#

# DUE DILIGENCE QUESTIONNAIRE

# FOR COST REIMBURSABLE SUBAWARDS

Accepting a Subaward from the International Research & Exchange Board (IREX) creates a legal duty for the Subawardee organization to use the funds according to the Subaward agreement and U.S. government regulations.

This questionnaire provides IREX with information needed to assess the adequacy of the organization’s financial and accounting system (and, if applicable, that of any of lower tier Subawardees) and assesses if IREX will need to provide management assistance to ensure accountability if a Subaward is issued. The questionnaire also collects information IREX is required to collect from Subawardees legally or based on donor regulations.

Each question should be answered as completely as possible, using extra pages if necessary. Return the completed questionnaire to IREX as soon as possible. The completed questionnaire must be received by IREX before IREX can issue the Subaward.

**Please complete the signed questionnaire and any attachments and return to IREX.**

**Mail:** **Cai Thomas, Program Manager**

**IREX 1275 K Street, NW Ste. 600**

**Washington, DC 20005**

**202-628-8188**

**E-mail: cthomas@IREX.org**

**CONTACT INFORMATION**

1. Legal Name of the Organization Applying for Funding

English Language:

Local Language (if different):

1. Address

Mailing Address:

Physical/Street Address (if different):

1. Tax Identification Number

U.S. Tax I.D.:

Non-U.S. Tax I.D.:

1. Telephone:
2. Email Address:
3. Point of Contact Name/Title:
4. Organization UEI[[1]](#footnote-2):

**SECTION A: General Information**

Please complete this section to provide general information about the Subawardee organization.

1. Is the organization incorporated or legally registered in the country where it operates?

[ ] Yes. Please complete the requested information and attach a copy of registration documents:

Registration effective date:

Registration location:

Registration expiration date (if applicable):

[ ] No

1. This organization is registered as:

[ ] Non-profit/Charitable

[ ] For-profit/Commercial

[ ] University

[ ] Other (please describe):

[ ] Unregistered

1. This organization has government recognized non-profit tax-exempt status:

[ ] Yes [ ] No [ ] Other tax-exempt (please describe):

1. Is this organization affiliated with any other organization (subsidiary, related party, umbrella organization, etc.)?

[ ] Yes [ ] No

Please list affiliated organizations (if applicable):

* 1.
1. Please list the names of the organizational officers/board of directors and provide an organizational chart (with titles), if available:
	1.
2. Please provide a short description of the role of the Board in providing oversight to ensure that the organization remains in good standing[[2]](#footnote-3):
3. Has the organization had significant changes in leadership or changes in financial or award administration systems in the last year?

[ ] Yes (please describe):

[ ] No

1. Enter the beginning and ending dates of the organization's fiscal (financial) year:

From: (Month, Day) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ To: (Month, Day) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Will the organization receive support from non-U.S. government sources that will be added as cost share to the IREX subaward?

[ ] Yes [ ] No

Please provide an estimated value of any program support expected to be receive and include both monetary and non-monetary (equipment, free services) amounts (if applicable):

1. Has the organization had an agreement terminated for cause in the last three years?

[ ] Yes (please explain):

[ ] No

1. Does the organization have a Negotiated Indirect Cost Agreement (NICRA) with the US government?

[ ] Yes. Please provide a copy.

[ ] No. Please describe any other methods the organization uses to recover indirect costs (fixed indirect rates, de minimis rates), provide organizational policy on indirect rate recovery, and provide a copy of audited financial statements showing organizational indirect rates (if applicable):

1. *A cost may not be assigned to a subaward as a direct cost if any other cost incurred for the same purpose in similar circumstances has been allocated to the subaward as an indirect cost.*

If the organization plans to recover indirect costs (NICRA or other indirect rates) under this subaward, please describe how the organization ensures that costs are consistently treated as direct or indirect costs across all organizational work:

1. *This question is intended to collect information in compliance with the Federal Funding Accountability and Transparency Act. This Act requires IREX to report executive compensation for the five most highly compensated individuals for subgrantees that meet certain tests. It applies to subawardees that receive subawards directly from IREX (first tier subawards).*

Does the organization receive more than 80% of its gross revenue from the US federal government (either through direct awards or through subawards)?

