



Instructions

1. Gather an assessment team, include executive and fiscal leadership staff.
2. Assign team members responsibility for completing the five sections of the tool which consists of a total of 66 quality standards.
3. Each team member reviews assigned quality standards.
 - 3.1. For each standard, compare the current practice or condition to the standard provided in the tool.
 - 3.2. Check a box for each standard, indicating a rating of:
 - ◆ **Unknown**
 - ◆ **Inadequately Achieved** (we need to work on)
 - ◆ **Partially Achieved** (we are working to improve)
 - ◆ **Fully Achieved** (already in place)
 - 3.3. For all areas identified as “Unknown” or “We need this,” a short-term action plan is created to improve the rating towards being partially, and then fully, achieved.
4. Review and discuss the assessment as a team and make any adjustments necessary to the ratings.
5. The team then determines:
 - How often the assessment will be completed?
 - To whom and how often assessment results will be reported?
 - Who is responsible for developing and delivering the report?
 - Who will be responsible for monitoring the implementation of the assessment and improvement activities?

Financial Planning/Budget Systems

<p>Questions <i>Does the tribal entity engage in sound financial planning and budgeting practices?</i></p>	<p>Unknown</p>	<p>Inadequately Achieved <i>Entity needs to work to improve financial planning and budgeting practices *</i></p>	<p>Partially Achieved <i>Entity is working to improve financial planning and budgeting practices *</i></p>	<p>Fully Achieved <i>Entity has sound financial planning and budgeting practices</i></p>
<p>1. Does the entity have a comprehensive annual budget which includes all sources and uses of funds for all aspects of operations?</p>				
<p>2. Are all grant or contract budget agreements with funders incorporated into the comprehensive annual budget?</p>				
<p>3. Are all grant or contract budget proposals reviewed by fiscal staff before submission to funders?</p>				
<p>4. Do program managers play an active role in the development of budgets for programs under their direction?</p>				
<p>5. Does the governing body (Council/Board) have a detailed understanding of the annual budget and play a significant role in directing the use of unrestricted funds?</p>				
<p>6. Does the governing body (Council/Board) formally authorize the annual budget and revisions to the budget?</p>				
<p>7. Does the governing body (Council/Board) have integrated, meaningful consideration of financial issues built into any strategic planning processes it undertakes?</p>				

<p>8. Does the governing body (Council/Board) have a capital budget and multi-year plan for major maintenance and replacement of facilities and equipment?</p>				
<p>9. Does the entity’s fiscal planning process include continuous assessment of risks and identification of insurance coverage needs and appropriate risk management procedures?</p>				
<p>10. Does the entity have a comprehensive risk assessment (e.g., general liability, professional liability, product liability, fire, theft, casualty, workers compensation/ occupational safety, board and officer liability, vehicle operation, fraud, and dishonest acts)</p>				

** Refer to these OVC TFMC resources to support your efforts in aligning the entity’s financial planning and budgeting policies and procedures with recommended best practices:*

Resources

- ◆ [TFMC Creating an Entity Budget Guide Sheet](#)
- ◆ [TFMC Insurance Coverage Guide Sheet](#)

Execution

<p>Questions <i>Does the tribal entity execute sound financial management practices?</i></p>	<p>Unknown</p>	<p>Inadequately Achieved <i>Entity needs to work to improve financial planning and budgeting practices *</i></p>	<p>Partially Achieved <i>Entity is working to improve financial planning and budgeting practices</i></p>	<p>Fully Achieved <i>Entity has sound financial planning and budgeting practices</i></p>
<p>1. Does the governing body (Council/Board) have comprehensive written policies and procedures for fiscal operation (e.g., processing payroll, purchases, accounts payable, accounts receivable, grants management)?</p>				
<p>2. Are written policies and procedures reviewed and revised regularly by the governing body (Council/Board), for example every 2 years?</p>				
<p>3. Are actual processing activities consistent with written policies and procedures?</p>				
<p>4. Are the concepts of separation of duties implemented to the greatest extent possible within the limitation of the size of the tribal entity staff?</p>				
<p>5. Are the authorizing functions for purchasing, signing checks, adjusting accounts, and extending credit performed by staff who DO NOT also perform recording functions such as disbursements and/or receipts, maintaining accounts receivable records, or cash handling functions such as receiving and depositing funds or preparing checks?</p>				

