

# APPENDIX D: FINANCIAL RISK ASSESSMENT FORM

**Purpose**

This survey is intended to collect information about the capacity and ability of the applicant to manage federal and/or state grant funds. Information from the report will be used to assess the structure and capacity-building needs of the charter school and Local Educational Agency (LEA) and identify any appropriate technical assistance and/or resources to strengthen operations at both the charter school and LEA levels.

**Procedure**

Completion of this report is required for reimbursement. Applicants are advised to ensure that the person or persons completing this form are those responsible for and knowledgeable about the financial management functions at the charter school and LEA/Authorizer level. This information will be taken into consideration as part of the subgrant application. Scores will determine if the applicant’s level of risk to manage grant funds is high, medium, or low, and these scores will be utilized in determining appropriate technical assistance, reporting, and monitoring requirements for potential subgrantees.

**Risk Assessment**

The risk score determines the order in which the League will evaluate and monitor the subgrant program.

- **High Risk** - A score over 20 for either the LEA or charter school requires intensive monitoring (monthly check-ins with LEA and school fiscal representative(s) are required to participate) and improvement based on a thorough evaluation of the subgrant project. An approved action plan will be required before final approval.
- **Medium Risk** - A score between 8 and 20 for either the LEA or charter school requires evaluating areas that need improvement, and improving those areas based on the approved action plan is required before final approval.
- **Low Risk** - A score below 8 for either the LEA or charter school generally identifies that the project is at lower risk for potential waste, mismanagement, non-compliance, or fraud. No extra actions are required.

**Scoring: The following questions will be scored from 0 to 5.**

5 – High Risk | 0 – Low Risk

Financial Risk Management Survey				
Authorizing Local Education Agency (LEA)				
No.	Question	Highlight Correct Answer		Score:
1	Is the LEA on the Federal or State Debarment List, including the USDA National Disqualified List and State §501 (c) (3) list? (If yes, no need to go further)	Yes (25)	No (0)	
2	Is the LEA in good standing on the State §501 (c) (3) list?	Yes or N/A (0)	No (5)	
3	Does the LEA have an active, no-exclusion, Unique Entity ID (UEI)?	Yes (0)	No (10)	

4	Has the LEA or its principals ever been suspended or debarred from receiving federal or state grants or contracts?	Yes (5)	No (0)	
5	Has the LEA ever had a government contract, project, or agreement terminated?	Yes (5)	No (0)	
6	Does the LEA employ a finance director with at least three years of experience in accounting at this type of entity?	Yes (0)	No (5)	
7	Have there been changes in fiscal/project personnel in the previous year at the LEA?	Yes (5)	No (0)	
8	Does the LEA use a commercial/licensed financial software system?	Yes (0)	No (5)	
8a	<i>If Yes – Identify which system:</i>			
9	Does this system ensure that grant funds are not commingled with general operating funds?	Yes (0)	No (5)	
10	How many years has the LEA been in existence?	0–2 years (4)	2–5 years (3)	
		6–10 yrs (2)	11–14 yrs (1)	
		15 years + (0)		
11	Does the LEA have experience managing other federal, state, local, or private funds?	0–1 year (4)	2–4 years (3)	
		5–7 years (2)	8–10 yrs (1)	
		10 years + (0)		
12	Does the LEA have written procedures for procurement time and effort (federal) and fiscal management (to include internal control procedures) of federal or state grant funding that specifically comply with the Uniform Grants Guidance?	Yes (0)	No (1)	
13	Does the LEA have procedures established to identify unallowable costs under federal or state grant funding before expending funds?	Yes (0)	No (1)	
14	Has the LEA received awards from CDE in the past?	Yes (0)	No (1)	
14a	<i>If Yes – Identify which project and year (list):</i>			
15	Single Audit Status (answer only if LEA receives MORE THAN \$750k in federal funding from other sources:  <i>*Findings refer to a material weakness, significant deficiency, or questionable costs.</i>	No single audit performed (5)	Received a Program & Fiscal audit funding (4)	
		Received a Fiscal audit finding (3)	Received a Program audit funding (2)	
		No findings (0)		

16	Financial Audit Status (answer if LEA is not required to have a Single Audit, but instead a standard financial audit):	No audit performed for prior year (5)	Financial Audit completed for prior year (0)	
		IRS 990 Form Submitted for Review (0)		
17	The ratio of reserve cash on hand to operational budget is represented in the months of cash on hand for LEA. (i.e., grant budget divided by total operating budget).	<5 % (0)	6% – 19% (1)	
		20% – 30% (2)	31% – 39% (3)	
		40%+ (4)		
17a	<i>Provide a copy of the most recent LEA financials.</i>			
<b>Applicant Charter School</b>				
No.	Question	Highlight Correct Answer:		Score:
18	What is the number of years that the charter fiscal contact has been in the position as of the application date?	< 1 year (4)	1–2 years (3)	
		3–5 years (2)	6–9 years (1)	
		10 years + (0)		
19	Does the charter school have written procedures for procurement time, effort, and fiscal management of federal or state grant funding that specifically comply with the Uniform Grants Guidance?	Yes (0)	No (1)	
20	Does the charter school use a commercial/licensed financial software system?	Yes (0)	No (5)	
20a	<i>If Yes – Identify which system:</i>			
21	Does this system ensure that grant funds are not commingled with general operating funds?	Yes (0)	No (5)	
22	The ratio of Reserve Cash on Hand to Operational Budget is represented in months of Cash on Hand for the charter school. (i.e., grant budget divided by total operating budget).	<5 % (0)	6% – 19% (1)	
		20% – 30% (2)	31% – 39% (3)	
		40%+ (4)		
		<b>Total:</b>		

*By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate. I know that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject this entity to immediate termination of a grant award agreement up to and including return of any disbursed funds.*

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Name of Charter School Authorized Representative  
(CSP Subgrant Contact)

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Signature

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Name of School District or Charter School Institute  
Authorized Representative (Fiscal Manager)

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Signature