



USG Award Management & Compliance: A Practical Readiness Checklist

Introduction

This checklist can help organizations quickly assess their readiness to manage USG awards across the full award lifecycle, from pre-award preparedness through close-out and audits. This checklist can be used as a:

- Self-assessment tool before apply for USG funding
- Action guide to identify priority compliance gaps
- Quick reference during USG award implementation and monitoring

Each section aligns to key provisions of 2 CFR 200, translating regulatory requirements into clear, actionable checks.

Organizational readiness

- Staff have a basic understanding of USG rules and regulations
- The organization has identified which staff require compliance training
- Refresher or onboarding training on USG compliance is scheduled or ongoing

Core policies and SOPs

The organization has documented and accessible SOPs for:

- Finance and accounting
- Fraud management
- Human resources
- Internal controls
- Program implementation
- Procurement and inventory management
- Subaward management
- Travel
- SOPs have been reviewed or updated within the last 2 years and reflect current USG requirements and organizational practice

Roles and responsibilities

- Compliance responsibilities are clearly defined across the organization
- Senior management understands its compliance responsibilities
- Program, finance, procurement, and HR staff understand their compliance roles
- All staff understand their responsibility for overall compliance



Financial management standards and internal controls

The organization has systems in place to:

- Identify all USG awards received and implemented
- Track award funds by source and cost category
- Maintain accurate and complete financial records
- Control and safeguard funds and assets
- Conduct budget-to-actual reviews
- Product variance and financial reports

Cost principles

- Cost decisions are made independently by the organization
- Costs meet the standards of allowability, reasonableness, and allocability
- Reasonableness is assessed based on prudent person standards
- Costs are allocated based on benefit received
- Items requiring prior approval are clearly identified
- Staff know when prior approval is required

Cost share

- Cost share and matching requirements are clearly understood
- Cost share commitments are tracked and documented
- Cost share values are independently verified
- The organization is prepared for cost share audits
- There is a plan to address challenges in meeting cost share

Program income

- The organization understands allowable uses of program income
- The correct option (deductive, additive, or cost share) is applied
- Prior approvals are obtained when required

Procurement

- A procurement manual exists and is followed
- Conflict of interest and gift acceptance standards are documented
- Procurement methods are clearly defined
- Non-competitive procurement is properly justified



Inventory and disposition

- Equipment is tracked (cost, location, condition)
- Physical inventory is conducted at least every two years
- A disposition process exists for equipment over \$10,000
- Supplies are managed and disposed of correctly
- The correct option (deductive, additive, or cost share) is applied

Reporting and program reports

- Standard forms are used for financial reporting (SF-425, SF-270)
- Financial reports are submitted on time
- Reporting frequency is documented and justified
- Program reports meet AO/GO requirements
- Reports compare planned vs. actual achievements
- Challenges and corrective actions are reported
- Variances and higher-than expected costs are explained

Subaward management

- Clear definitions exist for subrecipients vs. contractors
- Consultants are treated as procurement transactions
- Prior approval is obtained for subawards
- Subaward templates are in place
- Subrecipient monitoring procedures are implemented
- Financial and program reports are reviewed
- Corrective actions are documented
- Termination and close-out procedures are defined

Close-out and audits

- A close-out budget is prepared
- Allowable close-out costs are defined
- Close-out costs are charged in the final budget period
- Final reports are submitted within required timelines
- Records are retained for at least three years
- Access to records is granted when required
- Audit requirements are understood and monitored
- Staff understand the difference between single audits and OIG audits