

Attachment L
Due Diligence Documents

PROPOSER DUE DILIGENCE REVIEW

One original and one copy of the following financial documents must be submitted with your proposal. The information submitted will be used to perform a due diligence review of your organization. **Failure to provide all the requested documents will disqualify your agency / company from further consideration.**

The documents listed below must be separately packaged and labeled "OCI Financial Review Materials." Each section's material must be appropriately labeled and kept in the order specified. A copy of this page must be used as a check-off sheet, and clipped on top of the package.

If your agency is not able to provide any of the documents requested, a written explanation on a separate page must be provided in place of the requested document listing the reason(s) for not providing the document(s). An alternate document can be provided if it contains or provides the information being requested. Final determination as to the suitability of the documents provided rests solely with South Florida Workforce Investment Board's, Office of Continuous Improvement.

A. Legal Status

1. A State of Florida Corporate Registration Certificate.
2. Articles of Incorporation and By-Laws.
3. A current State of Florida annual Uniform Business Report (UBR).
4. List of names, positions, addresses, telephone numbers, e-mails, gender, race and ethnicity of the members of the Board of Directors.

B. Source(s) of Revenue

1. A summary that shows for the most current fiscal period, the individual amount of revenue by source:
 - a. Government sources of revenue such as grants, program funding, etc. (If none, so state):
 1. Federal sources of revenue (Include funds that originate from federal sources even though the grant or program is with a county or city, such as WIA, Welfare Transition, etc.).
 2. State sources of revenue (Include direct contracts or grants with the State of Florida, or any other State, if applicable).
 3. Local sources of revenue (County and City contracts and grants with locally-generated government funds).
 - b. Private sources of revenue (If none, so state):
 1. Sales
 2. Private contracts
 3. Vendor contracts with government entities
 4. Other sources of private revenue (donations, contributions, etc.)

- c. Established and available lines of credit (If none, so state):
 1. A letter from the financial institution(s) indicating the total established amount of the line(s) of credit
 2. Name of the institution(s)
 3. **Current** available balance and date of availability
 4. Expiration date
 5. Interest rate

2. Documentation for all sources of revenue. In the case of contracts and award letters, the documentation must show the total dollar amounts. The documentation must be current, i.e., the effective period of the contract/award has not expired.

3. A budget or other relevant document that shows the projected revenue for the next operational year.

C. Accounting System

1. Written accounting policies and procedures and description of the agency's accounting system to include:
 - Whether the accounting is performed in-house or contracted
 - Name of the accounting system and how long the system has been in use
 - Table of organization for the accounting / finance department to include job titles and functions
 - Resume of the individual in charge of the accounting / finance department / function
2. Chart of accounts.
3. The most recent month Trial Balance.
4. The most current Payroll Register.
5. The most current bank account statements and their corresponding reconciliations for all accounts.
6. The most current set of interim Financial Statements:
 - a. Statement of Financial Position (Balance Sheet)
 - b. Statement of Revenue and Expense
 - c. Budget and Expenditure Report (budget vs. actual) (current period and prior year)
7. The most current month Cash Receipt Journal.
8. The most current and previous month Check Register (2 months).
9. The most current Aged Accounts Receivables and Payables Schedules.
10. General ledger detail report for the last 2 months.
11. Cost allocation plan or a copy of the approval letter for federal indirect cost rate.
12. Agency-wide budget.

Note: The above information may be submitted in electronic or paper format.

D. Payroll Taxes

1. A copy of the two most recent Quarterly Tax Reports submitted to the IRS (form 941).
2. A copy of the two most recent Quarterly Tax Reports submitted to the State of Florida (form UCT-6).

E. Independent Audit

1. A copy of the latest independent audit report, including the management letter, if applicable.

F. Banking

1. The bank name(s) and address(es) for **all** accounts.
2. A copy of the banks' signature cards showing authorized signatures for signing checks.
3. The name(s), position and authorized check signing level for all accounts for each authorized check signer.
4. The Board of Director's resolution authorizing individuals to sign checks and the signing level for each individual.
5. If applicant is an out-of-town entity, provide a sample corporate check (write "COPY: NOT NEGOTIABLE" across the check).

