

PART TWO:



PROGRAMMATIC

Programmatic standards address management aspects of the CSBG program whether it is federal, state, or pass-through responsibilities that have not been previously covered in Part One. Therefore, Part Two encompasses administrative methods such as internal controls, procurement, inventory management, payments & reimbursements, and fiscal management.

RESOURCE MANAGEMENT

Category 10: Operations

Standard 10.1

The organization's bylaws establish, at a minimum, basic policies and structure that govern aspects of board operations; and the governing board upholds and ensures execution of its policies: Voting Rights of Members; Petition for Adequate Representation; Terms and Term Limits; and Removal for Cause.

Guidance:

- Voting Rights of Members:
 - All CAA board members have an equal voice and vote in agency governance.²⁸
- Petition of Representation:
 - Organization has established procedures for low-income individuals to petition for adequate representation of low-income individuals on the governing board.
- Terms and Term Limits:
 - Board terms may not exceed five (5) years, except for designated or appointed directors (public sector). In the absence of a specified term in the bylaws, the term of a director is one (1) year.⁵⁶
- Removal for Cause
 - Provide the provisions/reasons why a governing board member may be removed from the board and the process utilized.

Timeframe: Annually, during the monitoring period

Agency Self-Assessment:

Summary: The governing board has and follows its policies.

Documentation Examples:

- Bylaws
- Letters of Petition for Adequate Representation, if applicable
- Governing board responses, meeting minutes, etc., if applicable
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 10.2

The governing board ensures compliance with the attendance policy established in the organization's bylaws.

Guidance:

- Organization has a policy that defines board member attendance expectations for board meetings (i.e., number or percentage of meetings that must be attended annually).⁶⁴
- Agency follows its governing board approved policy regarding board member attendance at meetings.

Timeframe: Annually, during the monitoring period

Agency Self-Assessment:

Summary: The governing board communicates with members who have attendance issues and enforces this policy, when needed.

Documentation Examples:

- Bylaws
- Governing board correspondence/responses, meeting minutes, etc., if applicable
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 10.3

The tripartite governing board “fully participates in the development, planning, implementation, and evaluation” of the organization.

Guidance:

- The attendance or participation of any single board member does not fall below what is necessary to be considered as an “actively participating” board member.
 - i.e., a board member who misses a majority of the meetings in a year, must be contributing to the board in other ways to be considered “active.”
- Governing board minutes clearly show that board members had discussion about or asked questions about key organizational decisions and program outcomes.
- The governing board was involved in discussion or vote about all major actions taken by the agency, such as agency-wide policies, significant purchases, fund development strategies, new programs, etc.⁶⁴

Timeframe: During the monitoring session

Agency Self-Assessment:

Summary: Governing board members are involved in all major actions taken by the agency, and all board members are actively engaged in agency decision making.

Documentation Examples:

- Governing board and/or committee meeting minutes
- Governing board attendance matrix
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 10.4

Potential employees are subject to the organization's contingent assessment methods (accountability standards) prior to hiring.

Guidance:

- Agency follows its policy regarding employee pre-hiring processes
- Agency's policy must include at least the following requirements:
 - Conducting and documenting professional reference checks, etc.⁶¹
 - Reference checks must be signed and dated or completed by a third party vendor.
 - Indiana employment background checks utilize a "limited criminal history search" conducted through the Indiana State Police.⁶¹
 - Correctly completing the Employment Eligibility Verification.¹³¹
- Agency posts its hiring and non-discriminatory recruitment policies.⁶⁵
- Agency follows its policy when receiving a Letter of Complaint with allegations of discrimination.⁶⁵
- Public agencies must comply with local government hiring practices unless the public agency has their own hiring process.⁶¹

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: Agency policies include the required hiring assessments, and agency follows its policies.

Documentation Examples:

- Personnel Policy or HR hiring policies
 - Access to randomly selected employee files
 - Letters of Complaint for discrimination, if applicable
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- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 10.5

The organization has established and enforces basic staff policies for Non-Discrimination/ Equal Employment Opportunity; Code of Conduct/Code of Ethics; and Political Activity.

Guidance:

- These policies may be embedded within an agency-wide policy or stand-alone.
- Political Activity Policy must adhere to Hatch Act, including any CSBG restrictions.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: Agency has and follows the required policies.

Documentation Examples:

- Policy documents
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 10.6

The organization provides Non-Discrimination training to all staff.

Guidance:

- Training must be provided to all agency staff, not just CSBG-funded or Head Start-funded staff.
- No specific training curricula is required.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: Non-discrimination training(s) was provided.

