GFEMS Due Diligence Questionnaire

This form should be filled in by the organization and returned to GFEMS with supporting documentation where relevant. The purpose of this template is to provide GFEMS with information about the organization that may impact on grant management and other conditions. It is therefore important that the template is accurately completed and signed by someone authorized to represent the organization. Findings from this exercise may result in GFEMS agreeing remedial action to be taken by the organization to strengthen any weaknesses identified.

<table>
<thead>
<tr>
<th>Name of Organization:</th>
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<table>
<thead>
<tr>
<th>Organization Headquarters Address:</th>
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<table>
<thead>
<tr>
<th>Name of administrative contact person:</th>
<th>Telephone:</th>
<th>E-mail:</th>
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<table>
<thead>
<tr>
<th>Website Address:</th>
<th>Mailing Address (if different from Headquarters Address above):</th>
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<tr>
<th>Country of Registration:</th>
<th>What type of business/organization are you?</th>
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<tr>
<th>Tax ID (non-US organizations) / EIN (US organizations):</th>
<th>DUNS number (If applicable; required under USG awards):</th>
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<tr>
<th>Number of Full-Time Employees:</th>
<th>Number of paid Part-Time Employees</th>
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<th>Beginning and ending dates of your organization's fiscal (financial) year:</th>
<th>Describe the services/products you offer:</th>
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<tr>
<th>Total Organizational Revenues, including awards (in USD), for most recent fiscal year:</th>
<th>Total Organizational Expenses, including awards (in USD), for most recent fiscal year:</th>
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**Required Attachments:** Please provide the following, or similar, if available

- Org Chart
- Code of Conduct
- Financial Manual
- Travel Policy
- Procurement Policy
- Safeguarding Policy
- Incorporation or registration certificate
- List of all the current members of the Board of Directors
- IRS determination letter (for US organizations)
Most recent financial statements (balance sheet and income statement)
Most recent independent auditor's report, including management letter (if available)
Most recent financial audit (if distinct from independent auditor’s report above)

Most recent federal single audit report (if applicable, US organizations only)
Most recently completed negotiated indirect cost rate agreement (NICRA) (if applicable)

Section A. Delivery

Governance & People Management

Governance refers to the process of decision-making and the process by which decisions are implemented (or not implemented). People management, also known as human resource management (HRM), encompasses the tasks of recruitment, management, and providing ongoing support and direction for the employees of an organization.

1. Briefly describe your organizational structure; referring to your organizational chart if available. Include the team delivering the proposed project, and reporting lines from the proposed project.

2. How long has your organization been in business?

3. How many paid employees does your organization have?

4. How are duties segregated between staff in the organization?

5. How is delegated responsibility within the organization agreed and monitored?

6. What is the process for hiring project staff should additional staffing be required?

7. What is the process for promoting or giving pay raises to staff?

8. What is the process of disciplining or terminating staff?

9. What processes are in place to ensure project targets will be hit?

10. How will decisions about the project (revision of target, deliverables, etc) be made?

11. Please provide copies of any external assessments or project-specific audits on projects with similar size and scope completed in the past three (3) fiscal years.

12. How has the organization operationalized lessons learned from external assessments or project-specific audits?

13. Is the organization, its key staff, officers or directors involved in any investigation, litigation, or adjudication or have any of these people been adjudicated in the past for any civil, administrative, criminal or tax matters?

Conflict of Interest

Direct or indirect personal or professional interest in a business transaction, organization or other matter, such that it might reasonably appear to affect judgment, impede decision-making,
compromise objectivity, or lead to neglect or disregard of project interests, standards or policy.

14. Is the proposed project manager, accountant, procurement staff or any other staff involved in other GFEMS funded projects? 
   If yes, please provide the person's name and project title below.

15. Does any employee, director, or trustee of the organization, or any of their family members have a financial or familial relationship with any GFEMS or donor employee, GFEMS or donor director, or a family member of a GFEMS or donor employee or GFEMS director, or any GFEMS project? 
   If yes, please explain below.

