Minnesota Department of Health

## Attachment E: 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 applicant agencies and identify opportunities for technical assistance to those that receive grant funds.

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| --- | --- |
| 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

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| 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

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| --- | --- |
| 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

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| --- | --- |
| 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 non-profit 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 non-profit organizations before awarding a grant of over $25,000 (excluding formula grants).

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| --- | --- |
| Section 4: Non-profit Financial Review | Points |
| 1. Does your non-profit 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 non-profit’s IRS designation?  501(c)3  Other, please list: | Unscored |
| 1. What was your non-profit’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 and title:
* phone number:
* email address:

#### MDH Staff Use Only

#### Section 4A: Non-profit Financial Review Summary

Complete Section 4A for non-profit 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 non-profit 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 non-profit organization’s financial stability:
2. Please describe how the grant applicant organization addressed deficit(s) and/or other concerns about the non-profit 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 Non-profit Review Completed |  |
| Review conducted by |  |

Minnesota Department of Health  
*Revised 1/2020.*

To obtain this information in a different format, call: 651-201-3584. Printed on recycled paper.