

# Form G: Due Diligence Review Form

The Minnesota Department of Health (MDH) conducts pre-award assessments of all grant recipients prior to award of funds in accordance with federal, state and agency policies. **The Due Diligence Review is an important part of this assessment.**

These reviews allow MDH to better understand the capacity of applicants and identify opportunities for technical assistance to those that receive grant funds.

Agency Overview Information

|  |  |
| --- | --- |
| Organization | Information |
| Organization Name: |  |
| Organization Address: |  |
| If the organization has an Employer Identification Number (EIN), please provide EIN here: |  |
| If the organization has done business under any other name(s) in the past five years, please list here: |  |
| If the organization has received grant(s) from MDH within the past five years, please list here: |  |

Section 1: To be completed by all organization types

|  |  |
| --- | --- |
| Section 1: Organization Structure | Points |
| 1. How many years has your organization been in existence?

[ ]  Less than 5 years (5 points) [ ]  5 or more years (0 points) |  |
| 1. How many paid employees does your organization have (part-time and full-time)?

[ ]  1 (5 points)[ ]  2-4 (2 points)[ ]  5 or more (0 points) |  |
| 1. Does your organization have a paid bookkeeper?

[ ]  No (3 points)[ ]  Yes, an internal staff member (0 points)[ ]  Yes, a contracted third party (0 points) |  |
| Section 1 Point Total |  |

Section 2: To be completed by all organization types

|  |  |
| --- | --- |
| Section 2: Systems and Oversight | Points |
| 1. Does your organization have internal controls in place that require approval before funds can be expended?

[ ]  No (6 points)[ ]  Yes (0 points) |  |
| 1. Does your organization have written policies and procedures for the following processes?
* Accounting
* Purchasing
* Payroll

[ ]  No (3 points)[ ]  Yes, for one or two of the processes listed, but not all (2 points)[ ]  Yes, for all of the processes listed (0 points) |  |
| 1. Is your organization’s accounting system new within the past twelve months?

[ ]  No (0 points)[ ]  Yes (1 point) |  |
| 1. Can your organization’s accounting system identify and track grant program-related income and expense separate from all other income and expense?

[ ]  No (3 points)[ ]  Yes (0 points) |  |
| 1. Does your organization track the time of employees who receive funding from multiple sources?

[ ]  No (1 point)[ ]  Yes (0 points) |  |
| Section 2 Point Total |  |

Section 3: To be completed by all organization types

|  |  |
| --- | --- |
| Section 3: Financial Health | Points |
| 1. If required, has your organization had an audit conducted by an independent Certified Public Accountant (CPA) within the past twelve months?

[ ]  Not Applicable (N/A) (0 points) – if N/A, skip to question 10[ ]  No (5 points) – if no, skip to question 10[ ]  Yes (0 points) – if yes, answer question 9A |  |
| 9A. Are there any unresolved findings or exceptions? [ ]  No (0 points) [ ]  Yes (1 point) – if yes, attach a copy of the management letter and a written explanation to include the finding(s) and why they are unresolved. |  |
| 1. Have there been any instances of misuse or fraud in the past three years?

☐ No (0 points) ☐ Yes (5 points) – if yes, attach a written explanation of the issue(s), how they were resolved and what safeguards are now in place.  |  |
| 1. Are there any current or pending lawsuits against the organization?

☐ No (0 points) – If no, skip to question 12 ☐ Yes (3 points) – If yes, answer question 11A  |  |
| 11A. Could there be an impact on the organization’s financial status or stability?☐ No (0 points) – if no, attach a written explanation of the lawsuit(s), and why they would not impact the organization’s financial status or stability. ☐ Yes (3 points) – if yes, attach a written explanation of the lawsuit(s), and how they might impact the organization’s financial status or stability.  |  |
| 1. From how many different funding sources does total revenue come from?

☐ 1-2 (4 points) ☐ 3-5 (2 points) ☐ 6+ (0 points)  |  |
| Section 3 Point Total |  |

Section 4: To be completed by nonprofit organizations with potential to receive award over $25,000 (excluding formula grants)

Office of Grants Management Policy 08-06 requires state agencies to assess a recent financial statement from nonprofit organizations before awarding a grant of over $25,000 (excluding formula grants).

|  |  |
| --- | --- |
| Section 4: Nonprofit Financial Review | Points |
| 1. Does your nonprofit have tax-exempt status from the IRS?

[ ]  No - If no, go to question 14[ ]  Yes – If yes, answer question 13A | Unscored |
| 13A. What is your nonprofit’s IRS designation? [ ] 501(c)3[ ]  Other, please list:  | Unscored  |
| 1. What was your nonprofit’s total revenue (income, including grant funds) in the most recent twelve-month accounting period?

**Enter total revenue here**:  | Unscored |
| 1. What financial documentation will you be attaching to this form?

[ ]  If your answer to question 14 is less than $50,000, then attach your most recent Board-approved financial statement [ ]  If your answer to question 14 is $50,000 - $750,000, then attach your most recent IRS form 990[ ]  If your answer to question 14 is more than $750,000, then attach your most recent certified financial audit | Unscored |

## Signature

I certify that the information provided is true, complete and current to the best of my knowledge.

* Signature:
* Name & title:
* phone number:
* email address:

## MDH Staff Use Only

### Section 4A: Nonprofit Financial Review Summary

Complete Section 4A for nonprofit organizations with the potential to receive an award over $25,000 (with the exception of formula grants). Skip Section 4A and move to Section 5 for all other grantee types.

1. Were there significant operating and/or unrestricted net asset deficits?

[ ]  Yes – if yes, answer questions 3 and 4

[ ]  No – if no, skip questions 3 and 4 and answer questions 5 and 6

1. Were there any other concerns about the nonprofit organization’s financial stability?

[ ]  Yes – if yes, answer questions 3 and 4

[ ]  No – if no, skip questions 3 and 4 and answer questions 5 and 6

1. Please describe the deficit(s) and/or other concerns about the nonprofit organization’s financial stability:
2. Please describe how the grant applicant organization addressed deficit(s) and/or other concerns about the nonprofit organization’s financial stability:
3. Granting Decision:
4. Rationale for grant decision:

#### Section 5: Total Points

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Section 1  | + | Section 2 | + | Section 3 | = | Total Points |
|  | + |  | + |  | = |  |

#### Section 6: Program Information

|  |  |
| --- | --- |
| MDH Grant Program | Information |
| Applicant Project Name |  |
| MDH Grant Program Name |  |
| Division/Section |  |
| Date Nonprofit Review Completed |  |
| Review conducted by |  |