Audit
An official inspection of an individual's or organization's accounts, typically by an independent body.

16. Does your organization have regular external audits which you contract and pay for? 
   If yes, who performs the audit?

17. How frequently are audits performed? 
   Indicate when the last audit was performed.

18. What type of audit is performed?

19. Does your organization have an Internal Audit function? What is the scope of this function's role in the organization?

20. How regular is reporting to an audit committee and is there reporting to a board audit committee or other governing body?

21. Have any concerns been raised to the board with previous external audit reports?

22. If you do not have a current audit of your financial statements, please provide a copy of the following financial statements, if available:
   a. A Balance Sheet for the most current and previous year; and 
   b. An Income Statement for the most current and previous year; 
   c. A Cash Flow Statement for the most current and previous year.

23. Are there any circumstances that would prevent your institution from obtaining an audit? 
   If yes, please provide details:

Risk Management
Forecasting and evaluation of risks together with the identification of procedures to avoid or minimize their impact on the project or organization.

24. How does your organization determine the level of risk it is willing to accept in its work?

25. How are risks identified, recorded, discussed, mitigated and monitored and how frequently does this process take place?
26. How does the organization recognize and manage the risk of doing unintended harm to beneficiaries, stakeholders, or staff over the course of its work?

27. How does the organization recognize and manage the risk of doing unintended harm to the environment?

28. How does the organization map its delivery chain to understand the number & complexity of suppliers involved?

29. What evidence is there that the organization can trace the flow of funds to beneficiaries.

Fraud, Bribery, Corruption & Money Laundering

*Fraud is defined as the wrongful or criminal deception intended to result in financial or personal gain. Fraud includes false representation of fact, making false statements, or by concealment of information. Waste is defined as the thoughtless or careless expenditure, mismanagement, or abuse of resources to the detriment (or potential detriment) of the donor. Waste also includes incurring unnecessary costs resulting from inefficient or ineffective practices, systems, or controls. Abuse is defined as excessive or improper use of a thing, or to use something in a manner contrary to the natural or legal rules for its use. Abuse can occur in financial or non-financial settings.*

30. What processes are in place to ensure compliance with laws and regulations around Bribery, Terrorism etc?

31. What are the organizational policies on bribery and corruption?

32. What reporting lines/complaint mechanisms and whistleblowing protections are in place for staff who report violations?

33. What training is provided to staff on reporting fraud, bribery or corruption and waste or abuse of funds?

34. When fraud, bribery or corruption and waste or abuse of funds are identified, what action is taken?

35. What policies and processes are in place for reporting suspected fraud, bribery or corruption and waste or abuse of funds or money laundering in for subawardees and/or downstream partners?

36. What evidence is there that the process is used and that subawardees and/or downstream partners are reporting concerns of fraud, bribery or corruption and waste or abuse of funds?

Transparency:

37. Does your organization issue an annual report, press releases, or other publicly facing communications regarding projects?

38. Does the organization publish information about their development activities in an open data format, such as IATI, or have any plans to do so?

39. Are there any criteria under which information will not be disclosed?
Data Policies:

40. Please provide your organization’s information/data security policies, including but not limited to:
   ● Personnel management
   ● Asset/device management
   ● Physical security
   ● Behavioral controls and staff training
   ● Device security
   ● Network, browsing, and cloud security
   ● Communications (email, chat)
   ● Travel
   ● Reporting incidents
   ● Disposal of data or devices
   ● Continuous monitoring
   ● Any guidelines you use for case-by-case decision making
   ● You may submit materials and policies from your ISO/IEC certification or another standard certification in lieu of these.