<p>6. Are the review and verification of funds such as reconciliation of the bank statement to the record of cash receipts and disbursements performed by individuals who DO NOT also prepare checks, record checks, receive funds and prepare bank deposits, and/or record receipts?</p>				
<p>7. Are payroll policies and procedures clearly documented and consistently followed?</p>				
<p>8. Is written authorization required for all new hires and pay rate changes?</p>				
<p>9. Are written timesheets prepared by all employees, signed by the employee, and approved, in writing, by the employee's direct supervisor?</p>				
<p>10. Are forms W-4 and I-9 obtained and retained for each employee?</p>				
<p>11. Are policies regarding overtime, vacation time, sick leave, holiday pay, and other leaves with or without pay written clearly, and reviewed regularly for compliance with state and federal law?</p>				
<p>12. Are all fringe benefit plans documented and in compliance with IRS and U.S. Department of Labor requirements?</p>				
<p>13. Has the proper tax treatment for all benefits and compensation arrangements been determined and documented?</p>				
<p>14. Is responsibility for maintaining fringe benefit records in accordance with governmental requirements?</p>				
<p>15. Have responsibilities for maintaining the fringe benefits records been clearly assigned?</p>				

16. Are fringe benefits records reviewed regularly?				
17. Do written purchasing policies clearly identify the purchasing authority of each staff position and establish appropriate dollar limits for purchasing authority at each level?				
18. Does the entity have clear procedures for review of and authorization to pay all vendor invoices?				
19. Are the entity’s written policies and procedures for charging and collecting fees followed consistently?				
20. Are the entity’s written policies and procedures for charging and collecting fees reviewed regularly?				
21. Are the entity’s cash handling policies and procedures well-documented and tested periodically?				
22. Are all the entity’s checks restrictively endorsed upon receipt?				
23. Are receipts given for all the entity’s cash transactions?				
24. Are donors/clients informed they will receive a receipt for all cash payments?				
25. Are pre- numbered, multi-copy, customized receipts used?				

* Refer to these OVC TFMC resources to support your efforts in aligning the entity’s execution of financial management policies and procedures with recommended best practices:

Resources

- ◆ TFMC [Accounts Payable Guide Sheet](#)
- ◆ TFMC [Payroll Guide Sheet](#)
- ◆ TFMC [Procurement Guide Sheet](#)

◆ [TFMC Internal Controls and Separation of Duties Guide Sheet](#)

◆ [TFMC Donations Guide Sheet](#)

◆ [TFMC Time and Effort Tracking Guide Sheet](#)

Recording

<p>Questions <i>Does the tribal entity have sound financial recording practices?</i></p>	<p>Unknown</p>	<p>Inadequately Achieved <i>Entity needs to work to improve financial planning and budgeting practices *</i></p>	<p>Partially Achieved <i>Entity is working to improve financial planning and budgeting practices</i></p>	<p>Fully Achieved <i>Entity has sound financial planning and budgeting practices</i></p>
<p>1. Does the entity’s complete written chart of accounts provide appropriate account titles and numbers for Assets, Liabilities, Net Assets, Revenues, and Expenses?</p>				
<p>2. Does the entity’s chart of accounts clearly establish how the programs are classified within functions and identify how the funding sources will be tracked?</p>				
<p>3. Does the entity’s chart of accounts utilize the same line item categories and the same program or function distinctions utilized in the comprehensive annual budget and the budgets for individual contracts or grants?</p>				
<p>4. Are the tribal entity’s accounting policies and recording procedures clearly documented in the written fiscal policies and procedures?</p>				
<p>5. Does the entity use appropriate computer software and hardware to perform recording functions?</p>				

6. Does the entity use appropriate electronic and physical security procedures to protect the integrity of computerized accounting records ?				
7. Are all entity accounting records backed up daily ?				
8. Does the entity store back-up media in a secure area away from computer equipment?				
9. Does the entity create back-ups of accounting data stored off-site monthly (at least)?				
10. Does the entity maintain and reconcile detailed records of revenue and/or grants and contracts receivable to the general ledger receivables balances?				
11. Does the entity record all contributions in the accounting records ?				
12. Does the staff responsible for fund development maintain detailed records?				
13. Does the entity reconcile all general ledger balance sheet accounts quarterly (at least) ?				
14. Does the entity reconcile all cash, payroll liabilities, and accounts receivable control accounts monthly ?				
15. Does the entity store all active and inactive documents in secure locations ?				
16. Does the entity maintain all active and inactive documents in good condition,				

archive according to policy, and destroy only as authorized?				
17. Does the entity enter all property and equipment purchased into a written master inventory document according to a standardized procedure ?				
18. Does the entity conduct and report inventory of all items annually (at least)?				
19. Does the entity remove items from inventory and/or dispose of items according to policy ?				
20. Does the entity have a written process for identifying and tracking “small and attractive” items not monitored through the master inventory process?				

