

**ACCOUNTING QUESTIONNAIRE
FOR
ACADEMY FOR EDUCATIONAL DEVELOPMENT
GRANT RECIPIENTS**

Accepting a grant from the Academy for Educational Development (AED) creates a legal duty for the grantee to use the funds according to the grant agreement and United States federal regulations. Prior to awarding a grant, AED must assess the adequacy of the financial and accounting systems of a prospective grantee (and, if applicable, any subrecipients) and to assess the need for assistance to ensure accountability if a grant is awarded.

There are usually two stages in this assessment: the Accounting Questionnaire and a Pre-Award Site Visit. The purpose of the attached Accounting Questionnaire is to provide AED with information about your financial management and accounting systems. Additionally, a Pre-Award Site Visit may be conducted to verify this information and complete the assessment.

In filling out the Questionnaire, each question should be answered as completely as possible, using extra pages if necessary. Please return your completed questionnaire to AED.

If your proposal includes funding for one or more other NGOs through your organization, you must send a copy of this questionnaire to each NGO (subrecipient of the grant). It should be completed by them and returned to you for review. The lead organization receiving the funds is considered responsible for the funds going to subrecipient NGOs. After you have reviewed the subrecipient NGO's questionnaire, complete the Subrecipient Review Form found at the end of this questionnaire and submit it to AED. A subrecipient NGO may contact you or AED to obtain assistance in completing this questionnaire or for additional information on financial system requirements.

Subrecipient questionnaires should be reviewed and forwarded to AED as soon as you receive them. The primary grantee's completed questionnaire and official report must be received by AED before AED can issue the grant. If there is a subrecipient, the subrecipient's questionnaire and your review must be received by AED before any grant funds will be disbursed.

Complete the questionnaire and checklist on page 12, sign and return it (along with any attachments) to AED.

If you have questions contact:

Thomas Ofem
tofem@aed.org

CONTACT INFORMATION

Please complete this section with information on how we can communicate with each other.

Legal Name of Organization (that will sign the grant agreement and accept responsibility for AED funds):	
Mailing Address:	
Street Address: (used for express delivery)	
Telephone:	
Fax Number:	
E-mail:	

To help us communicate with your organization, please indicate your current capabilities and preferences below. Certain AED documents and forms may be available by e-mail or compact disc (CD) if this is easier and cheaper for you. Paper copies will always be available and can be sent by fax, mail or courier service.

1. Does your organization have the computer capability needed to receive documents sent by e-mail?

Yes: No:

1a. Please check the software programs you can receive documents in by email:

Excel Lotus MSWord WordPerfect

1b. What email software do you use?

2. Does your organization have the computer capability needed to receive documents sent on compact disc? Yes: No:

3. If you have the capability to receive both e-mail and compact disc, which do you prefer?

E-mail: CD:

4. Does your organization have access to the Internet/World Wide Web at reasonable costs?

Yes: No:

Additional Comments:

SECTION A: General Information

Please complete this section to provide general information about your organization.

1. What type of organization is your organization (non-profit, other)?

2. Is your organization incorporated or legally registered?

Yes: No: (Explain)

2a. When and where was your organization incorporated or registered?

2b. Please provide a copy of your organization's articles of incorporation or registration certificate.

Enclosed: Not Enclosed (explain):

3. Is your organization required to pay taxes on revenue/income or is it exempt from such taxes?

Required to pay taxes on revenue/income: Not required to pay taxes on revenue/income:

Explain:

3.a. Is your organization required to pay VAT?

Yes: No:

Explain:

4. If based in the U.S., is your organization tax exempt under 501(c)(3) of the IRS code? Please provide a copy of your IRS determination letter.

