

# For-Profit & Foreign Entity Subcontractor Audit Certification

Legal Entity Name: \_\_\_\_\_

Address: \_\_\_\_\_

Organization's Fiscal Year (Start/End Months): \_\_\_\_\_

MOST RECENT FISCAL YEAR ENDED (D/M/Y): \_\_\_\_\_

## Subcontractor Audit Information

### Check the Appropriate Boxes & Provide the Required Reports

- Our entity is subject to federal audits of our Accounting System by DCAA. The most recently completed audit was \_\_\_\_\_ (*insert date*). The results of the audit are described below or attached:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Stop and sign below.*

**OR**

- External independent audit of our entity has been completed for the most recently completed fiscal year. A copy of the report is attached or is available online at \_\_\_\_\_ (*insert URL*).

*Stop and sign below.*

**OR**

- Our entity has not been audited by a U.S. Government audit agency or by an extra independent entity for the most recently completed fiscal year or the audit report is proprietary. **The Financial Status & Accounting System Questionnaire (FS&Q) has been completed in its entirety.**

*Complete the FS&Q provided as a separate document and sign below..*

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**True and correct information concerning my organization's finances and fiscal policies has been provided in this Audit Certification regarding the most recent fiscal year noted above.**

Authorizing Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name & Title: \_\_\_\_\_

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### UDRI INTERNAL USE ONLY

- Audit reviewed. No findings reported. Filed with certifications.
- Audit reviewed. Findings reported. Audit review memo attached.  
 Findings may have impact on Subcontract. Audit review memo sent to UDRI PI for review on \_\_\_\_\_.
- Financial Status Questionnaire reviewed. Review memo attached.  
 Based on review Subcontractor will be required to provide detailed back up of costs with all invoices.

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Subcontracts Manager Signature & Date

## For-Profit & Foreign Entity Subcontractor Financial Status & Accounting System Questionnaire

OMB Circular A-133 requires the monitoring of subcontractors/subrecipients awarded Federal funds to carry out a program under a prime contract/grant award to the University of Dayton. The purpose of this questionnaire is to help us determine the status of your organization's compliance with the main Federal requirements for expending Federal funds. The following questions should be answered by your Independent Auditor (CPA) or Chief Financial Officer of your entity.

Please answer each question thoroughly and provide a written copy of your procedures and/or samples of accounting record documents including, but not limited to, timesheets, calendars and financial document to support the procedures described below.

A.	<b><u>General Information</u></b>	YES	NO
1.	Are duties separated so that no one individual has complete authority over an entire financial transaction?		
2.	Does your organization have controls to prevent expenditure of funds in excess of approved, funded award amounts?		
3.	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. <b>(Please provide a copy of any recent external audit report).</b>		

B.	<b><u>Cash Management/Accounting System</u></b>	YES	NO
1.	Please identify and provide a description of your accrual or cash basis accounting system including a description of how your accounting system records costs and labor hours by contract. <i>(Provide information below or attach a separate document.)</i>		
2.	Are your records reconcilable to your financial documentation such as check book, receipts, bank statements, etc.? If yes, please describe your reconciliation procedures. <i>(Provide information below or attach a separate document.)</i>		

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Subcontractor Financial Status & Accounting System Questionnaire**

<b>C. <u>Payroll/Timekeeping System</u></b>		<b>YES</b>	<b>NO</b>
1.	Are payroll charges checked against program/award budgets?		
2.	What system does your organization use to control paid time? Describe your method for recording all hours worked for direct projects and indirect costs such as overhead, general and administrative, military leave, etc. ( <i>Provide information below or attach separate document.</i> )		

<b>D. <u>Billing/Unallowable Costs</u></b>			
1.	Do the accounting records described above support your client billings? Describe your billing procedures.		
2.	In accordance with FAR 31.201-6, describe how your accounting system identifies and excludes unallowable costs from the client billings.		
3.	Describe how your accounting system includes subcontractor costs in client billings. <i>Complete only if subcontractor costs are proposed.</i>		
4.	Allowable Cost and Payment <i>Applicable only if awarded a Time and Materials (T&amp;M) subcontract under a FAR based prime contract.</i> The subcontract will be subject to the reporting requirements of FAR 52.216-07. To be in accordance with this clause under a T&M subcontract, you must, at a minimum,		

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<p>annually at your company's fiscal year end submit a Schedule K to your Federal cognizant agency or local DCAA office. If your organization is not subject to DCAA audit and no prime government contracts a Schedule K must be submitted to UDRI to include in our incurred cost submission. Do you agree to provide a Schedule K annually during the life of the subcontract to the appropriate entity as described above? <i>For more information regarding this incurred cost submission, please refer to DCAA's website at <a href="http://www.dcaa.mil">www.dcaa.mil</a> under "Info for Contractors."</i></p>		
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<b>E.</b>	<b><u>Procurement</u></b>	YES	NO
1.	Are there procedures to ensure procurement/purchasing at competitive prices? If yes, describe the procedures.		
2.	Is there an effective system of authorization and approval of the following so that no one individual has complete authority over a procurement transaction?		
	a. materials, supplies and other direct cost expenditures?		
	b. travel expenditures?		
	c. capital (property) expenditures?		

<b>F.</b>	<b><u>Property Management</u></b> <i>Complete this section only if purchase of property is proposed. Property is defined as any individual item or combination of component with an acquisition cost of \$5,000 or more and a useful life of one year or longer.</i>	YES	NO
1.	Are detailed records of individual capital assets kept and periodically balanced with the general ledger accounts?		
2.	Are detailed property records periodically checked by physical inventory?		
3.	Briefly describe the organization's policies concerning capitalization and depreciation.		

<b>G.</b>	<b><u>Cost Transfers</u></b>		
	How does the organization ensure that all cost transfers are legitimate and appropriate?		

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<b>H.</b>	<b><u>Indirect Costs</u></b>	<b>YES</b>	<b>NO</b>
1.	Does your entity have an indirect cost allocation plan or a federally negotiated indirect cost rate? Explain. <i>(Please provide a copy of any federally negotiated indirect cost rate agreement.)</i>		
2.	Does the organization have procedures which provide assurance that consistent treatment is applied in the distribution of indirect cost charges to all federal grants, contracts and cooperative agreements? Explain.		
<b>I.</b>	<b><u>Cost Sharing</u></b> <i>Complete this section only if cost sharing is proposed.</i>		
	How does the organization determine that it has met cost sharing commitments?		
<b>J.</b>	<b><u>Compliance</u></b>	<b>YES</b>	<b>NO</b>
2.	Is your organization familiar with Federal financial reports so that they will be completed in an accurate and timely manner when required?		
3.	What was the dollar volume of Federal awards/funds to your organization during your most recently completed fiscal year? As a prime contractor/awardee: As a subcontractor/subrecipient:		