[ ] Yes [ ] No

Does the organization receive more than USD $25,000,000 ($25 Million) annually in revenue from the US federal government (either through direct awards or through subawards)?

 [ ] Yes [ ] No

If the organization receives more than 80% of gross revenue and more than USD $25,000,000 from the US federal government, does the organization make information on the five most highly compensated officers available to the public through either the US IRS Form 990 Organizational Tax Filing or through a filing with the US Securities and Exchange Commission?

[ ] Yes [ ] No [ ] N/A

If the organization receives more than 80% of gross revenue and more than USD $25,000,000 from the US federal government, please fill out the following table with the correct information:

|  |  |
| --- | --- |
| Executive Name and Title | Compensation |
|   |   |
| Executive Name and Title | Compensation |
|   |   |
| Executive Name and Title | Compensation |
|   |   |
| Executive Name and Title | Compensation |
|   |   |
| Executive Name and Title | Compensation |
|   |  |

1. Does the organization undergo a yearly financial statement audit?

[ ] Yes. Please attach most recent audit report.

[ ] Yes, the organization receives both a financial statement audit and a 2CFR200-compliant Single Audit[[3]](#footnote-4). *Please use the Due Diligence for Audited Organizations form instead.*

[ ] No

1. Will the organization have other sources of U.S. government revenue (such as USAID, Department of State, or U.S. Embassy funds) during the period of the IREX subaward?

[ ] Yes (please include name of funding agency, grant period, grant amount):

[ ] No

1. Please complete the requested information for the two most recent closed fiscal years or provide a copy of the two most recent audited financial statements:

Most Recent Year Information (indicate period):

Revenues: U.S.D. $ Local currency:

Expenses: U.S.D. $ Local currency:

Assets: U.S.D. $ Local currency:

Liabilities: U.S.D. $ Local currency:

Exchange Rate: per 1 U.S.D.

Prior Year Information (indicate period):

Revenues: U.S.D. $ Local currency:

Expenses: U.S.D. $ Local currency:

Exchange Rate: per 1 U.S.D.

Of the current year funding, how much revenue comes from the following (***in U.S. dollars***):

Membership Dues/Contributions: $\_\_\_\_\_\_\_\_\_\_\_\_

Publications: $\_\_\_\_\_\_\_\_\_\_\_\_

Services: $

National/Local Governments: $\_\_\_\_\_\_\_\_\_\_\_\_

Advertising Revenue: $\_\_\_\_\_\_\_\_\_\_\_\_

Other (specify): $

Donations -U.S. $\_\_\_\_\_\_\_\_\_\_\_\_

Donations - Non-U.S. $\_\_\_\_\_\_\_\_\_\_\_\_

1. Does the organization maintain a website which describes its mission and history?

[ ] Yes. URL:

[ ] No. Please explain why information is not available and/or attach printed materials:

1. Does the organization have a Conflict of Interest Policy?

[ ] Yes (please attach) [ ] No

1. Does the organization have any potential or actual conflict of interest, including organizational conflict of interest, with IREX[[4]](#footnote-5)?

[ ] Yes. Please explain:

[ ] No

1. Does the organization have a Gift Acceptance Policy?

[ ] Yes. Please detail what type of gifts are acceptable and not:

[ ] No

1. Does the organization have a Whistleblower Protection Policy?

[ ] Yes. Please detail what mechanisms exist for disclosure and protections of the whistle blowers:

[ ] No

1. Does the organization have a Fraud Policy?

[ ] Yes. Please detail what measures exist to prevent fraud and describe the provisions for mandatory reporting of issues with fraud:

[ ] No

1. What measures are used to determine that an employee’s function has been adequately performed? Please describe the employee performance evaluation process at the organization:

**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, and 3) accounting records are complete, accurate, and kept on a regular basis. Please complete the following questions concerning the organization's internal controls. **If this proposed subaward is over $50,000, please attach any written organizational policies pertaining to procurement, travel, or timesheets**.

1. Are timesheets kept for each paid employee?

[ ] Yes (please attach sample timesheet) [ ] No

1. Does the organization maintain an employment letter or contract which includes the employee’s salary for each employee?

