

Private Foundations Bulletin

Desk Reviews of Grantees: An Effective Monitoring Tool

As a best practice, some larger private foundations are going beyond the typical collection and review of a grant file by conducting desk reviews of grant activity reports to enhance their current grant monitoring programs. The objective of a desk review is to assist the grantee in complying with the conditions of the grant agreement in terms of reviewing the financial operations and grant reporting to assure that adequate controls and program oversight are in place to meet the goals of the grant.

Elements of a Desk Review

Desk reviews include monitoring grantee reporting, general recordkeeping, and gaining an understanding of internal operations and accounting control systems. They can provide greater assurance that the grant program is operating efficiently, the grantee's internal control system is operating successfully, and that any deficiencies detected in the grant program are corrected in a timely manner.

Specifically, such reviews can assist foundations in providing a greater level of reporting oversight, review approvals of programmatic grantee expenditures, reimbursement requests, and provide general support and best practice recommendations to all foundation grantees.

Underlying Considerations

In addition to the review of specific grant reporting, it is important to assess a grantee's policies and procedures to verify that proper processes and systems are in place to manage your grant dollars effectively and with proper oversight.

Areas that may be addressed include, but are not necessarily limited to:

- Internal Control Environment
- Cash Disbursement Procedures
- Payroll and Time Records
- Expense Reimbursements
- Bank Reconciliation Preparation and Review
- Cash Management
- Financial Reporting
- Review Existing Documentation for Business Processes Impacting Program Delivery of the Grant
- Conflict of Interest Policy
- Whistleblower Policy
- Contractor/Consultant Agreements

Annual Overview

If a foundation pursues a grant monitoring program and utilizes desk reviews, it is important that it develop a compliance review plan and monitor the program on an annual basis. Some foundations realize that

resources are limited and that personnel may not have the time or possess the appropriate skills to develop and conduct these reviews. In this case, the foundation may choose to work initially with an outsourced provider to assist in the implementation and training of staff for the compliance program. Once the program has been established, the private foundation should provide timely feedback to grantees on compliance concerns based on the desk reviews and monitor grantee implementation of approved corrective action plans.

Contact Us

We welcome the opportunity to speak with you about any questions you may have regarding this newsletter or any other subject related to accounting, audit, tax or advisory matters relative to private foundations.

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