G. Insurance

1. The Certificates of Insurance for general liability coverage, automobile, workers' compensation and bonding.

H. Personnel

1. The established written Personnel Policies and Procedures, including Grievance Procedures.

I. Procurement

1. The established written Procurement Policies and Procedures.

J. Previous Contractual Relationships

1. A listing of current and previous year contracts indicating the names of the funding organizations, contract numbers, contract amounts, contract dates/terms, services/ programs contracted for, contact name, telephone number and e-mail.
2. Copy of the latest monitoring report produced by each funding organization, **excluding SFWIB**.
3. Copy of the response to the monitoring report(s).

**Office of Continuous Improvement (OCI)
Procurement Review**



___ Sub-Recipient ___ Vendor ___ ITA

APPLICANT FISCAL REVIEW

Applicant _____ Reviewer _____
 Address _____ Date of Review _____
 City, State, Zip _____ Type of Program (s) Proposed _____
 Contact Person _____ E-mail _____
 Phone _____ Fax _____
 Procurement Title / Funding Source _____

REVIEW SUMMARY

Points Awarded	Recommendation (Check One)	
	To Fund _____	Not to Fund _____
Condition(s) to Funding Recommendation		
Reason(s) Not to Fund		
General Finding(s)		
Distribution: Operations _____ Contracts _____ Finance _____		

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APPLICANT FISCAL REVIEW

All applicants start with twenty (20) points. Critical items requiring reductions are identified in the tool and are listed below:

1. IF THE ORGANIZATION HAS BEEN IN BUSINESS FOR LESS THAN TWO YEARS – **Immediate disqualification.**
2. IF APPLICANT IS UNABLE TO SET ASIDE 20% FUNDING RESERVE – (Non-educational scholarships). **Immediate disqualification.**
3. IF THE APPLICANT HAS BEEN IN BUSINESS MORE THAN TWO YEARS BUT LESS THAN 3 YEARS – **1 Point subtracted.**
4. IF THERE IS NO REVENUE, OR IF NO PROPER DOCUMENTATION IS PROVIDED - **1 Point subtracted.**
5. IF ANY ACCOUNTING ELEMENT IS NOT AVAILABLE OR IF ANY IS NOT CURRENT - **½ to 2 Points subtracted.**
6. IF DOCUMENTATION TO SUPPORT THAT PAYROLL TAXES ARE CURRENT IS NOT PROVIDED - **2 Points subtracted.**
7. IF AN INDEPENDENT AUDIT WAS DUE BUT NOT PERFORMED OR NOT PROVIDED – **2 Points deducted.**
8. IF THE APPLICANT IS IN POOR FINANCIAL CONDITION BASED ON LIQUIDITY, MEASURES/RATIOS – **2 Points subtracted.**
9. IF A BANK ACCOUNT IS NOT ESTABLISHED OR RECONCILIATIONS ARE NOT CURRENT – **1 to 2 Points subtracted.**
10. IF INSURANCE POLICIES ARE NOT IN FORCE OR NOT PROVIDED– **1 to 4 Points subtracted.**
11. IF NO WRITTEN PERSONNEL POLICIES AND PROCEDURES - **1 Point subtracted.**
12. IF INDIVIDUAL PERSONNEL RECORD FILES ARE NOT KEPT ON ALL EMPLOYEES- **1 Point subtracted.**
13. IF NO WRITTEN PROCUREMENT POLICIES AND PROCEDURES OR IF PROCUREMENT IS NOT COMPETITIVE – **1 to 2 Points subtracted.**

Refer to the list of acceptable documentation for the review.

**Office of Continuous Improvement (OCI)
Procurement Review**



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APPLICANT FISCAL REVIEW

COMPLETE EACH SECTION BELOW

A. Critical Criteria

- 1. Has the Applicant been in business at least two (2) years? ___ Yes ___ No
- 2. Is the Applicant able to set aside a 20% funding reserve? ___ Yes ___ No

Note: This applies only to service providers that are not applying to be an Individual Training Account (ITA) training agent.
A 20% funding reserve is required to ensure there is sufficient capital to cover potential disallowed costs. The reserve can be met either by cash on hand, available balance on established line(s) of credit with a lending institution(s), or non-government revenue (private sources).