Documentation Examples:

- Training curriculum, agenda, etc.
- Attendance sheets, training information receipts (i.e., emails), etc.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 10.7

The organization has a process, methodology or system(s) in place to determine an unduplicated count of individuals served for all programs.

Guidance:

- Data system or method must:
 - Be well defined.
 - Count one person one time for any given service, regardless of the number of times they receive a service.⁷⁹
- Agency is not required to have a single system of data entry, but when multiple tracking methods are used for different programs, the agency must have a plan or policy for combining information across programs for agency-wide reporting.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: Agency has a method for attaining an unduplicated count for individuals served across all programs.

Documentation Examples:

- Demonstration of the system(s) being used (e.g., screen shots, direct observation, hard copies, etc.)
- Electronic and/or hard copy of forms used to collect outcome data (case notes, reports, surveys, etc.)
- Agency-wide data reporting SOP, Manual, or Policy
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 10.8

The organization attained proper approval for subgrant awards and monitored subgrant compliance and performance.

Guidance:

- The agency requested and received approval from IHCDCA prior to providing any subgrant greater than \$25,000.⁵⁹
- The agency shall remain responsible to IHCDCA for the performance of each subcontractor.⁵⁹
 - The agency entered into a written agreement with each subgrant award.⁵⁹
 - The agency monitored performance of each subgrant award, regardless of total award amount, to comply with the pass-through provisions set forth in the IHCDCA CSBG Grant Award Agreement ⁵⁹, including both federal requirements and CSBG rules.
- The organization must ensure that individuals or the community being served with each subgrant award are eligible for CSBG services.
- The organization must provide data reports regarding the number of CSBG-eligible individuals that were served with the funds provided in the subgrant award.

Timeframe: During the monitoring period.

Agency Self-Assessment:

Summary: The agency's procurement and sub granting processes are being followed. CSBG subgrant awards are being monitored by the agency.

Documentation Examples:

- Contracts/ MOUs with CSBG subgrantees
- Documentation of subgrantee monitoring activities
- Reporting submitted by CSBG subgrantees
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 10.9

The organization submitted IHCDCA-requested CSBG documents within the established timelines.

Guidance:

- Documents (e.g., reports, plans, grant agreements, etc.) were submitted to IHCD by the provided deadlines.

Timeframe: Annually, during the monitoring period

Agency Self-Assessment:

Summary: N/A: Monitor will conduct this review directly during the monitoring process.

Documentation Examples:

- N/A: Tracking of these documents' submission is done by the IHCD CSBG Staff.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 10.10

The organization has implemented the required action plan items from the previous CSBG Monitoring.

Guidance:

- It is the responsibility of the agency to ensure all previously required action items are satisfactorily completed, prior to the next monitoring, based upon the agency submitted action plan/timelines. In accepting the agency's required action plan, it allows IHCD to close out that monitoring session with the understanding that the plan will be executed.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: If requested, proof that items in previous monitoring Required Action Plan (or improvement plan) were completed.

Documentation Examples:

- Documents as requested by monitor.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Category 11: Internal Controls

Standard 11.1

Governing board members, employees, or relatives of employee's receiving benefits from agency programs follow designated policy(ies).

Guidance:

- The agency follows its written policy for staff receiving benefits of agency provided programs/services.
- The program application must be approved by the appropriate agency designee prior to funds or services being rendered.⁶¹
- The application or other internal approval document must be properly executed (signed or initialed & dated) by all applicable staff to be valid.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: Completed applications for governing board members, employees and/or relatives receiving program benefits have necessary documentation and appropriate approvals. From a list of all applicable applications, IHEDA will request documentation be provided for a sample.

Documentation Examples:

- List of all staff, relatives or governing board members receiving benefits from agency operated programs
- For a sample: application reviews, signatures, and other documents to show that agency policies were followed.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 11.2

The organization reconciles employee payroll records, processes employee payroll accurately, and follows time management guidelines.

Guidance:

- This covers both a physical and electronic payroll system.
- Payroll system:
 - Employee payroll records are reconciled on at least a monthly basis.
 - Employee and supervisor have signed employee timecard.
 - Employees are paid according to the time sheet distribution.
 - Employees are paid the correct rate of pay.

- There is adequate documentation for distribution of hours worked.
- Agency accounts for employee leave time when earned or when taken.
- The number of checks distributed matches the payroll register and the number of employees to be paid.
- Agency follows time management and payroll system processing requirements.
- The agency follows its written policy for processing payroll.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: All payroll records are accurate and follow guidelines. IHCDAs will review a random sampling of employee timesheets from four different payroll cycles.

