program Specific Risks

Has your organization or another entity committed to providing a partial match for your project?	<input type="checkbox"/> Yes (10 pts) <input type="checkbox"/> No (0 pts) <i>If yes, please describe and provide details.</i>	
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Section E Subtotal

Enter the score and select the corresponding level of risk.

Section E score: _____

- ☐ Low risk (10 points)
☐ High risk (0 points)

Final Determination

Enter the results from each section below then add them up.

Section	Score	Risk Type
Section A		
Section B:		
Section C		
Section D		
Section E		
Total		

Evaluate the number of risk types, any special conditions and concerns before determining the level of risk.

Risk Level & Monitoring Strategy Best Practices

Below is a general overview of the risk tiers.

Low Risk / Tier 1

Low risk exists where the sub recipient has five or more of the following attributes:

- High quality programmatic performance
- No or very insignificant audit or monitoring findings
- Compliance with terms and conditions of prior awards
- Program does not have complex compliance requirements
- Timely and accurate financial and performance reports
- No known financial management problems or instability
- Received some form of monitoring (i.e. single audit, on-site review)



Best Practice:

- Identify areas of improvement
- Create a work plan with the subrecipient to resolve concerns on an as needed basis
- Monitoring all reports, reimbursements, and milestones for indications of a change in risk level

Moderate Risk / Tier 2

Moderate risk exists where the attributes for low risk outweigh those of high risk. The potential for loss could be mitigated without major failure in the implementation of the award.

Best Practice:

- Identify areas of improvement
- Create a work plan with the subrecipient to resolve concerns on an ongoing basis
- Monitoring all reports, reimbursements, and milestones for indications of a change in risk level and improvements

High Risk / Tier 3

High risk exists where the sub recipient has five or more of the following attributes:

- History of unsatisfactory performance
- Failure to adhere to proper grant terms and conditions
- Financial management problems/instability
- Significant findings or questioned costs from prior audits
- Lack of contact with entity
- No prior monitoring / auditing
- Large award amount
- The program has highly complex requirements

Best Practice:

- Identify areas of improvement
- Create a work plan with the subrecipient to resolve concerns on a persistent basis
- Monitoring all reports, reimbursements, and milestones for indications of a change in risk level and improvements
- Consider scheduling regular audits until evidence proves a significant risk improvement

Risk Mitigation Plan

For moderate and high risk entities, consider the following risk mitigation plan.

Moderate Risk Mitigation Plan (minimums)



- Verify the UEI annually (keep a PDF copy for your records)
- Verify the State Vendor annually (keep a PDF copy for your records)
- Conduct a risk assessment at least once during the grant and prior to close-out. (Keep a PDF copy for your records.)
- Conduct a desk audit at least once
- Require technical assistance training in areas of medium or high risk within the first 90 days of award with an emphasis on internal controls, subaward vs contact determination and areas of high or medium risk.

High Risk Mitigation Plan (minimums)

- Verify the UEI annually (keep a PDF copy for your records)
- Verify the State Vendor annually (keep a PDF copy for your records)
- Conduct a Risk Assessment annually and once prior to closeout (keep a PDF copy of each assessment for your records)
- Conduct a site audit annually or every 6 months until the issue in question has been rectified.
- Conduct a risk assessment at least once during the grant and prior to close-out.
- Require technical assistance training prior initial re-imbursement – with significant emphasis on internal controls and other areas of medium or high risk.
- Require technical assistance training for all new staff who contribute time and effort to the grant throughout the grant lifecycle with an emphasis on internal controls, sub-award vs contracting determinations and areas of high and medium risk.

Assessment Confirmation & Certification

By signing below, the authorized representative certifies all information submitted in the risk assessment questionnaire will be reviewed and used to conduct the risk assessment and determine if special conditions will be assessed and monitored during the period of performance of the award.

Reviewer #1

Signature

Date

Printed Name

Title

Reviewer #2

Signature

Date

Printed Name

Title