Amount of non-government revenue: \$
(The applicant must be able to document that they are currently receiving, and expect to continue receiving sufficient resources to ensure adequate capability to set aside a funding reserve.)

Calculate the 20% funding reserve: (Multiply the amount of award being sought by 0.2)

Amount of funding reserve: \$

A "No" to any of the above questions immediately disqualifies the applicant. No further review is necessary.

B. Legal Status (1 point)

___ Sole Proprietor ___ Corporation for Profit: State ___ Limited Liability Corp ___
___ Partnership ___ Corporation Not for Profit: State ___

Does the legal status of the applicant involve a fictitious name? ___ Yes ___ No

If yes, explain relevancy to the applicant: _____

Date of Incorporation: _____ List of Principals Provided? ___ Yes No ___
(Name, position, address, telephone and e-mail)

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Procurement Review**



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APPLICANT FISCAL REVIEW

Purpose of the Organization, as stated in the official records (articles of incorporation, by-laws, etc.):

How long has the organization been involved in activities? _____
(If more than two years but less than three years, subtract 1 point).

Are the activities related to the applicant's proposal to provide services? ___ Yes ___ No

Years of experience operating projects similar to the program proposed: _____

C. Revenue and Income (1 point)

Total projected revenue for next year: \$ _____

(If there is no income or revenue, or if no proper documentation is provided, subtract 1 point)

D. Accounting System (2 points)

Does the applicant have written accounting procedures? ___ Yes ___ No (- ½ point)

If not, is the established system appropriate? ___ Yes ___ No

Does the accounting system include the following elements? (- ½ point if any elements missing)

- | | |
|--------------------------------------|--|
| ___ Chart of Accounts | ___ Budget versus Actual Report |
| ___ General Ledger | ___ Check Register |
| ___ Trial Balance | ___ Aged Accounts Receivables Schedule |
| ___ Payroll Register (Source: _____) | ___ Aged Accounts Payables Schedule |
| ___ Financial Statements | ___ Monthly Bank Account Statements |
| ___ Cash Receipt Journal | ___ Monthly Bank Account Reconciliations |

Is the posting to all of the accounting elements up to date? ___ Yes ___ No (- 1 point)

Name of the accounting software _____

Is accounting done: In-house _____ Off-premises (Name of the accounting firm) _____

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APPLICANT FISCAL REVIEW

Will the financial day-to-day transactions of the proposed program be handled by an accounting or finance department headed by an accountant or finance officer? ___ Yes ___ No

If one individual rather than an established department will handle the financial day-to-day transactions, what is his/her name?

Is this individual an accountant? ___ Yes ___ No If not, what is his/her position?

What type of accounting education does this individual have?

How many years of accounting/bookkeeping experience do this individual have? _____

E. Payroll Taxes (2 points)

When are payroll taxes paid (every payroll, monthly, etc.)? _____

When was the last time that payroll taxes were paid? _____

Date of the last report filed:		
--------------------------------	--	--

If documentation of up-to-date tax payment is not available, subtract 2 points.

F. Independent Audit (2 points)

Audit Provided? ___ Yes ___ No ___ N/A If yes, period covered: _____

Type of Audit (A-133, Financial Statements, etc.): _____

Concerns raised by the auditors:

Did the Board of Directors provide a written response to the findings? ___ Yes ___ No (- ½ point)

(If an audit was due but not performed or copy not provided, deduct 2 points)

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APPLICANT FISCAL REVIEW

G. Financial Condition (2 points)

1. Based on the latest set of interim financial statements:

- a. There is positive working capital. ___ Yes ___ No Amount: \$ _____
- b. The provider has positive liquidity. ___ Yes ___ No Current Ratio: _____
- c. There is at least 30 days cash on hand. ___ Yes ___ No #Days: _____

(Subtract 2 points if any of the above liquidity measures are negative)