[ ] Yes (please attach sample employment agreement) [ ] No

1. Does the organization have written procurement policies?

[ ] Yes (please attach) [ ] No

1. Is the organization experienced with U.S. government regulations concerning costs which can be charged to U.S. awards (2 CFR 200 Subpart E Cost Principles (for non-profit organizations) or FAR 31.2 Cost Principles (for commercial organizations))?[[5]](#footnote-6)

[ ] Yes [ ] No

1. Describe the types of reconciliations (e.g., bank, inventory, etc.) performed, and how frequently they are performed:

 Type of reconciliation Frequency

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

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

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1. List the name and position title for the following organizational functions (as applicable):
2. Cashier (physical custody of cash): Name/Title
3. Cash Reconciliation: Name/Title
4. Check Signatories: Name/Title
5. Bank Account Signatories: Name/Title
6. Bank Account Reconciliation: Name/Title
7. Accounting Records: Name/Title
8. Financial Reporting for this Subaward: Name/Title
9. Payment Approval (review of expenditures to confirm they are allowable): Name/Title
10. Payment Documentation (all receipts to support expenses charged to subaward): Name/Title

Equipment Inventory: Name/Title

## 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. IREX subaward funds must be properly authorized, used for the intended purpose, and recorded in an organized and regular manner.

If the proposed subaward will be over $50,000, please attach any organizational policies on procurement, timesheets, and travel if they have not already been provided under the “Internal Controls” section.

1. Briefly describe the organization's accounting system including: a) any manual ledgers used to record transactions (general ledger, cash disbursements ledger, etc.); b) any digital accounting system used (please indicate the name); and c) how transactions are summarized in financial reports:
2. Can the accounting system separate revenue and payments under the IREX subaward from the revenue and payments under the organization's other activities?

[ ] Yes [ ] No

1. Can the organization’s accounting records summarize expenditures from the IREX subaward according to different budget categories, such as salaries, rent, supplies and equipment?

[ ] Yes [ ] No

1. How will the organization make sure that individual budget categories and overall budget limits for the IREX subaward are not exceeded?
2. Will the organization be able to keep invoices, vouchers, bank statements, and timesheets (as applicable) for all payments made from subaward funds?

[ ] Yes [ ] No

1. Will the organization be able to keep accounting records including invoices, vouchers, bank statements, and timesheets for at least three years after the final subaward financial report is submitted?

[ ] Yes [ ] No

How are organizational records filed and retained and how will the cost, if any, be covered for the retention period of this subaward?

In circumstances where invoices, vouchers, or timesheets cannot be obtained, how are costs documented and verified?

## SECTION D: Funds Control

IREX normally pays subawardee periodically by wire transfer of U.S. dollars to a specified bank account. Access to the bank account must be limited to authorized individuals. Bank balances should be compared each month with the 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.

1. Will subaward funds be primarily kept in a bank account?

[ ] Yes

[ ] No (please describe how funds will be kept):

1. Will funds from the IREX subaward be kept in cash outside the bank account?

[ ] Yes. Please identify estimated amount and explain how cash is safeguarded:

[ ] No

1. Please answer the following if subaward funds will be held in non-U.S. bank account:
2. Will funds in the bank account be kept primarily in:

[ ] Local Currency [ ] U.S. Dollars

1. Are bank deposits insured by the government?

[ ] Yes [ ] No

1. Does the bank automatically convert U.S. dollars to local currency immediately after receiving them?

[ ] Yes [ ] No

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

[ ] Yes (please explain):

[ ] No

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

[ ] Yes (please explain):

[ ] No

1. What is the process for changing the organizational bank signatory?

**SECTION E: Past Performance and Program Compliance**

Please list five funded projects that indicate the organization’s ability to successfully complete the subaward applied for (preferably US government grants/cooperative agreements if applicable). This is required for all applications where the information was not collected as part of the technical proposal. IREX projects may be included, as appropriate.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of Project** | **Grant # and Funder** | **Amount of Grant** | **Start and End Dates** | **Name and email of reference** |
|  |  |  |  |  |
|  |  |  |  |  |
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|  |  |  |  |  |
|  |  |  |  |  |

1. If organization staff will interact with children or vulnerable adults as part of performance of this subaward, does the organization have a child safeguarding policy?