501(c)(3): 501(c)(3) letter not enclosed (explain): Not 501(c)(3):

5. Please provide copies of any materials which describe your organization, its mission and history.

Enclosed: Not Enclosed: (explain)

6. Is your organization affiliated with any other organization?

Yes: No:

If yes, please provide details:

7. Please list the names of your organization's officers and provide an organizational chart, if available.

Chairman: _____ President/Director: _____

Secretary: _____ Treasurer: _____

Chief Financial Officer: _____ Other: _____

Bookkeeper/Accountant: _____ Other: _____

8. List the number of employees your organization has:

Full-Time Employees: _____ Part-Time Employees: _____ Consultants: _____ Volunteers: _____

9. What is the beginning and ending dates of your organization's fiscal (financial) year?

From: (month, day) _____ To: (month, day) _____

10. Will your organization have other sources of U.S. government funds (such as USAID, OTI, or USIA/USIS) during the period of the AED grant? Yes : No:

10a. If yes, please provide the name of the U.S. federal agency or agencies, the grant period and amount of funds provided.

11. Will you receive support from non-U.S. government sources during the grant period?

Yes : No:

11a. If yes, please provide an estimate of any support you expect to receive and include both monetary and non-monetary (equipment, free services) amounts to support your program.

Source: _____
Support: _____
Source: _____
Support: _____
Source: _____
Support: _____
Source: _____
Support: _____

SECTION B: Internal Controls

Internal controls are procedures which ensure that:

- 1) financial transactions are approved by an authorized individual and follow laws, regulations and the organization's policies
- 2) assets are kept safely
- 3) accounting records are complete, accurate and kept on a regular basis

Please complete the following questions concerning your organization's internal controls:

1. List the name, position/title and telephone number (if different from the number on page 2) for the individuals responsible for the following:

1a. Responsible for:

Cash: _____

Bank Accounts: _____

Equipment: _____

1b. Responsible for checking expenditures to make sure they are allowable:

1c. Responsible for keeping all receipts and other expense documentation for this grant:

1d. Responsible for signing checks:

1.e. Responsible for approving cash payments:

1f. Responsible for maintaining accounting records:

1g. Responsible for reconciling bank statements to the accounting records:

1h. Responsible for preparing financial reports:

1i. Responsible for preparing narrative reports:

2. Are timesheets kept for each paid employee? Yes: No:

3. Do you maintain an employment letter or contract which includes the employee's salary?
Yes: No:

4. Do you maintain inventory records for equipment?
Yes: No: (if no, please explain)

5. How often do you compare inventory records to the actual equipment?

6. Is your organization familiar with U.S. government regulations concerning costs which can be charged to U.S. grants (OMB Circular A-122 "Cost Principles for Nonprofit Organizations" or OMB Circular A-21 "Cost Principles for Educational Institutions")?

Yes: No:

SECTION C: Accounting System

The purpose of an accounting system is to 1) accurately record all financial transactions, and 2) ensure that all financial transactions are supported by invoices, timesheets and other documentation. The type of accounting system often depends on the size of the organization. Some organizations may have computerized accounting systems, while others use a manual system to record each transaction in a ledger. In either case, AED grant funds must be properly authorized, used for the intended purpose and recorded in an organized and regular manner.

1. Briefly describe your organization's accounting system including: a) any manual ledgers used to record transactions (general ledger, cash disbursements ledger, suppliers ledger etc.); b) any computerized accounting system used (please indicate the name); and c) how transactions are summarized in financial reports, (by the period, project, cost categories)?

2. Does your organization have written accounting policies and procedures?

Yes: No:

3. Are your financial reports prepared on a: Cash basis: Accrual basis:

4. Can your accounting records separate the receipts and payments of the AED grant from the receipts and payments of your organization's other activities? Yes: No:

5. Can your accounting records summarize expenditures from the AED grant according to different budget categories such as salaries, rent, supplies and equipment?

Yes: No:

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

7. How often are financial reports prepared?

Monthly: Quarterly: Annually: Not Prepared: (explain)

7a. How often do you compare actual costs with the budget limits?

8. How will your organization make sure that individual budget categories and overall budget limits for the AED grant will not be exceeded?

