

**SUBRECIPIENT RISK CLASSIFICATION MATRIX**

<b>RISK ASSESSMENT CRITERIA</b>			
<b>Factors Considered</b>	<b>HIGH RISK (3)</b>	<b>MODERATE RISK (2)</b>	<b>LOW RISK (1)</b>
<b>Entity Type</b>	Foreign/international entity, Country of Concern Going Concern	Foreign/international entity, but not a Country of Concern	US-based entity
<b>Subrecipient History (w/USC)</b>	New subrecipient (<1 year)	Existing subrecipient (1-2 years)	Established subrecipient (2+ years)
<b>Dollar Value of Annual Awards (or Expenditures)</b>	> \$250,000	\$50,000 - \$250,000	< \$50,000
<b>Audit Coverage</b>	Not subject to Uniform Guidance (no Single Audit requirement), a financial statement audit, other compliance/financial audit, or unable to locate applicable audits	Not subject to Single Audit but has an independent financial statement audit or other compliance/financial audit	Subject to Uniform Guidance (Single Audit)
<b>Audit Results</b>	Noteworthy material weaknesses identified (related to grant funding, USC awards, pass-through funding, internal controls, etc.) or large volume of significant deficiencies <b>Significant repeat findings</b>	Noteworthy significant deficiencies identified (related to grant funding, USC awards, pass-through funding, internal controls, etc.)	No noteworthy audit findings identified (related to grant funding, USC awards, pass-through funding, internal controls, etc.)
<b>Corrective Action</b>	No corrective action taken	Progress made toward corrective action	Prior year findings corrected or no prior year findings
<b>Invoicing Practices</b>	Significant invoicing issues (e.g., noncompliance, use of improper submission method, untimely invoicing, lack of invoicing [annual vs. quarterly], incorrect references [e.g., wrong PO/subaward numbers], missing requirements [e.g., no expense breakdown or cumulative expenses], unallowable/unallocable expenses) or no invoicing history Repetitive invoicing issues or repetitive follow-up required	Moderate to minor invoicing issues that improve over time	Consistent, compliant, complete, and timely invoicing
<b>Annual Monitoring Processes</b>	Nonresponsive to annual risk assessment processes (e.g., annual compliance surveys and/or desk review requests), or no monitoring history Responses provided to annual compliance survey indicate weak internal controls (particularly related to grant funds) Adverse desk review findings	Repetitive follow-up required for annual risk assessment processes (e.g., annual compliance surveys and/or desk review requests) Noteworthy desk review observations	Responsive to annual risk assessment processes (e.g., compliance surveys and/or desk review requests)
<b>Implications</b>	Receipt-level back-up documentation required to support all invoice submissions. Invoices will not be paid without the timely submission of required support.	General ledger back-up documentation required to support all invoice submissions. Invoices will not be paid without the timely submission of required support.	N/A - No additional invoicing requirements.

## Subrecipient Monitoring - Risk Assessment Form

Subrecipient Name:  
Subaward Number:

Date of Risk Assessment:

General Assessment:				Risk Score	
Risk Assessment Criteria	Low Risk (1)	Moderate Risk (2)	High Risk (3)	Score	Comments
Entity Type	US-based entity	Foreign/international entity, but not a <b>Country of Concern</b>	<b>Country of Concern</b> or going concern		
Subrecipient History (w/ USC)	Established subrecipient (2+ years)	Existing subrecipient (1-2 years)	New subrecipient (<1 year)		
Dollar Value of Annual Awards (or Expenditures)	< \$50,000	\$50,000 - \$250,000	> \$250,000		

Compliance Assessment:				Risk Score	
Risk Assessment Criteria	Low Risk (1)	Moderate Risk (2)	High Risk (3)	Score	Comments
Invoicing Practices	Consistent, compliant, complete, and timely invoicing	Moderate to minor invoicing issues that improve over time	Significant invoicing issues or no invoicing history		
Monitoring Practices (e.g., compliance surveys, desk reviews, etc.)	Responsive to annual risk assessment processes	Repetitive follow-up required for annual risk assessment processes or noteworthy desk review observations	Nonresponsive to annual risk assessment processes, survey responses indicative of weak internal controls, adverse desk review findings, and/or no monitoring history		

Audit Assessment:				Risk Score	
Risk Assessment Criteria	Low Risk (1)	Moderate Risk (2)	High Risk (3)	Score	Comments
Audit Coverage	Subject to Single Audit	Not subject to Single Audit, but has an independent financial statement audit	Not subject to Single Audit and no independent financial statement audit, or unable to locate applicable audits		
Audit Results	No noteworthy findings (related to grant funding, USC awards, pass-through funding, or internal controls)	Noteworthy findings (related to grant funding, USC awards, pass-through funding, or internal controls)	Adverse/material findings that could impact program funding and/or significant repeat findings		
Corrective Action	No prior year findings or prior year findings corrected	Progress made toward corrective action	Significant repeat findings and no corrective action		

Assessment Scale	Low = 8 to 12	Moderate = 13 to 18	High = 19 to 24
------------------	---------------	---------------------	-----------------

<b>Total Risk Assessment Score</b>	-	
------------------------------------	---	--