**PRE-AWARD ASSESSMENT FOR FINANCIAL RESPONSIBILITY (PAFR)**

**For U.S. and non-U.S. Entities**

**SUBJECT TO FEDERAL AUDIT REQUIREMENTS**

**In accordance with 2 CFR 200 Subpart F, OMB Circular A-133, and ADS 591**

|  |  |
| --- | --- |
| Name of Entity: |  |
| Amount of Subaward: |  |
| Name and Number of Prime Award: |  |
| Global Communities Point of Contact[[1]](#footnote-1): |  |

**BACKGROUND**

Entities that Global Communities partners with must have adequate internal controls to meet the requirements of our donors, particularly the US Government. Internal control comprises plans, methods, policies and procedures used to ensure the Entity can fulfill its mission, goals and objectives in a way that demonstrates effective and efficient stewardship of donor resources. Internal control is the “first line of defense” in safeguarding assets and minimizing risk to the Entity, to Global Communities, and to the donor.

This Pre-Award Assessment for Financial Responsibility (PAFR) must be completed for all U.S. and non-U.S. Entities intending to receive a subaward from Global Communities **that are subject to Federal Audit requirements set forth at 2 CFR 200 Subpart F, OMB Circular A-133, or ADS 591**.

The purpose of the Pre-Award Assessment is to:

1. Determine if the Entity has sufficient financial and managerial capacity, including internal control systems, allocation of costs, including labor costs, documenting expenditures, cash management policies and procedures to manage and to account for our donor’s funds.
2. Determine if the Entity is eligible to receive awards under applicable laws, regulations and policies.
3. Determine if Special Conditions may be required for the award.
4. Determine the most appropriate award instrument and whether advances are appropriate.
5. Determine the degree of support and oversight by Global Communities necessary to ensure proper accountability of funds.
6. Provide a basis for determining whether the provision of funding to the Entity represents a high risk or a low risk to Global Communities, and to the donor.

**INSTRUCTIONS**

Please respond to the following questions in the Comments sections. **Missing or incomplete information may result in the automatic assignation of “high risk” and special conditions to the Entity**. Do not complete any section marked “For Global Communities Use Only.” Please submit the requested “Documents to be Reviewed” together with this completed Form.

The Pre-Award Assessment will be reviewed by a designated financial representative of Global Communities who will determine if additional information is required or if special conditions will be applied to the award.

1. **Required Documents to Be Reviewed**

Below is a list of “Documents to be Reviewed” by Global Communities.

Your Entity must assemble this documentation in preparation for this Pre-Award Assessment. In the chart below, please indicate whether each document is available for review or not. If a document is not available, please explain why it is not available in the “Comments” section.

These documents may be reviewed either at the Entity’s site or at Global Communities office, at Global Communities’ discretion.

|  |  |  |  |
| --- | --- | --- | --- |
| **Documents to be Reviewed** | | | |
|  | Available for Review | Not Available for Review\* | **Review Points** |
| 1. Legal registration document of entity in country/region of operation |  |  | **1** |
| 2. Local finance and accounting manual, including internal controls |  |  | **1** |
| 3. Local HR (personnel) manual, including performance plans, fringe benefits |  |  | **1** |
| 4. Local procurement manual |  |  | **1** |
| 5. Standards of conduct policy (to include Conflict of Interest Policy) |  |  | **1** |
| 6. Local property management manual |  |  | **1** |
| 7. Local Travel Policy |  |  | **1** |
| 11. Most recent audit report |  |  | **N/A** |
| 12. Most recent indirect rate certification (NICRA) |  |  | **N/A** |
| 13. Organizational Chart |  |  | **N/A** |
| COMMENTS:  \* If not available for review, please explain. | | | |

1. **Entity Information**

Please complete this section in its entirety. Missing or incomplete sections will delay the review process.

|  |  |
| --- | --- |
| **Entity Information** | |
| 1. Legal Name of Entity (as it appears on registration): |  |
| 2. Entity’s Physical Address:  Landline Phone:  Entity’s Main E-mail Address:  Entity’s Website: |  |
| 3. Date Entity incorporated/established: |  |
| 4. DUNS Number: |  |
| 5. EIN/Local Registration number: |  |
| 6. Entity Type | Not for Profit  Governmental  For Profit  Educational Institution  Other (*please specify*): |
| 7. Is Entity a “local” Entity (majority staff, managers and ownership held by legal residents of host country? |  |
| 8. Is the Entity exempt from VAT? |  |
| 9. Entity Authorized Signatory (Name, Title and E-mail): |  |
| 10. Entity Financial Representative (Name, Title, E-mail, Phone): |  |
| 11. Proposed Program Director: |  |
| 12. Entity’s Fiscal Year (ending): |  |
| 13. Entity’s total annual funding and applicable fiscal year: |  |
| 14. Number of employees (F/T and P/T): |  |
| 15. Number of offices in host country: |  |

1. **Assessment of Entity’s Capacity to Achieve the Proposed Award Activity**

The information provided in this section will be used to assess your Entity’s experience and past performance success with our donor [insert donor name] and determine if your Entity and staff have the capacity to achieve the requirements of the award.

