

6.17 Monitoring and Audits - Substantiation of One Invoice/Contract

POLICY:

The State Agency Central Finance Unit will perform an on-site fiscal review or a desk review at least one time every other year for each sub-recipient.

PROCEDURE:

A. On-Site Fiscal Review

The State Agency has the option to perform an on-site fiscal review.

B. Required Documentation for Desk Review

1. The Local Agency will be required to provide complete documentation and fully explain charges made for a one month period.
2. Examples of such documentation include:
 - < Bids for all purchases over \$5,000 charged to WIC;
 - < Receipts or canceled checks for all purchases charged to WIC;
 - < Payroll and benefit worksheets for all such charges made to WIC; and WIC-30 time-sheets or acceptable substitute as stated in P & P 6.06, pg. 5.
 - < Administrative overhead calculations.

C. State Agency Request for Additional Information

When the State Agency finds that the documentation and explanation are inadequate, the Local Agency will be required to provide further information. Additional desk reviews may be required if lack of documentation or other fiscal problems become apparent.

1. The State Agency will request this information by certified letter mailed to the Parent Agency of the Local Agency.
2. The information must be provided to the State Agency within thirty (30) days of the date the Parent Agency receives the request
3. When the Local Agency does not satisfactorily explain the charges in question within a two (2) week period, the State Agency will disallow those costs.

ATTACHMENTS:

1. Local Agency Desk Audit Guide, Attachment #1