Working with third-tier subrecipients (downstream partners):

Answer the following questions only if you intend to make third-tier subawards under your GFEMS subaward:

41. What is the downstream due diligence process when giving a subaward, and how and is it formally documented?
42. How are weaknesses of sub-grantees addressed and monitored by the organization?
43. How does the organization proactively develop the capacity of its subgrantees?
44. Does your organization have a history of managing sub-grantees?
   If yes, please provide details on your 3 largest sub-grants, including the name of the sub-grantee, size of the grant (USD), and project timeline.
45. Does your organization have written sub-grantee management policies and procedures?
46. Does your organization have a standard sub-grant agreement template?
47. What are the arrangements for securing external audit of downstream partners?
48. Are regular site visits and spot checks carried out on downstream partners?
49. During program design, are the potential risks of sexual exploitation and abuse or other violations identified and addressed?
50. Are third-parties assessed for contact with beneficiaries, and capacity to implement safeguarding measures?
51. Are clauses on safeguarding and other flow-down provisions included in all contract agreements?
52. Are safeguarding measures by third-party organizations monitored?

B. FIDUCIARY
Financial Health:

1. What are the sources of the organization’s revenue? (US gov, UK gov, Domestic gov, other gov, foundations, donations, corporate donations, sales of goods/services, membership fees.

2. Does your organization currently have outstanding debts to government or other parties? If yes, explain the nature of the occurrence (originating and current date, most recent statement: why incurred, methods on prospects of repayment, if any; any additional relevant information).

3. How do you rate the underlying financial strength of the organization, and why?

Internal Controls:

*Internal controls are procedures which ensure that: 1) financial transactions are approved by an authorized individual and are consistent with applicable law, regulations and your institution’s policies; 2) assets are maintained safely and controlled; and 3) accounting records are complete, accurate and maintained on a consistent basis.*

4. Indicate which of the internal controls listed below are in place at your organization and provide a copy of requested supporting policy and/or procedure:
   a. Documented competitive system of procurement for major purchases
      - Provide copy of organizational procurement policy
   b. Maintenance of an inventory system for fixed assets
      - Provide copy of asset management policies or procedures
   c. Cash kept in safe
      - Provide copy of cash management policy or procedure
   d. Limits on cash withdrawals
   e. Office locked up at night/guards present
   f. Insurance
   g. Please tell us about any major controls, as relevant:

5. Does your institution maintain a record of how much time employees spend on different projects or activities? If yes, how?

6. Do you maintain inventory records for your institution's equipment? If no, explain

7. How often do you check actual inventory against inventory records?

8. Are all financial transactions approved by an appropriate official?

9. Is the person(s) responsible for approving transactions familiar with donor regulations, as appropriate?

10. Does your institution use a payment voucher system or some other procedure for the documentation of approval by an appropriate official?
11. Does your institution require supporting documentation (such as original receipts) prior to payment for expenditures?

12. Does your institution require that such documentation be maintained over a period of time? If yes, how long are such records kept?

13. Are different individuals within your institution responsible for approving, disbursing, and accounting of transactions?

14. Are the functions of checking the accuracy of your accounts and the daily recording of accounting data performed by different individuals?

15. Does your organization give advances to employees? What policies and procedures are in place for giving advances?

16. Does your organization reimburse employees for expenses? What policies and procedures does your organization maintain for reimbursement?

17. What policy does your organization maintain for late advance reimbursements?

18. How are budgets developed and what is the system for internal approval?

19. How frequently do you assess actual expenses incurred to ensure that there is no under or over spending on any specific project budget?

20. If there is a variance (difference between planned expenses and actual expenses) are variance reports completed, and what further actions are taken?

21. What is the process followed to issue payments to third-parties, including sub-awardees?
   a. Please attach any documented process

22. How frequently does management at your organization review and reconcile cash reports, cash balances (including petty cash) and bank statements from all operations? Who reviews these reports?
   a. Is this maintained in an operations manual or accounting manual?

23. In the event of a new award, does your organization have a bank account in the name of your organization to which disbursements could be made by wire transfer?
   a. If yes, attach details of account here.
   b. Is this account solely for this project, or shared with other project funds?