9. How often do you input entries into the financial system?

a. daily b. weekly c. monthly
d. by accountant's decision Average frequency _____

9a. How often do you do a cash reconciliation?

a. daily b. weekly c. monthly d. by accountant's decision

10. Do you keep invoices, vouchers and timesheets for all payments made from grant funds?

Yes: No:

11. Are there any circumstances in which invoices, vouchers and timesheets cannot or will not be obtained)?

Yes: (explain) No:

12. Briefly describe your organization's system for filing and keeping supporting documentation.

13. Will your organization be able to keep accounting records including invoices, vouchers and timesheets for at least five years after the final financial report is submitted?

Yes: No: (explain)

14. Does your organization have a negotiated indirect cost rate agreement approved by a U.S. Government agency?

Yes: (If yes, please enclose copy of rate agreement) No:

14a. If not and you are proposing an indirect cost rate, describe how the rate is calculated.

SECTION D: Funds Control

AED grantees and recipients who receive advances of grant funds must maintain a separate bank account registered in the name of the organization for the purpose of keeping only AED grant funds. The bank account may be in local currency or U.S. dollars. AED normally pays grantees monthly by bank transfer to the separate account. Access to the bank account must be limited to authorized individuals. Bank balances should be compared each month with your accounting records. If cash cannot be kept in a bank, it is very important to keep the cash in a strong safe and have strict controls over cash maintenance and disbursement. For petty cash, it is very important to keep the cash in a strong safe and have strict controls over cash maintenance and disbursement.

1. Can a separate bank account registered in the name of your organization be established for AED grant funds only? Yes: No:

1a. If not, how do you plan to receive funds from a possible grant?

2. Will funds in the bank account be in:

Local currency: U.S. dollars:

3. Will the bank account draw interest:

Yes: No:

4. Are all bank accounts and check signers authorized by the organization's Board of Directors or Trustees or other authorized persons?

Yes: No:

5. Will any cash from AED grant funds be kept outside the bank account (in petty cash funds, etc.)?

Yes: No:

5.a. If yes, please explain the amount of funds to be kept and the name and position/title of the person responsible for safeguarding cash.

6. If your organization doesn't have a bank account, how is cash kept safely?

7. What is the maximum amount of petty cash on hand?

8. If AED grant funds will be held in a non-U.S. bank, please answer questions 8a through 8f.

8a. Are bank deposits insured by the government?

Yes: No:

8b. Are there any government restrictions on the number of bank accounts an organization may have?

Yes: No:

If yes, please explain:

8c. Does the bank automatically convert U.S. dollar to local currency immediately after receiving them?

Yes: No:

8d. How will payments for grant expenses be made from the separate bank account (check all that apply):

- Checks payable to seller drawn on the bank account.
- Bank transfers to seller.
- Withdrawals of cash from bank account, followed by payments to sellers in cash.
- Other (please describe):

8e. Are there any government or bank restrictions, taxes or other fees that will be placed on the bank account?

Yes: (Explain) No:

8f. Are there any taxes, exchange requirements, or other charges that you will have to pay when converting U.S. dollars to local currency?

Yes: (Explain) No:

SECTION E: Audit

AED may require an audit of your organization's accounting records. An audit is a review of your accounting records by an independent accountant who works for an accounting firm. An audit report contains your financial statements as well as an opinion by the accountant that your financial statements are correct. Please provide the following information on prior audits of your organization.

1. Does your organization have regular independent audits which you contract and pay for?
Yes: (please provide the most recent copy) No audits performed:

1a. If yes, who performs the audit?

1b. How often are audits performed?

Quarterly: Yearly: Every 2 years: Other: (explain)

1c. What type of audit is performed?

Financial: A-133: Program: Other:

1d. If your organization receives an AED grant, will AED grant funds be included in such an audit?

Yes: No:

1e. If there is an audit, will the AED grant appear as a separate item?

Yes: No:

1f. Will the report be prepared in, or translated into English?

Yes: No:

2. If your organization does not have a current audit of its financial statements, please provide a copy of the following financial information, if available:

- a. "Balance Sheet" for your prior fiscal or calendar year; and
- b. "Revenue and Expense Statement" for your prior fiscal or calendar year.

