

Colorado Small Business Development Center Network

Colorado Office of Economic Development and International Trade

1625 Broadway, Suite 2700

Denver, CO 80202

Year being reviewed Financial Examination of the

Center Name Small Business Development Center (SBDC)

Review: Date

Issued: Date

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**PURPOSE**

The purpose of the financial review is to ensure the accuracy of reported financial and management information, and assess whether costs incurred and claimed for reimbursement and accounted for as match were reasonable, allowable, and allocable. As well as ensure the adherence to the terms of the Small Business Administration’s Notice of Award, current Program Announcement, applicable Office of Management & Budget Circulars, and the Colorado SBDC Network Policy and Procedure Requirements.

All review points listed below reference one or more sections of the Review Report Work papers. The letter refers to the section of the work papers and the number refers to the question under the section. PS stands for the section containing the cursory review preformed by the state office prior to the onsite review. PC stands for the section containing the cursory review performed by the regional center prior to the onsite review. O stands for the section containing the onsite review. For example PC2 refers to question two of the cursory review preformed by the regional center.

1. **EXECUTIVE SUMMARY**

Based on data available at the Center Name SBDC, we have determined that the Center Name SBDC:

1. Is in or out compliance with reporting requirements with recommendations, Y or N;
2. Is in or out compliance with budgeting requirements with recommendations, Y or N;
3. Is in or out compliance with backup requirements with recommendations, Y or N;
4. Is in or out compliance with accounting requirements with recommendations, Y or N.
5. **REPORTING**
6. Reimbursement Requests are or are not supported by ledger and/or journal detail. (PS1)
7. Reimbursement Requests follow or do not follow network policy guidelines. Criteria include: timing, accuracy, proper review, authorized signatures, and preparation. (O4)

***Recommendation(s):***

1. List any recommendations
2. **BUDGETS**
3. Federal Grant expenditures varied by more than 10% in the Personnel, Fringe, Travel, Supplies, Contractual, Consultants, and Other categories. Explain reasons for overage and give any recommendations. (PS2) (O2)
4. 1:1 matching funds were met or were not met and the 50% cash match requirement was met or was not met. (O1)
5. All matching funds were or were not confirmed to meet federal requirements without any conflicts of interest if not explain reason. (PC7)
6. The center did or did not have unspent Federal funds at the end of the year.(O2)

***Recommendation(s):***

1. List any recommendations
2. **BACKUP**
3. Number of transactions reviewed transactions of different types were reviewed for proper backup, allocation, allowance. Explain the reviewed transactions, any issues encountered, etc. (PS3) (O12)
4. An inventory list is kept by the center with or without all required fields completed.
5. Program Income account balance from host and SBDC did or did not match. Explain what was used to verify the balance. (PC9)
6. In-kind contributions were or could not be checked for proper sources and the amounts counted were could or could not be confirmed to be reasonable, allowable, and allocable. Explain (O9)
7. Indirect contributions are or are not used by the San Luis Valley SBDC. If they use indirect explain if they met the criteria. Criteria included: cost rate agreement, allowable costs, and federal caps. (O10)

**Recommendation(s):**

1. List any recommendations
2. **ACCOUNTING**
3. The Host Name host organization was found or not found to give the SBDC Center Director an adequate amount of autonomy to allocate / expend program funds. (PC1)
4. Spending authority controls were or were not found to be sufficient. Director Name, SBDC Center Director is the only or list others individual authorized to expend SBDC funds. Explain the review process. (PC2) (PC3)
5. Adequate expense approval controls were or were not found for SBDC funds. Explain who reviews transactions and if there are separation of duties.(PC3)(PC4)
6. Host accounting system access controls were or were not found to be adequate. The Center Director does or does not have direct access to the accounting system. Explain system access. (PC5)
7. The center and host keep or do not keep a separate set of books for all SBDC funds apart from host funds. (PC6)
8. Cash Match could or could not be confirmed to be allowable or to meet the terms and conditions of the SBDC grant contract. Explain. Criteria included: allowable sources, proof of receipt, and contribution review. (O7)
9. Adequate or inadequate processes and controls are in place so that purchases are correctly managed and recorded. Criteria included: separation of duties, payment types, authorizations, accounting system, and an inventory list. (O8)

***Recommendation(s):***

1. List any recommendations
2. **ADDITIONAL OBSERVATIONS / COMMENTS**
3. List any recommendations
4. **SUMMARY**

Explain Overall findings and recommendations.

1. **COMMENDATION**
2. List commendations

**I. SCOPE AND LIMITATIONS**

The examination covered the Center’s operations during Program Year Year of review.

Because the procedures did not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on the SBDC’s financial information as a whole, nor do we express an overall opinion on (1) the recipient’s compliance with program policies, operating procedures, applicable laws and regulations, or (2) whether costs incurred were reasonable, allowable, or allocable, or (3) whether the network is operating in an effective manner. Had we performed additional procedures or conducted an audit in accordance with generally accepted auditing standards, other matters may have come to our attention that would have been reported to you.

This examination by the CSBDC State Office of the performance of a primary recipient of Federal funds under a cooperative agreement does not substitute for audits required of Federal grantees under the Single Audit Act of 1984 or Office of

Management and Budget (OMB) Circular A-110 or A-133 nor does this examination substitute for audits to be conducted by the SBA Office of Inspector General under authority of the Inspector General Act of 1978, as amended.

Named users of this report are the Small Business Administration, the ASBDC Certification Committee, and the Governor’s Office of Economic Development and International Trade. This report is not intended as a basis for reliance or action by any other users.