24. If a grant were awarded for this project, who would be responsible for:
   a. Requesting a procurement?
   b. Preparing procurement documentation?
   c. Approving procurement prior to issuing a contract/ payment?
   d. Requesting payments?
   e. Approving requests for payments?
   f. Issuing payments?
   g. Reconciling accounts?
   h. Preparing project financial reports?
   i. Approving project financial reports?
j. Is there any familial relationship between any of the employees listed above?

**Procurement**

25. Are procurement policies and procedures in writing?
26. Is the procurement function segregated from the accounting function? Is the person doing the purchasing different from the person doing the accounting?
27. Is there a threshold above which multiple quotations are required? (if so, mention the amount)
28. Does the organization have a written policy regarding the avoidance of “conflicts of interest?”
29. If yes, how is the policy communicated to employees?
30. Are procurement actions approved prior to purchase?

**Payroll:**

31. Does your organization maintain an employment letter or contract which includes the terms of reference and salary information for each employee?
32. Do you have a written personnel policy? If so, does each employee receive a copy?
33. Does your organization have a salary scale to determine a salary range per role.
34. Does your organization maintain paystubs or other payment made to employee?
35. What system does your organization use for approval of timesheets?
36. Are individual time and effort records kept which reflect employee actual hours worked on a particular project (timesheets)?

**Accounting:**

37. Does your organization have a written accounting policies and procedures manual?
38. Does your organization utilize the accrual or cash method of accounting?
39. How often are financial reports prepared?
40. Is your accounting system an automated double-entry system?
41. Are transactions recorded via manual ledger system or computerized system?
42. If yes, please name the accounting software package:
43. Is there a chart of accounts? Yes _____ No _____
44. Do you produce budget versus actual costs reports for the project teams?
45. Is your accounting system able to identify the receipt and expenditures of funds separately for each project?
46. Does the organization usually prepare an annual budget covering all of its activities?
47. Does your accounting system segregate direct costs from indirect costs?
48. Does your accounting system identify the receipt and expenditure of funds separately for each grant and/or contract?
49. Does the accounting system provide for the recording of grant/contract costs according to categories of the approved budget?
50. Are you familiar with the cost principles (Federal Acquisition Regulations Part 31.2, or 2 CFR 200 as appropriate) and procedures for the determination and allowance of costs in connection with federal grants and contracts? (Applicable to USG funding only)
51. Is a separate bank account maintained for grant/contract funds?
52. If a separate account is not maintained, can the grant/contract funds and related expenses be readily identified?
53. Do you have a written policy regarding who may sign checks?
54. Is your institution’s accounting system designed to detect errors in a timely manner?
55. Do your accounting/financial procedures include budgetary controls to prevent incurring obligations greater than total funds available for an award?
56. Do your accounting/financial procedures include budgetary controls to prevent incurring obligations greater than funds approved for a particular budget line (personnel, travel, etc.)?
57. How does your organization insure proper support documentation for expenses? Explain.
58. For how long does your organization maintain support documentation (receipts, invoices, purchase orders, etc.) for all transactions?
59. Does your organization keep electronic supporting documentation for accounting records?
60. Does your organization back up its accounting data on a regular basis?
61. Are any payments to vendors/suppliers made in cash?

Additional Required Information:

62. Executive compensation form when applicable

Section C: Safeguarding:

Safeguarding in this context means preventing and responding to harm caused by sexual exploitation, abuse, harassment or bullying for beneficiaries, employees and all other stakeholders.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Yes</th>
<th>No</th>
<th>Explanation of Yes / No</th>
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<tr>
<td></td>
<td></td>
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<td>(e.g. related procedures / practices, rationale, commentary on work-in-progress steps)</td>
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<tr>
<td>1. Practice</td>
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<tr>
<td>Policy and procedures</td>
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<tr>
<td>Does your organization have a policy (policies) describing standard of behavior for its staff and all representatives, specifically forbidding sexual exploitation and abuse and other safeguarding violations of vulnerable people and adults (please specify which policies)?</td>
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<td>Does the policy include procedures which describe how the policy is implemented throughout the organization?</td>
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<tr>
<td>Does your organization have an implementation plan for safeguarding that is reviewed and updated regularly?</td>
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<td>Does this policy require that the potential risks of sexual exploitation and abuse or other violations are identified and addressed during program design?</td>
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## Assigning specific responsibility