H. Banking (2 points)

Is there an established bank account? ___ Yes ___ No (- 1 point)

Is there a separate account maintained for payroll? ___ Yes ___ No

How often is the bank statement reconciled? _____ Date of last reconciliation: _____
(If the last reconciliation is two or more months old, subtract 1 point)

Are checks pre-numbered? ___ Yes ___ No

Who is authorized to sign checks? _____

Is the authorization and levels to sign checks given by the applicant's Board of Directors?
___ Yes ___ No

Does the authorization agree with the signatures filed with the bank? ___ Yes ___ No

Is there a limit to the amount that the check signers can write? ___ Yes ___ No

If yes, what is the amount of the limit? _____

What authorization is required for larger amounts? _____

When outstanding checks are considered void? _____

When are outstanding checks written off the books? _____

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APPLICANT FISCAL REVIEW

I. Insurance (4 points)

Does the agency have the following insurance?

___ General Liability; Limits _____

___ Automobile Liability; Limits _____

___ Workers Unemployment Compensation Insurance; Limits _____

___ Bonding; Limits (for non-ITA) _____

___ Workers Compensation Insurance, if applicable; Limits _____

If any insurance is not available, explain: _____

(Subtract 1 point for each insurance coverage missing)

J. Personnel (2 points)

Does the applicant have its own employees or are they leased from a staffing company?

Are there written personnel policies? ___ Yes ___ No (- 1 point)

Do the policies include grievance procedures? ___ Yes ___ No

Are individual personnel record files kept on all employees? ___ Yes ___ No (- 1 point)

Wages are paid: ___ Monthly ___ Semi-Monthly ___ Bi-Weekly ___ Weekly

Who authorizes payroll? _____

What is the position of this individual? _____

K. Procurement System (2 points)

Does the applicant have established written procurement procedures? ___ Yes ___ No (- 1 point)

(If no written procedures exist, describe the established procedures on a separate page)

**Office of Continuous Improvement (OCI)
Procurement Review**



___ Sub-Recipient

___ Vendor

___ ITA

APPLICANT FISCAL REVIEW

Are goods and services procured competitively? ___Yes ___No (- 1 point)

If yes, is there threshold amount for bids taken before purchases are made? ___Yes ___No

Are the bids verbal or written? _____

If bids are verbal, how are they documented? _____

Who authorizes Purchase Orders? _____

Who authorizes payments? _____

Who receives the goods or services? _____

Who is the authorized Purchasing Agent? _____

What purchasing limits, if any, are placed on this individual? _____

Do procurement procedures include emergency purchasing? ___Yes ___No

L. Previous Contractual Relationships

1. Has the applicant had any previous contractual relationship to provide services? ___Yes ___No

If yes, please list name of the organization(s), contract year(s), dollar amount(s), and scope of services:

2. Has there been any previous monitoring reports issued for the contracts above? ___Yes ___No

If yes, review the last issued monitoring report from each funding organization and on a separate page, summarize any major areas of non-compliance and review the response.

LIST OF ACCEPTABLE DOCUMENTATION

In accordance with the Request for Proposal (RFP), new applicants must make available for review acceptable documentation of fiscal accountability in order for South Florida Workforce Investment Board (SFWIB) to conduct a fiscal review prior to making funding decisions.

The following list shows the documents that must be available to SFWIB for review.

A. Critical Criteria

1. See Section B below.
2. See Section C below.

B. Legal Status

1. A State of Florida Corporate Registration Certificate.
2. A current State of Florida annual Uniform Business Report (UBR).
3. Articles of Incorporation and By-Laws.
4. List of names, positions, addresses, telephone numbers, e-mail, gender, race and ethnicity of members of the Board of Directors.

NOTE: If the applicant is an out-of-state entity that has not registered to do business in Florida, a copy of the filed Application by Foreign Corporation for Authorization to Transact Business in Florida must be available for review--See Attachment "C".

Also, please note that the documents subject to review must be relevant and directly applicable to the entity that submitted the Request For Proposal, and would therefore be the entity of record, if selected for funding. *If the applicant of record submits a proposal that includes the use of another entity, then one of the entities must be a registered fictitious name of the other entity.* See Title XLVI, Chapter 865, Sec. 865.09 of the 1999 Florida Statutes (Fictitious Name Act).