Documentation Examples:

- Payroll register and time sheets for selected employees.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 11.3

IHCDAs was properly notified of illegal or unethical activities regarding federal funds by the subgrantee.

Guidance:

- Illegal or unethical activities typically include fraud, misuse of funds, gross misconduct, discrimination, and/or certain whistleblower complaints.
 - This does not include client complaints or program fraud by clients.
- During IHCDAs monitoring, no illegal or unethical fraudulent activity was discovered.
- IHCDAs was notified appropriately according to agency’s policy.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: Whether or not internal fraud/ internal unethical activities were suspected/reported, and what steps were taken to address it.

Documentation Examples:

- Fraud investigation policy.
- If potential fraud was investigated: Executive Director interview discussion and documentation that process was followed.
 - The monitoring process may not require written details of the investigation.
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 11.4

The organization embraces a culture of agency-wide segregation of duties, checks and balances, and other internal control activities.

Guidance:

- No employee or group of employees should be in a position to both perpetrate and conceal errors or fraud in the normal course of their duties. In general, the principal incompatible duties to be segregated are:
 - Custody of assets;
 - Authorization or approval of related transactions affecting those assets; and
 - Recording or reporting of related transactions.
- Verify the reporting/supervisory structure through an organization chart.
- If any inherent conflicts exist (i.e., staff is supervised by a relative); implement protocols to decrease undue influence between conflicted individuals.
- Examples include:
 - If an employee is related to the human resources manager, their employee personnel file is placed with the Executive Director.
 - If a board member is related to a staff member, the board member does not vote on decisions that directly affect their family member.
- The agency follows its written policies for separation of duties, conflict of interest, nepotism and/or internal controls.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: Agency has procedures for and follows segregation of duties protocols. Any related staff or board members related to staff are identified, documented, and follow appropriate processes to reduce potential conflicts/nepotism.

Documentation Examples:

- List of related staff member(s), their relationship to each other, and assigned departments for everyone employed by the agency.
- Organizational chart.
- Segregation of Duties chart(s).
- Documentation of specific processes being followed, as requested.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 11.5

The organization has developed and complies with its written policy(ies) for determining CSBG client income eligibility.

Guidance:

- Agency must have a policy or procedure for income qualification for each program that utilizes CSBG funds.⁹³
 - The agency may use an agency-wide policy rather than program-specific policies.
 - The policy(ies) must follow requirements in the CSBG Manual.
 - Any CSBG-funded program for which the CAA is not checking income eligibility has been approved for a waiver from IHCDA.
- Agency must follow its policy(ies) for income qualification for CSBG-funded programs.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: All programs utilizing CSBG funds are governed by an income eligibility policy, and client documentation (when needed) is appropriately kept.

Documentation Examples:

- Written CSBG Client Income Eligibility Policy by program,
- Randomly selected CSBG funded client files (if applicable)
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Category 12: Inventory Controls

Standard 12.1

The organization follows established written procurement procedures and retains the documentation in the acquisition of material or services.

Guidance:

- Standard 8.11 requires that agency has written procurement procedures that are approved by the governing board and follow all Federal rules.
- The appropriate procurement method (within the procurement policy) was used based on the transaction size and type.
 - If the total cost is split, or cost allocated, across programs, the procurement rules for the total dollar amount apply.
- The necessary documentation and approvals were retained with sufficient detail regarding the history of procurement.¹⁰⁸

- Purchase order, bids, or other procurement documentation must be attached to the vendor's invoice (electronic, stapled, paper-clipped, etc.)
- Approvals should be received prior to purchase and approved by the correct authority (i.e., IHCDA, Governing Board, Executive Director, CFO, Supervisor, etc.). For example, IHCDA approval of equipment of \$5,000 or more.⁵⁹
- A cost being listed in the budget is not considered an approval.
- Credit card purchases follow agency's established credit card policy.
- Substantial fiscal transactions or commitments, as identified in the procurement policy, were subject to board review and prior approval.⁶⁴

Timeframe: During the monitoring period.

Agency Self-Assessment:

Summary: Agency follows the established procurement procedures.

Documentation Examples:

- List of procurement actions and documentation
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 12.2

The organization utilizes a Schedule of Inventory, which is compiled on an annual basis, appropriately reported, and is in compliance with 2 CFR 200.

