Procurement express.com

The Complete 2 CFR 200 Compliance Checklist

47 Critical Points to Ensure Federal Grant Compliance

Developed by ProcurementExpress.com - Federal Grant Compliance Software Built for QuickBooks Organizations

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This comprehensive checklist covers all critical areas of 2 CFR 200 compliance, helping you avoid audit findings and maintain federal funding eligibility. Use this as your go-to reference for ensuring your organization meets all Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

⚠️ The High Cost of Non-Compliance

284,173 audit findings were reported to the Federal Audit Clearinghouse in recent years, with:

- **55.4%** of organizations having timeliness findings
- **$6,000-$8,000** average questioned costs per finding
- Risk of funding clawbacks and future grant ineligibility

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Stop scrambling during audit season. Ensure compliance from day one. → Schedule Demo

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Administrative Requirements & Internal Controls

1. Federal Award Management

- ☐ **Award Documentation**: Maintain complete federal award agreements and all amendments
- ☐ **Award Terms Compliance**: Document compliance with all specific federal award terms and conditions
- ☐ **CFDA Number Tracking**: Properly identify and track Catalog of Federal Domestic Assistance (CFDA) numbers for all awards

2. Financial Management Systems

- ☐ **Financial Management Standards**: Establish financial management systems that meet 2 CFR 200.302 requirements
- ☐ **Accurate Financial Records**: Maintain records that accurately reflect financial results of each federal award
- ☐ **Budget vs. Actual Tracking**: Compare expenditures with budget amounts for each federal award

3. Internal Controls Framework

- ☐ **Internal Control Design**: Establish and maintain effective internal control over federal awards
- ☐ **Control Documentation**: Document internal control procedures and responsibilities
- ☐ **Risk Assessment Process**: Conduct regular risk assessments of federal award compliance

4. Cash Management

- ☐ **Cash Management Procedures**: Establish procedures to minimize cash on hand from federal advances
- ☐ **Payment Method Compliance**: Use appropriate payment methods (reimbursement, advance, or working capital advance)
- ☐ **Interest Earning Requirements**: Properly handle and remit interest earned on federal advance payments over $500

💡 Real Results from Grant Managers

"We got ProcurementExpress.com to handle the approval process for a 150-employee sized company. Since the adoption of ProcurementExpress.com we have been able to increase the control over purchase approvals **(we have not**

overrun budget since then), we have eliminated bureaucratic forms that required physical signatures and we have streamlined the approval process."

— Miguel F., CFO, Retail Organization (51-200 employees)

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Track every grant dollar automatically. Zero budget overruns. → [Start Free Trial](#)

Cost Principles & Allowability

5. Cost Allowability Framework

- ☐ **Reasonable Costs**: Ensure all costs are reasonable for the performance of the federal award
- ☐ **Allocable Costs**: Verify costs are allocable to the federal award under the principles in 2 CFR 200
- ☐ **Allowable Cost Determination**: Confirm costs are allowable under federal cost principles and award terms

6. Cost Documentation

- ☐ **Supporting Documentation**: Maintain adequate documentation supporting all costs charged to federal awards
- ☐ **Cost Transfer Documentation**: Document any cost transfers with appropriate justification and approval
- ☐ **Time and Effort Reporting**: Implement compliant time and effort reporting for personnel costs

7. Personnel Costs

- ☐ **Payroll Distribution**: Maintain payroll distribution records showing time devoted to each federal award
- ☐ **Effort Certification**: Implement after-the-fact effort certification or personnel activity reports
- ☐ **Consultant Cost Controls**: Establish controls for consultant and contractor costs

8. Travel and Equipment

- ☐ **Travel Policy Compliance**: Ensure travel costs comply with organizational and federal policies
- ☐ **Equipment Inventory**: Maintain inventory records for equipment purchased with federal funds
- ☐ **Equipment Usage Documentation**: Document that federally-funded equipment is used for authorized purposes

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🚨 Prevent Grant Violations Before They Happen

Manual tracking creates compliance risks:

- ❌ No real-time visibility into grant balances
- ❌ Can't prevent violations before they occur
- ❌ Weeks of preparation for audits
- ❌ Human error in spreadsheets

Automated compliance delivers peace of mind:

- ✅ Real-time budget monitoring
- ✅ Automated spending alerts
- ✅ Instant audit-ready reports
- ✅ Zero compliance violations

