

# FINANCIAL CAPABILITY QUESTIONNAIRE FORM

OFFICE OF THE GOVERNOR  
CRIMINAL JUSTICE DIVISION  
P.O. Box 12428  
AUSTIN, TEXAS 78711  
512/463-1919  
FAX: 512/475-2440

WWW.GOVERNOR.STATE.TX.US

## 1 T.A.C. §3.2023

All nonprofit corporations applying for CJD grant funds that have not previously received a CJD grant must submit this form in with their grant application kit. Failure to comply may result in the denial of an award by CJD.

### ORGANIZATIONAL INFORMATION

1. Enter the year in which the corporation was founded:			
2. Enter the date that the IRS letter granted 501(c)(3) tax exemption status: <b>Attach a copy of the IRS letter to this form.</b>			
3. Enter the Employer Identification Number assigned by the IRS:			
4. Enter the charter number and the date assigned by the Texas Secretary of State:	Number		Date
5. In the space provided below state the purpose of the organization as stated in the Articles of Incorporation or the Bylaws:			
6. If any member of the board is related to one another or an employee of the nonprofit corporation, so indicate explaining the relationship:			

### FINANCIAL MANAGEMENT INFORMATION

#### A. ACCOUNTING SYSTEM:

The grantee organization needs to incorporate an accounting system that will track costs between direct and indirect costs (**general ledger**) as well as direct costs by project (**project ledger**). The grantee will also need to establish a **time and effort reporting system** to track personnel costs by project. This should be reported on an hourly basis, or in increments of an hour.

	YES	NO	If the answer is "no" to any question, explain the corrective action that will be taken to ensure accountability.
1. Is there a chart of accounts? (This is a list of a grantee organization's accounts identified by a specific number.)	<input type="checkbox"/>	<input type="checkbox"/>	
2. Does the accounting system include a project ledger providing for the recording of expenditures for each program by required budget cost categories?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Is there a timekeeping system that allows for grant personnel to delineate activity and also requires the signatures of the employee and his or her supervisor?	<input type="checkbox"/>	<input type="checkbox"/>	

#### B. FINANCIAL CAPABILITY:

The grantee should prepare financial statements at least annually. At a minimum, current internal **balance sheet** and **income statements** are required. A **balance sheet** is a statement of financial position of a grantee disclosing the assets, liabilities, and retained earnings at a given point in time. An **income statement** is a summary of the revenue and expenses of a grantee for a specified period of time, usually for an accounting or fiscal year.

	YES	NO	If the answer is "no" to any question, explain the corrective action that will be taken to ensure accountability.

1. Has an independent audit been conducted of the organization? <b>If yes, please include a copy of the most recent report.</b>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Does the organization prepare financial statements at least annually? <b>Provide copies of the most recent Balance Sheet and Income Statement if an independent audit has not been conducted.</b>	<input type="checkbox"/>	<input type="checkbox"/>	
3. According to the organization's most recent Audit or Balance Sheet, are the current total assets greater than the liabilities?	<input type="checkbox"/>	<input type="checkbox"/>	
<b>C. BUDGETARY CONTROLS:</b> The grantee should establish a system to track expenditures against budget and/or funded amounts.			
	<b>YES</b>	<b>NO</b>	<b>If the answer is "no" to any question, explain the corrective action that will be taken to ensure accountability.</b>
1. Are there budgetary controls in effect (e.g. comparison of budget with actual expenditures on a monthly basis) to preclude drawing down grant funds in excess of:			
a) Total funds authorized on the Notice of Grant Award;	<input type="checkbox"/>	<input type="checkbox"/>	
b) Total funds available for any budget category as stipulated on the Notice of Grant Award.	<input type="checkbox"/>	<input type="checkbox"/>	
<b>D. INTERNAL CONTROLS</b> The organization must safeguard cash receipts and disbursements and ensure a segregation of duties exists. For example, one person should not have control over all aspects of the accounting system, such as signing checks and making deposits as well.			
	<b>YES</b>	<b>NO</b>	<b>If the answer is "no" to any question, explain the corrective action that will be taken to ensure accountability.</b>
1. Has the organization instituted safeguards to ensure adequate controls:			
a) Are accounting entries supported by appropriate documentation; e.g. purchase orders, vouchers, receipts, invoices?	<input type="checkbox"/>	<input type="checkbox"/>	
b) Is there separation of responsibility in the receipt, payment, and recording of cash?	<input type="checkbox"/>	<input type="checkbox"/>	
Other:			

\_\_\_\_\_  
Applicant's Organization

\_\_\_\_\_  
Project Title

\_\_\_\_\_  
Name of the Financial Official

\_\_\_\_\_  
Title of the Financial Official

\_\_\_\_\_  
Effective Date