Guidance:

- Appropriately report all assets valued at \$5,000 or greater with a useable life of greater than one (1) year (twelve (12) months).^{152,58}
- Schedule of Inventory must be updated annually.⁵⁹
- Schedule of Inventory is for at least capital equipment and usable property purchased with CSBG funds.

Schedule of inventory must include categories listed in 2 CFR 200.313(d)(1). **Timeframe:** During the monitoring period

Agency Self-Assessment:

Summary: Agency has a Schedule of Inventory or Fixed Asset Schedule (by program or for full agency), and it is annually updated.

Documentation Examples:

- Schedule of Inventory
- Fixed Asset Schedule with dates of last update

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 12.3

The organization conducts a physical inspection of all inventory at least once every two years.

Guidance:

- A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.¹⁰⁷
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.¹⁰⁷
- Agency must document the name/initials and date of the person who actually conducted the inventory review.⁶¹
- The agency follows its written policy for separation of duties and/or internal controls.

Timeframe: Two (2) years prior to your upcoming monitoring session date

Agency Self-Assessment:

Summary: A physical inspection of all inventory has been completed in the last 2 years, and by whom.

Documentation Examples:

- Physical inspection documentation
- Staff assigned to conduct the inspection
- Notes documenting dates of previous inspection
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 12.4

Organization can document how its equipment with a current per unit fair market value of \$5,000 or greater is dispositioned.

Guidance:

- The agency has and follows a written policy for disposition of assets that adheres to the rules in 2 CFR 200.
- When an item paid for with CSBG funds, with a current per unit fair market value of \$5,000 or more is dispositioned, agency must have gotten IHEDA approval of the disposition or disposal and must reinvest funds on CSBG-allowable activities.

Timeframe: During the monitoring period

Agency Self-Assessment:

Summary: Any dispositioned equipment followed the agency procedures, and IHEDA permission was obtained.

Documentation Examples:

- Disposition / disposal policy
- List of all equipment of \$5,000 or greater dispositioned and documentation detailing the disposition process and IHEDA approval, if applicable
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

ACCOUNTING MANAGEMENT

Category 13: Expense Reimbursement

Standard 13.1

All expenses included within the reimbursement claims are reasonable and allowable costs, adhere to agency policy, and written consent is obtained when applicable.

Guidance:

- Travel reimbursements, credit card expenditures, and other invoices are allowable costs; documentation must include any necessary approvals, item(s) purchased, and cost.
- Agency follows the approved cost allocation methodology, and all costs are allowable under 2 CFR 200.¹¹⁴
- CSBG funds used as match or cost sharing must follow appropriate approvals/processes:
 - As match for HUD's McKinney-Vento Homeless Assistance Act programs; requires IHCD prior approval.¹³⁷
 - May be used for cost-sharing in the AmeriCorps program.⁷⁰
 - May not be used to offset LIHEAP administration costs.⁷²
 - Allowable for augmenting/coordinating with other programs ONLY after initial program funds have been exhausted.⁶²
- Costs determined to be unallowable, either direct or indirect, must be refunded (including interest).¹¹⁸

Timeframe: During the monitoring period.

Agency Self-Assessment:

Summary: Only allowable expenses have been requested, and submitted expenses follow the agency's cost allocation plan.

Documentation Examples:

- Monitor will sample claims submitted through IHCD Online
- Additional supporting documentation required for claims being reviewed, as requested.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 13.2

CSBG expenses are submitted for reimbursement on an IHCD claim within forty-five (45) calendar days after the date the costs are incurred.

Guidance:

- 45-day window refers to the time between paid date and claim date.
- State law requires that the contracting party (subgrantee) must post sufficient security to cover any dollar amount of federal funding that the State advances to the subgrantee.⁴⁸ Therefore, IHCD only is able to make payments in arrears.

Timeframe: During the monitoring period.

Agency Self-Assessment:

Summary: Invoices are paid on time.

Documentation Examples:

- Monitor will choose a selection of invoices to review; agency to provide supporting claims documentation for each selected claim, as requested.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Category 14: Financial Transparency

Standard 14.1

Organization’s financial statements follow GAAP, CSBG Act, and 2 CFR 200 requirements.

Guidance:

- Financial statements include, but are not limited to income statement, statement of cash flow, balance sheets, and any financial information provided to the governing board.
- The organization’s financials are structured and reported by program.

Timeframe: During the monitoring period.

Agency Self-Assessment:

Summary: Income statements, statements of cash flow, balance sheets, and other financial documents follow GAAP, CSBG Act, and 2 CFR 200 requirements.