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Pass every audit without scrambling. → [See How It Works](#)

Procurement Standards

9. Procurement Policy Framework

- ☐ **Written Procurement Procedures**: Maintain written standards of conduct covering conflicts of interest
- ☐ **Procurement Method Selection**: Use appropriate procurement methods based on dollar thresholds
- ☐ **Competition Requirements**: Ensure full and open competition when required

10. Vendor Management

- ☐ **Vendor Qualification**: Verify contractor qualifications and eligibility
- ☐ **Debarment Verification**: Check System for Award Management (SAM) for debarred contractors
- ☐ **Contract Documentation**: Maintain complete procurement documentation and contracts

11. Procurement Monitoring

- ☐ **Contract Performance Monitoring**: Monitor contractor performance throughout contract period
- ☐ **Procurement Record Retention**: Retain procurement records per federal requirements
- ☐ **Small Business Participation**: Take affirmative steps to utilize small businesses when possible

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💡 Education Leaders See Immediate Impact

"Overall I am quite pleased with ProcurementExpress.com. **It has made my budgets very transparent and I am able to easily track my departments spending.** It has eliminated the PO paper trail that was time consuming, inefficient, and inaccurate. The real time updates allow me to plan better my budgets."

— Paul F., Dean of Students, Education Management (51-200 employees)

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Complete budget transparency in real-time. → [Request Pricing](#)

Property Management

12. Property Accountability

- ☐ **Property Management System**: Establish property management standards for federally-funded property
- ☐ **Property Records**: Maintain property records with required information elements
- ☐ **Physical Inventory**: Conduct physical inventory of property and reconcile with records

13. Property Usage and Disposal

- ☐ **Authorized Use Documentation**: Document that property is used for authorized purposes
- ☐ **Disposition Procedures**: Follow federal requirements for property disposition
- ☐ **Property Insurance**: Maintain adequate insurance coverage for federally-funded property

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Record Keeping & Documentation

14. Record Management System

- ☐ **Record Retention Policy**: Establish record retention periods meeting federal requirements
- ☐ **Record Organization**: Organize records to facilitate audit and monitoring activities
- ☐ **Electronic Records Backup**: Implement backup procedures for electronic records

15. Supporting Documentation

- ☐ **Transaction Documentation**: Maintain documentation supporting each financial transaction
- ☐ **Approval Documentation**: Document appropriate approvals for expenditures and commitments
- ☐ **Audit Trail Maintenance**: Ensure clear audit trail from source documents to financial statements

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🎯 From Weeks to Minutes: Audit Preparation Transformed

Traditional Audit Preparation:

- 📊 Manual gathering of documentation: **2-3 weeks**
- 📁 Organizing records by grant: **1-2 weeks**
- 📝 Creating reconciliation reports: **1 week**
- ⏰ **Total: 4-6 weeks of staff time**

Automated Audit Preparation:

- ⚡ Generate complete audit trail: **5 minutes**
- 📋 Organize by grant automatically: **Instant**
- 📊 Create reconciliation reports: **Instant**

- ✅ **Total: Minutes, not weeks**

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Prepare for audits in minutes, not weeks. → [Watch Demo Video](#)

Reporting Requirements

16. Financial Reporting

- ☐ **Financial Status Reports**: Submit accurate and timely Federal Financial Reports (FFR)
- ☐ **Expenditure Reporting**: Report expenditures by budget categories as required
- ☐ **Cost Share Reporting**: Properly report required cost sharing or matching contributions

17. Performance Reporting

- ☐ **Performance Progress Reports**: Submit performance reports as required by award terms
- ☐ **Performance Measurement**: Implement systems to measure and track performance against objectives
- ☐ **Milestone Tracking**: Monitor and report on key project milestones

18. Special Reporting

- ☐ **Research Misconduct Reporting**: Report research misconduct incidents if applicable
- ☐ **Lobbying Disclosure**: Complete required lobbying disclosure forms
- ☐ **Conflict of Interest Reporting**: Report and manage conflicts of interest appropriately

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💡 QuickBooks Integration Makes Compliance Simple

"Finally sorting out what we are expecting to pay out each month. This is a must and its great looking at the budgets for the companies different projects. **We have got this set up with Quick Books and its amazing! We can now see what we are wasting money on.**"