[ ] Yes (please attach) [ ] No [ ] N/A

1. Does the organization have an anti-trafficking policy (for example, Combatting Trafficking in Persons and Forced Labor Policy or Employee Handbook with relevant anti-trafficking provisions)?

[ ] Yes (please attach) [ ] No

1. Does the organization have policies on integrity standards including prohibiting sexual harassment, misconduct, conflict of interest and gift acceptance or does the employee handbook contain relevant statements on these topics?

[ ] Yes (please attach) [ ] No

1. Is the proposed subaward activity expected to have a significant environmental impact?

[ ] Yes. Please describe expected impact and any planned mitigation measures:

[ ] No

1. Please describe organizational data and information security protocols and attach any relevant policy:
2. Please describe organizational security procedures including any steps the organization will take to protect physical property and spaces used for this subaward and attach any relevant policy:

As an authorized representative of the organization applying for IREX funding, I certify that the information provided is complete and accurate, to the best of my knowledge. By signing this document, I authorize IREX to check organizational references and verify all information. Any willful false statements in this application will be grounds for termination of application or termination of subaward if issued.

Approved by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name

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

Title Date

Attached as available (check all that apply):

[ ]  Registration Documents

[ ]  IRS Form 990 Return of Organization Exempt from Income Tax (most recent year)

[ ]  Organizational Chart

[ ]  NICRA (most recent year) or Organizational Policy on Indirect Cost Recovery and financial statement audit of rates (most recent year)

[ ]  Financial Statement Audit (most recent 2 years)

[ ]  Organizational Conflict of Interest Policy

[ ]  Organizational Gift Acceptance Policy

[ ]  Organizational Whistleblower Protection Policy

[ ]  Organizational Fraud Policy

[ ]  Sample Timesheet

[ ]  Sample Employment Agreement

[ ]  Organizational Procurement Policy

[ ]  Organizational Travel Policy

[ ]  Organizational Child Safeguarding Policy

[ ]  Organizational Anti-trafficking Policy

[ ]  Organizational Integrity or Standards of Conduct Policy

1. The Unique Entity Identifier (UEI) is a universal identifier for Federal financial assistance applicants, as well as recipients and their direct subrecipients. The US Department of State and USAID requires all subawardees to have a UEI number. Private funders may not require a UEI number. Numbers are available from [www.sam.gov](http://www.sam.gov). IREX will provide UEI application instructions on request. [↑](#footnote-ref-2)
2. Board oversight is part of an organizational structure, responsible for ensuring compliance with the law or other standards of organization. [↑](#footnote-ref-3)
3. The Single Audit is required by federal policy for all U.S. –based organizations that expend more than $750,000 per year in federal awards from all sources (both as direct awardees and subawardees) to arrange for an independent audit that determines whether financial statements are accurately presented, whether internal controls are well designed and operating effectively and whether compliance with laws and regulations that could have a direct and material effect on federal claims has occurred. Both Department of State and USAID have audit provisions in the special terms and conditions that relate to Foreign entities and require either a program or organizational audit at $750,000. [↑](#footnote-ref-4)
4. A conflict of interest exists when a staff member of the organization is related to or has a family, business or financial association or gains a tangible personal benefit from the relationship with staff at IREX or with IREX itself. An organizational conflict of interest means that because of other activities or relationships with other entities, IREX is unable to 1) render impartial assistance or advice to the Government, 2) cannot perform the federal contract work in an objective way, or 3) has an unfair competitive advantage compared to other entities. The conflict must be reported so that IREX can take steps to ensure that the conflict does not affect decisions etc. and the potential future relationship is administered in a fair manner without prejudice to other parties that might not have a relationship with IREX staff or IREX itself. [↑](#footnote-ref-5)
5. 2 CFR 200 may be found at <https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl>,

 FAR 31-2 may be found at <https://www.ecfr.gov/cgi-bin/text-idx?SID=cbb7305b43e022815d30aeaf7b642744&node=pt48.1.31&rgn=div5#sp48.1.31.31_12> [↑](#footnote-ref-6)