**ATTACHMENT 1 - PRE-AWARD RISK ASSESSMENT TEMPLATE AND GUIDANCE**

|  |  |
| --- | --- |
| **Sub-recipient:** |  |
| **Monitoring Period:** |  |
| **Award Number:** |  |
| **Program:** |  |
| **Review Date:** |  |
| **Award Period:** |  |
| **Date of Last Review:** |  |
| **Award Amount:** |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Pre-Award Risk Assessment** | **Yes** | **No** | **N/A** |
| ***1) Sub-recipient’s Prior Experience*** |
| Does the sub-recipient have previous MDH (Federal and/or State) grant experience? |   |  |  |
| Has the sub-recipient previously been listed on the Federal Exclusions Database? |  |   |  |
|  |  |  |  |
| ***2) Sub-Recipient’s Background*** |
| Is the sub-recipient financially stable? |   |  |  |
| Will the grant funds be deposited into a separate bank account? |  |    |  |
| Does the sub-recipient have written procurement andaccounting procedures in place? |   |  |  |
| Does the sub-recipient have an inventory/equipment system in place? |   |  |  |
| Does the subrecipient have accounting systems that can separately track all drawdowns and grant expenditures? |   |  |  |
| Does the subrecipient have a records retention policy? |   |  |  |
| Can the sub-recipient effectively implement statutory, regulatory and other requirements imposed on them for this award? |    |  |  |
| Does the sub-recipient have a system in place to ensure that the grant objectives are being met? |   |  |  |
| Does the sub-recipient know what data they will need tomeasure their progress in meeting performance measures? |   |  |  |
| Does the sub-recipient have a risk assessment process in place to identify and mitigate potential risks? |   |  |  |

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**Count the number of No & N/A responses and circle corresponding “Low”, “Med”, or “High” risk assessment.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 0-3 No/NA | Sub-recipient is low risk for receiving grant funds. | Low |  |  |
| 4-7 No/NA | Sub-recipient is medium risk for receiving grant funds. |  | Med |  |
| 8-12 No/NA | Sub-recipient is high risk for receiving grant funds. |  |  | High |

|  |  |
| --- | --- |
| Risk Level | OIG Recommended Monitoring Procedures |
| High | Conduct background checks to verify proper payment of withholding taxes, credit standing, and other problem indicators; conduct internet searches and other reference checks to identify and review negative information prior to granting an award; review open OIG and inspection reports; determine if there are any ongoing OIG or other criminal investigations prior to award distribution; maintain separate bank accounts for each grant; include information on fraud awareness in grantee award packages; closely monitor grant funds to ensure funds are accounted for and appropriately spent; conduct site visits early in the process to ensure grantees maintain accurate accounting records and adequate support for their expenditures. |
| Medium | Determine if there are any ongoing OIG or other criminal investigations prior to award distribution; maintain separate bank accounts for each grant; include information on fraud awareness in grantee award packages; monitor grant funds more to ensure funds are accounted for and appropriately spent; conduct site visits early in the process to ensure grantees maintain accurate accounting records and adequate support for their expenditures. |
| Low | Conduct site visits early in the process to ensure grantees maintain accurate accounting records and adequate support for their expenditures. |

**Note:** If a sub-recipient is rated high risk, consider imposing special requirements on the sub- recipient.