— Angela E., Office Manager, Construction (11-50 employees)

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Native QuickBooks integration. No data migration needed. → [See Integration Details](#)

Audit Requirements & Compliance

19. Single Audit Preparation

- ☐ **Single Audit Threshold**: Determine if organization meets $750,000 single audit threshold
- ☐ **Auditor Selection**: Select qualified independent auditors when single audit required
- ☐ **Audit Preparation**: Prepare schedules and documentation for audit fieldwork

20. Audit Follow-up

- ☐ **Finding Resolution**: Develop corrective action plans for audit findings
- ☐ **Management Decision**: Obtain management decisions on audit findings within six months
- ☐ **Corrective Action Implementation**: Implement corrective actions within agreed timeframes

21. Monitoring and Oversight

- ☐ **Federal Agency Monitoring**: Cooperate with federal agency monitoring and oversight activities
- ☐ **Compliance Monitoring**: Establish ongoing compliance monitoring procedures
- ☐ **Issue Identification**: Promptly identify and report compliance issues

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🏆 Join 764+ Organizations With Zero Compliance Violations

What Grant Managers Are Achieving:

- **100%** audit success rate
- **Zero** budget overruns
- **10+ hours** saved weekly on manual reconciliation
- **Minutes** instead of weeks for audit prep

Your Mission-Critical Benefits:

- ✅ Never fail another grant audit
- ✅ Eliminate audit findings and questioned costs
- ✅ Maintain perfect compliance documentation
- ✅ Protect funding relationships with all grantors

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Join 764+ compliant organizations today. → [Start Free Trial](#)

Subrecipient Management

22. Subrecipient Identification

☐ **Subrecipient vs. Contractor**: Properly distinguish between subrecipients and contractors

☐ **Subrecipient Award Information**: Provide required information to subrecipients at time of award

☐ **CFDA Communication**: Communicate CFDA number and federal award information to subrecipients

23. Subrecipient Monitoring

☐ **Risk Assessment**: Conduct risk assessments of subrecipients

☐ **Monitoring Procedures**: Establish monitoring procedures based on subrecipient risk

☐ **Performance Review**: Review subrecipient financial and performance reports

24. Subrecipient Oversight

☐ **Site Visits**: Conduct on-site reviews of subrecipients as appropriate

☐ **Technical Assistance**: Provide training and technical assistance to subrecipients

☐ **Findings Follow-up**: Follow up and ensure resolution of subrecipient audit findings

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Cost Sharing and Matching

25. Cost Share Documentation

- ☐ **Cost Share Requirements**: Identify and track all required cost sharing or matching contributions
- ☐ **In-Kind Contribution Valuation**: Properly value in-kind contributions using consistent methods
- ☐ **Volunteer Service Documentation**: Document volunteer services with appropriate records

26. Cost Share Compliance

- ☐ **Allowable Cost Share**: Ensure cost sharing costs meet same standards as federally-funded costs
- ☐ **Cost Share Accounting**: Account for cost sharing in same manner as federal share
- ☐ **Cost Share Verification**: Verify and document all cost sharing contributions

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💡 Rapid Implementation for Complex Projects

"Easy to implement, fantastic software. **Takes 15 minutes to set up a $50M+ project and have your team up and running.** New users can be trained in a matter of minutes."

— Stefan I., Project Manager, Construction (51-200 employees)

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

15-minute setup. Immediate compliance. → [Get Started Now](#)

Indirect Costs

27. Indirect Cost Management

- ☐ **Indirect Cost Rate**: Establish federally approved indirect cost rate or use de minimis rate
- ☐ **Rate Documentation**: Maintain documentation supporting indirect cost rate calculation

☐ **Base Consistency**: Apply indirect cost rate to consistent base throughout award period

28. Indirect Cost Application

☐ **Proper Application**: Apply indirect costs only to allowable direct cost base
☐ **Modified Total Direct Cost**: Calculate Modified Total Direct Cost (MTDC) correctly when applicable
☐ **Rate Limitations**: Respect any indirect cost rate limitations in award agreement

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Program Income and Revenue

29. Program Income Management

☐ **Program Income Identification**: Identify and properly account for program income
☐ **Program Income Use**: Use program income for authorized purposes under award terms
☐ **Program Income Reporting**: Report program income in financial status reports