3. Are there any reasons (local conditions, laws, or institutional circumstances) that would prevent an independent accountant from performing an audit of your organization?

Yes: No:

If yes, please explain:

CHECKLIST AND SIGNATURE PAGE

AED requests that your organization submit a number of documents along with this completed questionnaire. Complete this page to ensure that all requested information has been included.

1. Will your organization be providing funds from the proposed grant to any other organization?

Yes: No:

If yes, complete Section F: Subrecipient Monitoring and the checklist below and then sign and return the questionnaire to AED. If no, complete the checklist, and then sign and return the questionnaire to AED.

2. Complete the checklist:

- Incorporation Papers or Certificate of Registration and Statute (requested on page 3) is attached.
- The IRS Determination Letter, if applicable, is attached.
- Information describing your organization (requested on page 3) is attached.
- Organizational chart, if available (requested on page 4) is attached, (if applicable).
- A Negotiated Indirect Cost Rate Agreement (requested on page 7) is attached.
- Copy of your organization's most recent audit (requested on page 11) is attached.
- If no recent audit, a "Balance Sheet" "Revenue and Expense Statement" and "Register of issued and received invoices" for the prior fiscal year (requested on page 11).
- All questions have been fully answered.

- Section F: Subrecipient Monitoring (pages 13-15) is completed and attached (if there are subrecipients under the proposed grant).
- An authorized individual has signed and dated this page.

The Accounting Questionnaire must be signed and dated by an authorized person who has either completed or reviewed the form.

Approved by:

Print Name

Signature

Title

Date

SECTION F: Subrecipient Monitoring

A primary grantee administering AED funds must have the ability to monitor subrecipient activities. Subrecipient monitoring may include reviewing expenditure documentation, reviewing and/or compiling financial and narrative reports, providing advice and assistance, performing site visits, and consulting with AED when subrecipient problems are found.

Primary grantees must ensure that all subrecipients of AED grants complete and return a separate copy of this Accounting Questionnaire (pages 1-11).

1. Will your organization be providing funds from the proposed AED grant to any other organization(s)?

Yes: No:

1a. If yes, provide the name and address of the subrecipient(s) and the name of the contact person(s) for our records.

2. Please submit a copy of your organization's procedures to monitor subrecipients.

Enclosed: Not Enclosed: (Explain under question #3 below)

3. If you do not have written procedures, describe how your organization will monitor subrecipients including: checking their costs, and preparing or reviewing subrecipient financial and narrative reports. Also, discuss how often you will monitor subrecipients

4. List the names and position/titles of the people in your organization who are responsible for:

4a. Reviewing and evaluating the subrecipient's accounting system and internal controls:

4b. Monitoring subrecipient financial activities:

5. What information are subrecipients required to submit to your organization (e.g, financial reports, itemized disbursements records, original/copies of receipts, canceled checks, etc.)?

6. How often is subrecipient information submitted to your organization?

Monthly: Quarterly: Annually:

7. Are subrecipients responsible for preparing financial reports of their grant activities, or is this information prepared by your organization?

Subrecipient prepares financial reports: You prepare financial reports for the subrecipient:

8. Are there any circumstances which might keep your organization from monitoring subrecipient financial and project activities (for example, communication difficulties, lack of personnel, unfamiliarity with AED grant requirements, etc.)?

Yes: (Explain) No:

9. Please ensure that the subrecipient completes a separate Accounting Questionnaire and that a copy is sent to AED. The subrecipient questionnaire, together with your completed Subrecipient Review Form (page 15), must be received by AED before any grant funds are disbursed.

Reviewed & Enclosed: Awaiting Completion:

Subrecipient Review Form

Name of Grantee Organization:

Name of Subrecipient Organization:

Based upon a review of the subrecipient questionnaire, the following are areas of concern:

Based upon the concerns listed above, we plan to strengthen subrecipient monitoring by:

Prepared by (printed name):

Signature:

Title:

Date: