

**UNIVERSITY OF SOUTHERN CALIFORNIA
DEPARTMENT OF CONTRACTS AND GRANTS**

AUDIT CERTIFICATION AND FINANCIAL STATUS QUESTIONNAIRE

As a non-profit research organization, the University of Southern California is required under 2 CFR 200.331 to assess the risk of each subcontractor in order to ensure effective subcontract monitoring and subcontract compliance with the terms of the prime award. For organizations that are *not* subject to audit under 2 CFR 200, USC uses the following information to review the financial status and practices. **Please complete the following questionnaire and return for review.**

General Information

1. What year was your organization established?
2. How many people does your organization employ? (check one)
1-5
5-20
21-500
500+
3. Does your organization have its financial statements reviewed by an independent public accounting firm? If so, please enclose a copy of your most recent audited financial report with your response.
4. Other than financial statements, has any aspect of your organization's activities been audited within the last two years by a governmental agency or independent public accountant? Explain.
5. Are duties separated so that no one individual has complete authority over an entire financial transaction?
6. Does your organization have controls to prevent expenditure of funds in excess of approved, budgeted amounts?

Yes No

Cash Management

7. Are all disbursements properly documented with evidence of receipt of goods or performance of services?
8. Are all bank accounts reconciled monthly?

Yes No

Payroll

9. Are payroll charges checked against program budgets?
10. What system does your organization use to control paid time, especially time charged to sponsored agreements?

Yes No

Procurement

Yes No

11. Are there procedures to ensure procurement at competitive prices?
12. Is there an effective system of authorization and approval of:
 - a. capital equipment expenditures?
 - b. travel expenditures?

Property Management

Yes No

13. Are detailed records of individual capital assets kept and periodically balanced with the general ledger accounts?
14. Are there effective procedures for authorizing payment and accounting for the disposal of property and equipment?
15. Are detailed property records periodically checked by physical inventory?
16. Briefly describe the organization's policies concerning capitalization and depreciation.

Cost Transfers

17. How does the organization ensure that all cost transfers are legitimate and appropriate?

Indirect Costs / Fringe Benefits

Yes No

18. Does the organization have an indirect cost allocation plan or a negotiated indirect cost rate? Does it have a negotiated fringe benefit agreement?

Please provide copies of any negotiated indirect cost rate and fringe benefit agreements. If none exist, please describe the process for determining that your organization charges USC indirect costs and fringe benefit expenses at its most favorable rates.

19. Does the organization have procedures that provide assurance that consistent treatment is applied in the distribution of charges to all grants, contracts and cooperative agreements? Please summarize the procedures, or provide an online link.

Compliance

Yes No

- 20. Does your organization have a formal policy of nondiscrimination and a formal system for complying with United States federal civil rights requirements?
- 21. Does your organization have a cash forecasting process that will minimize the time elapsed between the drawing down of funds and the disbursement of those funds?
- 22. If your organization enters into agreements for work or research to be performed outside of the United States, does it have systems in place to prevent and detect payments made to government officials to allow or procure work and research opportunities for or on behalf of your organization?

Documents provided:

Recent Financial Statements, External Review or Audit Reports
Indirect Cost Rate Agreement
Fringe Benefit Agreement

By signing, I certify that I am an authorized institutional financial representative of the organization indicated below and the information and representations made herein are true and accurate.

Organization Name

Name of person completing questionnaire

Title

Signature

Date