** Refer to these OVC TFMC resources to support your efforts in aligning the entity’s recording policies and procedures with recommended best practices:*

Resources

- ◆ [TFMC Chart of Accounts Guide Sheet](#)
- ◆ [TFMC Accounting Software Guide](#)
- ◆ [TFMC Monthly Close Guide Sheet](#)
- ◆ [TFMC Bank Reconciliation Guide Sheet](#)

Reporting

<p>Questions <i>Does the tribal entity have sound financial reporting practices?</i></p>	<p>Unknown</p>	<p>Inadequately Achieved <i>Entity needs to work to improve financial planning and budgeting practices *</i></p>	<p>Partially Achieved <i>Entity is working to improve financial planning and budgeting practices</i></p>	<p>Fully Achieved <i>Entity has sound financial planning and budgeting practices</i></p>
<p>1. Are monthly financial statements available no later than the end of the following month (i.e. April 30th statements are available no later than May 31st)?</p>				
<p>2. Do monthly financial statements include a Statement of Net Position, a Statement of Activities, and a Statement of Functional Expenses?</p>				
<p>3. Does each tribal entity program prepare monthly statements of expenses?</p>				
<p>4. If the tribal entity has restricted funds, does the monthly Statement of Activities reflect each funding source for these restricted funds?</p>				
<p>5. Do <u>all</u> Statements of Activities (whole tribal entity, specific programs, and specific funding sources) include the current month’s activity, the fiscal year-to-date activity, and a comparison to the year-to-date or annual budget by line item?</p>				
<p>6. Does the entity reconcile the Statement of Net Position between</p>				

the beginning and ending of the accounting period?				
--	--	--	--	--

* Refer to these OVC TFMC resources to support your efforts in aligning the entity’s reporting policies and procedures with recommended best practices:

Resources

- ◆ TFMC [Financial and Tax Reporting Guide Sheet](#)

Monitoring

Questions <i>Does the tribal entity have sound monitoring practices for reviewing financial statements and auditing?</i>	Unknown	Inadequately Achieved <i>Entity needs to work to improve financial planning and budgeting practices *</i>	Partially Achieved <i>Entity is working to improve financial planning and budgeting practices</i>	Fully Achieved <i>Entity has sound financial planning and budgeting practices</i>
1. Do administrative leadership and program managers carefully review monthly financial statements ?				
2. Does the fiscal manager highlight unusual items, identify potential problems, provide notes in financial statements which are shared with the tribal administrator and tribal governance?				
3. Does the governing body (Council/Board) carefully review the monthly financial statements ?				
4. Does an independent CPA , selected by the governing body (Council/Board) , conduct an annual audit or review of all entity finances?				

<p>5. Does the governing body (Council/Board) determine whether the tribal entity should have an audit or review, and whether the audit must be conducted within the guidelines of the Single Audit Act?</p>				
<p>6. Does the governing body (Council/Board) review the auditor’s report, including management letters, reports on internal controls, and compliance with governmental laws and regulations?</p>				

**Refer to these OVC TFMC resources to support your efforts in aligning the entity’s monitoring policies and procedures with recommended best practices:*

Resources

- ◆ [TFMC Single Audit Guide Sheet](#)



The **OVC Tribal Financial Management Center (OVC TFMC)** provides **training, technical assistance, and resources** to support American Indian and Alaska Native communities as they successfully manage the financial aspects of their federal awards. OVC TFMC also offers support via our Virtual Support Center (VSC) to Office for Victims of Crime (OVC) grantees and those seeking federal funding from OVC for the first time. **Email questions or requests for grant financial management technical assistance to TFMC@OVCTFMC.org** or call **703.462.6900**. Visit OVCTFMC.org for additional resources and information.

Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to Evaluation@OVCTFMC.org.

This product was supported by contract number GS-00F-010CA, awarded by the Office for Victims of Crime, Office of Justice Programs, U.S. Department of Justice. The opinions, findings, and conclusions or recommendations expressed in this product are those of the contributors and do not necessarily represent the official position or policies of the U.S. Department of Justice.

This resource has been carefully prepared by the OVC Tribal Financial Management Center (TFMC) for general financial management informational purposes only. This resource does not constitute legal, accounting, tax, or other professional advice. While OVC TFMC makes every effort to update content on a regular basis, we recognize each grantee's unique operating environment. OVC TFMC recommends consultation with independent advisors as well as review of the most recent versions of the [DOJ Grants Financial Guide](#) and the [OMB Uniform Guidance](#) when making any decisions about your award, requirements, or individual circumstances.