

**MASSACHUSETTS DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
GRANTS MANAGEMENT PROCEDURAL MANUAL**

**FINANCIAL MANAGEMENT SYSTEM
REVIEW CHECKLIST**

The following statements represent a checklist of the basic fiscal controls and fund accounting procedures recipients should have in place to effectively manage their state and federal grants. They draw their statutory authority from the federal Education Department General Administrative Requirements - EDGAR. Specifically, CFR (Code of Federal Regulations) Title 34 - Part 80, ss. 80.20 thru ss.80.26, which covers post award administrative requirements and sets standards for financial management systems.

General Accounting

1. Accounting records are maintained which adequately identify the source and application of individual grant funds.
2. The records allow for the accurate recording of grant awards and authorizations, obligations, unobligated balances, assets, liabilities, expenditures, and income.
3. For LEAs, grant records are reconciled at least annually with the city or town accountant.

Internal Controls

4. Procedures are in place to provide for the effective control and accountability of all grant cash, real and personal property and other assets.
5. Procedures are in place to permit an accurate tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the applicable program regulations.
6. The accounting system maintains source documentation, i.e., time and attendance records, payrolls, contracts, purchase orders, checks and paid bills.

Budget Control

7. Actual expenditures are regularly compared with line item budgeted amounts for each grant.
8. Requests for funds and requests to amend grant budgets are filed in a timely fashion according to required procedures.

Financial Reporting

9. The required final financial report for each grant is filed according to procedures and in a timely manner.
10. The accounting records provide accurate, current and complete disclosure of the financial results of grant supported activities.
11. The financial information is related to performance or program outcome data whenever appropriate or specifically required.