C. Sources of Revenue

1. A list that shows for the most current fiscal period, the individual amount of revenue by **source:**
 - a. Government sources of revenue such as grants, program funding, etc. (If none, so state):
 1. Federal sources of revenue (Include funds that originate from federal sources even though the grant or program is with a county or city, such as WIA, Welfare Transition, etc.).
 2. State sources of revenue (Include direct contracts or grants with the State of Florida, or any other State, if applicable).
 3. Local sources of revenue (County and City contracts and grants with locally-

generated government funds).

- b. Private sources of revenue (If none, so state):
 1. Sales
 2. Private contracts
 3. Vendor contracts with government entities
 4. Other sources of private revenue (donations, contributions, etc.)

- c. Established and available line(s) of credit (if none, so state):
 1. A letter from the financial institution(s) indicating the total established amount of the line(s) of credit
 2. Name of the institution(s)
 3. **Current** available balance
 4. Interest rate
 5. Expiration date

Note for Non-ITA's: Private and non-government sources of revenue must total at least 20% of the RFP funding amount requested.

2. Documentation for all sources of revenue. In the case of contracts and award letters, the documentation must show the total dollar amounts. The documentation must be current, i.e., the effective period of time the contract/award letter has not expired.

3. A budget or other relevant document that shows the projected revenue for the next operational year.

D. Accounting System

1. Written accounting policies and procedures and description of the agency's accounting system to include:
 - Whether the accounting function is performed in-house or contracted
 - Name of the accounting system and how long the system has been in use.
Table of organization for the accounting/finance department to include job titles and functions.
 - Résumé of the person in charge of the accounting/finance department/function.
2. Chart of accounts.
3. The most recent month Trial Balance.
4. The most current Payroll Register.
5. The most current month bank account statements and their corresponding bank reconciliations for all accounts.
6. The most current set of interim Financial Statements:
 - i. Statement of Financial Position (Balance Sheet)
 - ii. Statement of Revenue and Expense
 - iii. Budget and Expenditure Report (budget versus actual) (current period and prior year)

7. The most current month Cash Receipt Journal.
8. The most current and previous month Check Register (2 months).
9. The most current Aged Accounts Receivables and Payable Schedules.
10. General ledger report for the last month.
11. Cost Allocation Plan or a copy of the approval letter for federal indirect cost rate.
12. Agency-wide budget.

E. Payroll Taxes/Payroll

1. A copy of the two most recent Quarterly Tax Reports submitted to the IRS (form 941).
2. A copy of the two most recent Quarterly Tax Reports submitted to the State of Florida (form UCT-6).
3. Describe the established process for payroll processing (how is daily time kept; who transcribes the hours to tally sheets; who reviews and approves the time sheets for accuracy; who signs off before the payroll is approved, etc.).

F. Independent Audit

1. A copy of the latest independent audit **including** the management letter, if applicable.

G. Banking

1. The bank names, addresses and account numbers for **all** accounts.
2. The banks' signature card showing the authorized signatures for signing checks.
3. The names, position, and authorized check signing level for all account authorized check signers.
4. The Board of Director's resolution authorizing the individuals who can sign checks.
5. If the applicant is an out-of town entity without a current local office, provide a copy of a sample corporate check (write "COPY: NOT NEGOTIABLE" across the copy.)

H. Insurance

1. The Certificates of Insurance for general liability coverage, automobile, workers' compensation insurance and Bonding (for non-ITA).

I. Personnel

1. The established written Personnel Policies and Procedures, including Grievance Procedures.

J. Procurement

1. The established written Procurement Policies and Procedures.

K. Previous Contractual Relationships

1. A listing of current and previous contracts indicating the names of the funding organizations, contract numbers, contract amounts, contract dates / terms, services/programs contracted for, contact name, contact telephone number or e-mail.
2. Copy of the latest monitoring report produced by each funding organization.
3. Copy of the response to the monitoring report(s).