

Attachment I: Financial System Risk Assessment (FSRA) Suggested Format

All applicants are required to submit the following information as an attachment to their application (suggested template below) for ETA to assess the applicant's Financial System. This information will be considered as one component of ETA's Risk Review Process. Applicants may use the suggested template or fillable version included under Other Supporting Documents, or they may answer the questions in a separate attachment. It is unlikely that an organization will be able to manage a federal grant without the following system/processes in place. Applicants are expected to have these in place before applying for a grant with ETA.

U.S. DEPARTMENT OF LABOR – EMPLOYMENT AND TRAINING ADMINISTRATION (ETA) FUNDING OPPORTUNITY ANNOUNCEMENT: FINANCIAL SYSTEM RISK ASSESSMENT		
SECTION A: PURPOSE		
The financial responsibility of grantees must be such that the grantee can properly discharge the public trust which accompanies the authority to expend public funds. Adequate administrative and financial systems, including the accounting systems, should meet the following criteria as contained in 2 CFR 200 and 2 CFR 2900. (1) Accounting records should provide information needed to adequately identify the receipt of funds under each grant awarded and the expenditure of funds for each grant. (2) Entries in accounting records should refer to subsidiary records and/or documentation which support the entry, and which can be readily located. (3) The accounting system should provide accurate and current financial reporting information. (4) The accounting system should be integrated with an adequate system of internal controls to safeguard the funds and assets covered, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed management policies.		
SECTION B: GENERAL		
1. Applicant Legal Name (as it appears in SAM.gov):		
a. Date the organization was founded/incorporated (<i>month, day, year</i>):	b. Principal Officers Names, Title, Email Address President/Chair Board of Directors: Chief Executive Officer:	
c. Employer Identification Number:		

U.S. DEPARTMENT OF LABOR – EMPLOYMENT AND TRAINING ADMINISTRATION (ETA) FUNDING OPPORTUNITY ANNOUNCEMENT: FINANCIAL SYSTEM RISK ASSESSMENT		
d. Number of Employees Full Time: Part Time:	Chief Financial Officer: Accounting/Budget Officer:	
2. Is the organization or institution affiliated with any other organization: Yes No If yes, please provide details as to the nature of the company (for profit, nonprofit, LLC, etc.) and if it provides services or products to the organization in relation to this grant.		3. Total Sales/Revenues in most recent accounting period. (12 months) \$
	SECTION C: ACCOUNTING SYSTEM	
<i>NOTE: Provide a detailed response (on a separate page on your organization's letterhead and signed/dated by a Principal Officer) for any items 2-9 of Section C that have "No" or "Not Sure" answer(s), providing enough information to clearly reflect the expertise of the organization in these areas.</i>		
1. Has any Government Agency rendered an official written opinion concerning the adequacy of the accounting system for the collection, identification, and allocation of costs under Federal contracts/grants? Yes No		
a. If yes, provide name, and address of Agency performing review:	b. Attach a copy of the latest review and any subsequent correspondence, clearance documents, etc.	
2. Which of the following best describes the accounting system:	State administered	Internally Developed Web-based
3. Does the accounting system identify the receipt and expenditure of program funds separately for each contract/grant?	Yes No Not Sure	
4. Does the accounting system provide for the recording of expenditures for each grant/contract by the component project and budget cost categories shown in the approved budget?	Yes No Not Sure	
5. Are time distribution records maintained for an employee when his/her effort can be specifically identified to a particular cost objective?	Yes No Not Sure	
6. If the organization proposes an overhead rate, does the accounting system provide for the segregation of direct and indirect expenses?	Yes No Not Sure	

U.S. DEPARTMENT OF LABOR – EMPLOYMENT AND TRAINING ADMINISTRATION (ETA) FUNDING OPPORTUNITY ANNOUNCEMENT: FINANCIAL SYSTEM RISK ASSESSMENT		
7. Does the organization have an approved indirect cost rate or cost allocation plan?	Yes No	Not Sure
If so, who approved it (Federal Cognizant Agency or a Pass-through Entity)? What are the effective dates?		
8. Does the accounting/financial system include budgetary controls to preclude incurring obligations in excess of:	Yes No	Not Sure Not
a. Total funds available for a grant?	Yes No	Sure
b. Total funds available for a budget cost category (e.g. Personnel, Travel, etc.)?		
9. Does the organization or institution have an internal control structure that would provide reasonable assurance that the grant funds, assets, and systems are safeguarded?	Yes No	Not Sure
	SECTION D: FINANCIAL STABILITY	
1. Is there any legal matter or an ongoing financial concern that may impact the organization's ability to manage and administer the grant?		
	Yes No	
If yes, please explain briefly.		
	SECTION E: FINANCIAL STATEMENTS	
1. Did an independent certified public accountant (CPA) ever examine the financial statements?		
	Yes No	
2. If an independent CPA review was performed, please attach a copy of their latest report and any management letters issued.		
	Enclosed	N / A
3. If an independent CPA was engaged to perform a review and no report was issued, please provide details and an explanation below:		
	SECTION F: PAYMENT MANAGEMENT SYSTEM ACCOUNT	
1. ETA uses the Department of Health and Human Services Payment Management System (PMS). If your organization has an ETA PMS account, provide the PMS EIN and the PMS account (e.g., 89X7X) where grant funding should be placed if selected for award.		

**U.S. DEPARTMENT OF LABOR – EMPLOYMENT
AND TRAINING ADMINISTRATION (ETA)**

FUNDING OPPORTUNITY ANNOUNCEMENT:

FINANCIAL SYSTEM RISK ASSESSMENT

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	SECTION G: ADDITIONAL INFORMATION	
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1. Use this space for any additional information (*indicate section and item numbers if a continuation*)