1. List previous awards received in the last three (3) years from [insert donor name] in [insert country name]. Please include award title, project sector, type of award, amount and period of performance (or period of the award). If your Entity has no previous experience with this donor, please indicate “No Prior History” in the chart below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Award Title/Project Sector** | **Type of Award\*** | **Award Amount (in local currency)** | **Period of Performance** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

\*Under “Type of Award” – indicate whether the award was a: grant, cooperative agreement, simplified grant, in-kind grant, fixed amount award, cost reimbursable or fixed price contract, purchase order, etc.

1. Briefly describe your Entity’s organizational structure. Highlight the staff that will be directly responsible for the award implementation. Please include staff experience working with [insert donor name]. Attach an organization chart if appropriate.

Comments

1. Is the Entity financially able to implement project on a payment after incurrence of cost basis, without advance funding? Please explain any risks or challenges this poses to your organization’s cash flow.

Comments

1. Does your Entity have a line of credit with a bank? If yes, please name the bank and explain the line of credit amount.

Comments

1. Please certify by stating below that neither your organization nor any of its Principals:

* are presently debarred, suspended, proposed for debarment, or declared ineligible for the award of grants or contracts by any donor agency;
* have, within the previous three-year period, been convicted of or had a judgment rendered against them for commission of fraud or a criminal offense; and
* have, within the previous three-year period, had any grants or contracts terminated for default by any donor agency

Comments

|  |  |  |  |
| --- | --- | --- | --- |
| A. Audit Report Details**:** | | | |
| Audit Report for FY Period: | \_\_\_\_\_\_\_\_ | | |
| Issue Date of Audit Report: | \_\_\_\_\_\_\_\_ | | |
| Anticipated issuance date of most recent fiscal year Audit Report (if applicable): | \_\_\_\_\_\_\_\_ | | |
| Audit firm’s name and contact details: |  | | |
| B. Findings and Questioned Costs**:** | | | |
| 1. Financial Statements: |  | | (Rating) |
| 1. Indicated an audit opinion that was…   (*For adverse and disclaimer opinions, contact Global Communities CFO or Controller)* | Unqualified/unmodified= (low)  Qualified=(med/high) Adverse=(high) Disclaimer=(high) | |  |
| 1. Is a “going concern” explanation/emphasis-of-matter paragraph included in the audit report?   *(If yes, summarize going concern and contact the CFO or Controller)* | Yes (high) | No (low) |  |
| 1. Is a significant deficiency disclosed? Summarize: \_\_\_\_\_\_\_\_ | Yes (med/high) | No (low) |  |
| 1. Is a material weakness disclosed? Summarize: \_\_\_\_\_\_\_ | Yes (med/high) | No (low) |  |
| 1. Is a material noncompliance disclosed? Summarize: \_\_\_\_\_\_ | Yes (med/high) | No (low) |  |
| 2. Federal Programs: |  |  |  |
| a. What is the dollar threshold to distinguish Type A and Type B programs? *(Note Type A programs are major programs)* |  | | No Rating |
| b. Indicated the compliance over major program report type issued.  **(***For adverse and disclaimer opinions, contact the CFO or Controller)* | Unqualified/unmodified= (low) Qualified=(med/high) Adverse=(high) Disclaimer=(high) | |  |
| c. Does the Auditee qualify as low-risk auditee? | Yes (low) | No (high) |  |
| d. Is a significant deficiency disclosed for any major program? | Yes (med/high) | No (low) |  |
| e. Is a material weakness disclosed for any program? | Yes (med/high) | No (low) |  |
| f. Are any known questioned costs reported? | Yes (med/high) | No (low) |  |
| g. Were prior audit findings related to direct funding shown in the Summary Schedule of Prior Audit Findings? | Yes (med/high) | No (low) |  |
| 3. Are financial statements findings disclosed in the report? If yes, summarize the findings is the space provided: | Yes (med/high) | None (low) |  |
| 4. Are federal award findings and questioned cost disclosed in the report? If yes, summarize the findings and questioned cost is the space provided | Yes (med/high) | None (low) |  |

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| --- | --- | --- | --- |
| C. Indirect Rates | | | |
| 1. Does the entity anticipate charging an indirect rate? If yes, obtain a copy of the approved NICRA (Negotiated Indirect Cost Rate Agreement).  Is the NICRA current (or has the rate period expired)? If it has expired, inquire into status of a more current letter.  Are rates applied accurately to budget submitted to us? | Yes | No | No rating |
|  | | |  |
| **Total Risk Rating (max 26):** | | |  |

Rating Scale

* Low Risk: above 18 points
* Moderate Risk: between 9 and 17 points
* High Risk: below 9 points

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**A. Recommendation**

Based on the pre-award assessment, please check the option that applies:

OPTION 1: Proceed with the subaward with no special conditions or recommendations.

OPTION 2: Proceed with the subaward with the following **Special Award Conditions and/or Other Recommendations:**

|  |  |
| --- | --- |
| **Special Award Conditions or Recommendations** | **Completion Date:** |
| 1: |  |
| 2: |  |
| 3: |  |
| 4: |  |
| 5: |  |

OPTION 3: Do **not** proceed with the subaward.

**B. Certification**

***By signing this document I acknowledge that I have reviewed this assessment in a prudent manner.***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Review Conducted by GC staff :** | |  | **Assessment Approved by GC staff:** | |
| Print Name: |  |  | Print Name: |  |
| Position Title: |  |  | Position Title: |  |
| Date: |  |  | Date: |  |
| Signature: |  |  | Signature: |  |  |
|  | |  |  | |

1. Leave empty on submission. [↑](#footnote-ref-1)