Documentation Examples:

- Statement of activities / Income statement
- Statement of cash flow
- Statement of financial position / Balance sheets
- Board packets
- Other financial documents, as requested

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 14.2

Organization's financial statements are accurate, reconciled, and current.

Guidance:

- Cash on bank statement must match balance sheet.
- Interest on bank statement must match organizations report.
- Outstanding deposits must match general ledger.
- Growth or decline of net assets can be explained.
- Accounts Receivable ledger (A/R) must match interim accounts receivable balance sheet.
- Accounts Payable (A/P) ledger must match interim accounts payable balance sheet.

Timeframe: During the monitoring period.

Agency Self-Assessment:

Summary: Financial statements reconcile with bank statements and aging reports where appropriate; books closed in a timely fashion; and financial records are current.

Documentation Examples:

- Financial reports provided in Standard 14.1
- Bank statements
- Aging reports
- Other financial documents, as requested

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Category 15: Financial Ratios

Analysis will be conducted for each year during the monitoring period. An end-of-year analysis will be completed using the audited financial statement or the end-of-year financial statement. To analyze Interim Ratios, trailing twelve (12) months or (TTM) data from the past 12 months of reconcile finances will be used. This does not represent a fiscal year ending period but provides an accurate picture of financial performance.

Standard 15.1

Liquidity ratios are within the established guidelines.

Guidance:

- **15.1.1 Current Ratio**
 - Ensure organizations have adequate short-term assets to cover short-term liabilities.
 - Benchmark: 20% (1.2) or greater
 - Formula: Current assets ÷ current liabilities
- **15.1.2 Cash Ratio**
 - Ensure appropriate amount of cash exists compared to the short-term liabilities.
 - Benchmark: 0.50 (50%) or greater
 - Formula: Cash & cash equivalents ÷ current liabilities
- **15.1.3 Working Capital**
 - Measures the dollar difference between the short-term assets and the short-term liabilities.
 - Benchmark: positive value
 - Formula: Current assets – current liabilities

Timeframe: Annually, during the monitoring period.

Agency Self-Assessment:

Summary: Ratios are within established guidelines, and discrepancies can be explained by the ED/CFO.

Documentation Examples:

- Audits
- Statements of financial position / Balance Sheets
- Statements of activities / Statements of income
- Statements of cash flow
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 15.2

Efficiency ratios are within the established guidelines.

Guidance:

- **15.2.1 Administrative Expense Ratio**
 - Ensures that organizations are being efficient with the use of their administrative expenses.
 - Benchmark: 15% or less
 - Formula: Administrative expenses ÷ total expenses
- **15.2.2 Day's Cash on Hand**

- Ensure appropriate number of days an agency could operate and be able to pay their operating expenses using only the cash that they currently have available.
- Benchmark: 15 calendar days or greater
- Formula: $\text{Cash \& cash equivalents} \times 365 \text{ days} \div \text{total operating expenses}$
 - Cash equivalent is anything that can be liquidated within ninety (90) calendar days.⁶¹
 - Total operating expenses is total expenses minus depreciation.

Timeframe: Annually, during the monitoring period.

Agency Self-Assessment:

Summary: Ratios are within established guidelines, and discrepancies can be explained by the ED/CFO.

Documentation Examples:

- Audits
- Statements of financial position / Balance Sheets
- Statements of activities / Statements of income
- Statements of cash flow
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?

Standard 15.3

Leverage ratios are within the established guidelines.

Guidance:

- **15.3.1 Long-Term Debt to Net Asset Ratio**
 - Ensure that organizations are not carrying too much debt that could pose risk for default at some point in the future.
 - Benchmark: 0.50 (50%) or less
 - Formula: $\text{Long-term debt} \div \text{net assets}$
- **15.3.2 Operating Ratio**
 - Ensure that organizations are bringing in enough revenue to cover their operating expenses.
 - Benchmark: 1.0 or less
 - Formula: $\text{Total operating expenses} \div \text{total revenue}$

Timeframe: Annually, during the monitoring period.

Agency Self-Assessment:

Summary: Ratios are within established guidelines, and discrepancies can be explained by the ED/CFO.

Documentation Examples:

- Audits
- Statements of financial position / balance sheets
- Statements of activities / statements of income
- Statements of cash flow
- Other documentation may be used in lieu of what is listed in certain circumstances.

Agency Self-Check: MET NOT MET ON TARGET

State Assessment of Agency:

FULLY MET NOT MET

*If not met, what action steps are needed to meet the standard?