

**Office of the State Controller**

Self-Assessment of Internal Controls

**Major Financial Assistance Cycle  
Federal Programs**

Control Policies and Procedures

**Allowable Costs/Cost Principles**

Agency \_\_\_\_\_ Year End \_\_\_\_\_

Program Name \_\_\_\_\_ CFDA # \_\_\_\_\_

**Bolded questions identify critical controls. A critical control is a control that will prevent or detect an error in the event that all other controls fail.**

Yes No N/A

- |             |     |  |
|-------------|-----|--|
| ___ ___ ___ | 1.  | Does the agency maintain written policies and procedures regarding expenditures eligible for Federal reimbursement (direct or indirect)?                       |
| ___ ___ ___ | 2.  | Are grant agreements, program regulations, and cost principles circulars available to staff responsible for determining allowable costs (direct and indirect)? |
| ___ ___ ___ | 3.  | Are costs allocated according to a plan that has been approved by the Federal agency?  |
| ___ ___ ___ | 4.  | Is the cost allocation plan reconciled to the agency's budget report(s) and the general ledger?  |
| ___ ___ ___ | 5.  | <b>Are records maintained supporting the basis for allocating cost?</b>  |
| ___ ___ ___ | 6.  | Does the agency have a cost system which allocates cost?   |
| ___ ___ ___ | 7.  | Are approved indirect cost rates applied to the proper base for each grant program?  |
| ___ ___ ___ | 8.  | <b>Are costs treated consistently?</b>   |
| ___ ___ ___ | 9.  | <b>Are costs routinely reviewed to determine that they are properly allocated between programs?</b>  |
| ___ ___ ___ | 10. | <b>Are the following duties performed by different people:</b>   |
| ___ ___ ___ | a.  | <b>Coding expenditures to Federal programs?</b>  |
| ___ ___ ___ | b.  | <b>Reviewing and approving expenditures?</b>   |

- \_\_\_ \_\_\_ \_\_\_ 11. Is the method of allocating cost understood by staff responsible for coding expenditures?
- \_\_\_ \_\_\_ \_\_\_ 12. Are expenditures and supporting documents reviewed for allowable costs and approved by a person knowledgeable of the provisions of OMB Circular A-87?
- \_\_\_ \_\_\_ \_\_\_ 13. Are payments to vendors or subrecipients compared to contracts, agreements or contract subsystems to ensure that payments do not exceed the contract or budgeted amount?
- \_\_\_ \_\_\_ \_\_\_ 14. Are comparisons made between budget and actual allowable costs?