



Annual Pre-Award Financial Risk Assessment Policy

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Policy It is the policy of San Bernardino County Department of Behavioral Health (DBH) to conduct an annual review of all contracted providers to determine the merit and financial risk associated with each prior to making an award.

Purpose To provide guidelines for evaluating monetary and other potential risks posed by contracted providers before disbursement of Federal awards.

Definitions **Federal Award-** The financial assistance that a recipient is provided either directly from a Federal awarding agency or indirectly from a pass-through entity.

End Entity Grant – A fund given by a public body, charitable foundation, a specialized grant-making institution, or in some cases a business with a corporate social responsibility mission – to an individual or another entity, usually, a non-profit organization, sometimes a business or a local government body, for a specific purpose linked to public benefit.

Grant Funds- A fund given by an end entity grant, often a public body, charitable foundation, a specialized grant-making institution, or in some cases a business with a corporate social responsibility mission, to an individual or another entity, such as a non-profit organization, or a business or a local government body, for a specific purpose linked to public benefit.

Office of Management and Budget (OMB) - A Federal office overseeing the implementation of the vision of the President of the United States across the Executive Branch.

Pass-Through Entity- A Non-Federal entity that provides a subaward to a subrecipient (or subcontractor) to carry out a part of a Federal program, such as SUD treatment services.

- Annual Review Parameters**
- DBH Substance Use Disorder and Recovery Services (SUDRS) administration must evaluate a contractor’s or subcontractor’s current standing and usage of funds awarded on an annual basis.
 - The assessment must be completed prior to the ongoing issuance of a Federal Award.

Annual Pre-Award Financial Risk Assessment Policy, Continued

Annual Review Parameters, continued

- DBH Fiscal/Auditing will review information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information as appropriate to confirm a satisfactory record of executing programs or activities under Federal grants, cooperative agreements, or procurement awards as well as for verification of the entity's integrity and business ethics.
 - Fiscal/Auditing staff will review each contracted provider's:
 - Financial stability;
 - Quality of management systems and ability to meet the management standards prescribed in this part;
 - History of performance: The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;
 - Reports and findings from audits performed or the reports and findings of any other available audits, and
 - The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.
- Negative findings will be reported to SUDRS Administrative and Executive Teams.
 - Program Managers and SUDRS Deputy Director will evaluate findings reported and determine if a Corrective Action Plan (CAP) has been approved and implemented correctly or further action is necessary.

Related Policy or Procedure

[DBH Standard Practice Manual and Departmental Forms:](#)

- [Annual Pre-Award Risk Assessment Procedure \(SUDRS0246-1\)](#)

Reference(s)

- [SABG Application, Enclosure 2, \(I\)\(2\)\(C\)](#)
 - [45 CFR § 72.205](#)
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