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<thead>
<tr>
<th>Question</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Does senior management take responsibility for ensuring safeguarding measures are implemented?</td>
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<tr>
<td>Does your organization assign specific staff responsibility for safeguarding?</td>
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<td>Are safeguarding responsibilities reflected in role and job descriptions?</td>
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## Ensuring staff, volunteers and associates meet requirements

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<th>Question</th>
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<tr>
<td>Do all staff sign policies that address safeguarding (e.g., code of conduct, child protection policy)?</td>
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<td>Do all staff receive induction and (where relevant) annual refresher training on safeguarding?</td>
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<tr>
<td>Are staff made aware of their obligation to report misconduct and are they protected from retaliation for doing so?</td>
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<tr>
<td>Do supervision and performance appraisals include adherence to code of conduct and participation in safeguarding trainings?</td>
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## Engaging communities and beneficiaries on safeguarding

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<th>Question</th>
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<tr>
<td>Are your communities (beneficiaries, etc) fully aware of the expected behavior of the organization’s staff?</td>
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<td>Do they know how to report if commitments are not met?</td>
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<tr>
<td>Implementing safeguarding requirements with grant partners, suppliers and contractors</td>
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<tr>
<td>During program design, are the potential risks of sexual exploitation and abuse or other violations identified and addressed?</td>
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<td>Are partners, suppliers and contractors assessed for contact with beneficiaries, and capacity to implement safeguarding measures?</td>
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<tr>
<td>Are clauses on safeguarding included in all contract agreements?</td>
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<td>Are safeguarding measures by partners, suppliers and contractor organizations monitored?</td>
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<tr>
<th>Developing and implementing a comprehensive complaints mechanism</th>
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<td>Does your organization have a documented complaints handling process?</td>
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<td>Does your organization have a documented commitment to take reports seriously and acted promptly?</td>
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<td>Does your organization have a complaint channel that is designed to proactively enable reports of safeguarding violations?</td>
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<td>Are certain kinds of allegations treated differently than others (e.g. sexual exploitation or abuse)?</td>
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<tr>
<th>Responding to allegations</th>
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<tr>
<td>Does your organization have written procedures on responding to concerns?</td>
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<td>How are investigations handled, and by whom?</td>
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How are substantiated complaints handled?

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<tr>
<th>Historical Allegations / Disclosures</th>
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<tr>
<td>Have any of your organization’s staff or representatives ever been accused of safeguarding violations? If yes: when, for what, and how was this handled? (List as many cases as relevant)</td>
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<tr>
<td>Have any of your organization’s partners, suppliers and contractor organizations ever been the subject of an allegation during your relationship with that entity? If yes, when, for what, and how was this handled? List as many cases as relevant</td>
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<tr>
<td>Has your organization ever discovered any safeguarding violations internally? If yes: when, for what, and how was this handled? List as many as relevant</td>
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DUE DILIGENCE QUESTIONNAIRE FOR POTENTIAL SUBAWARD RECIPIENTS

It is very important that your organization’s responses to the Global Fund to End Modern Slavery’s Pre-award Due Diligence Questionnaire is reviewed by the organization’s head (for example, Executive Director) and senior-most financial manager. Please have both staff sign this form to confirm they have both reviewed the information provided in the questionnaire.

I certify to the best of my knowledge and belief that the information provided in the Financial Management questionnaire and the supporting data are correct.

Organization Name: ____________________________

Head of organization:

Print Name: ____________________________
Signature: ____________________________

Title: ____________________________
Date: ____________________________

Senior-most financial manager:

Print Name: ____________________________
Signature: ____________________________

Title: ____________________________
Date: ____________________________