30. Revenue Recognition

☐ **Revenue Recognition Policy**: Establish appropriate revenue recognition policies for federal awards
☐ **Earned Revenue Documentation**: Document basis for revenue recognition decisions
☐ **Unearned Revenue Management**: Properly account for unearned revenue

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🎯 Built Specifically for QuickBooks Organizations

Why Generic Software Fails Grant Managers:

- ❌ Basic project tracking isn't enough
- ❌ Can't enforce grant restrictions
- ❌ No automated compliance reports
- ❌ Manual audit preparation

Why ProcurementExpress Wins:

- ✅ Built for grant compliance first
- ✅ Native QuickBooks integration
- ✅ Automated compliance controls
- ✅ Audit-ready reports instantly

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

The only grant compliance software built for QuickBooks. → [Learn More](#)

Technology and Equipment Management

31. IT Security and Data Management

- ☐ **Data Security Measures**: Implement appropriate security measures for federal data
- ☐ **System Access Controls**: Establish controls over access to financial and programmatic systems
- ☐ **Data Backup and Recovery**: Maintain backup and disaster recovery procedures for critical data

32. Federal Data Requirements

- ☐ **Data Retention**: Retain federal data per award requirements and federal regulations
- ☐ **Data Sharing Compliance**: Comply with any federal data sharing requirements
- ☐ **Privacy Protection**: Protect personally identifiable information (PII) in federal records

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Compensation and Benefits

33. Personnel Compensation

- ☐ **Compensation Documentation**: Document that personnel compensation is reasonable and supportable
- ☐ **Salary Cap Compliance**: Apply federal salary limitations where required
- ☐ **Benefit Cost Allocation**: Properly allocate fringe benefit costs to federal awards

34. Consultant and Contractor Payments

- ☐ **Consultant Rate Reasonableness**: Ensure consultant daily rates are reasonable
- ☐ **1099 Reporting**: Properly report consultant payments for tax purposes
- ☐ **Contractor Payment Controls**: Implement controls over contractor payment processing

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Budget Management and Modifications

35. Budget Control Framework

- ☐ **Budget Revision Procedures**: Establish procedures for budget revisions and reallocations
- ☐ **Prior Approval Requirements**: Identify and obtain required prior approvals for budget changes
- ☐ **Budget vs. Actual Analysis**: Regularly analyze budget vs. actual expenditure variances

36. Budget Monitoring

- ☐ **Spending Rate Monitoring**: Monitor rate of spending to ensure timely award utilization
- ☐ **Category Reallocation**: Track and approve budget category reallocations as needed
- ☐ **No-Cost Extension Management**: Manage no-cost extension requests and approvals

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💰 Affordable for Mission-Driven Organizations

Enterprise solutions price out the organizations that need them most:

- 💸 $500-$3,000+ monthly fees
- 💸 $5,000-$25,000 implementation costs
- 💸 Complex training requirements

ProcurementExpress makes compliance affordable:

- ✅ Under $500/month for most organizations
- ✅ No implementation fees
- ✅ 15-minute setup, immediate value

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Enterprise compliance without enterprise costs. → [View Pricing](#)

Compliance Training and Awareness

37. Staff Training

- ☐ **Compliance Training Program**: Implement federal grant compliance training for relevant staff
- ☐ **Role-Based Training**: Provide specialized training based on staff roles and responsibilities
- ☐ **Ongoing Education**: Maintain ongoing education on compliance requirements and updates

38. Policy Communication

- ☐ **Policy Documentation**: Document federal grant compliance policies and procedures
- ☐ **Policy Communication**: Communicate compliance requirements to all relevant personnel
- ☐ **Policy Updates**: Regularly update policies to reflect regulatory changes

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Quality Assurance and Continuous Improvement

39. Quality Control Measures

- ☐ **Review Procedures**: Implement review procedures for transactions and reports
- ☐ **Quality Assurance Testing**: Conduct periodic testing of compliance procedures
- ☐ **Error Correction Procedures**: Establish procedures for identifying and correcting errors

40. Performance Measurement

- ☐ **Compliance Metrics**: Establish metrics to measure compliance performance
- ☐ **Regular Assessment**: Conduct regular assessments of compliance program effectiveness
- ☐ **Improvement Planning**: Develop plans to address identified compliance weaknesses

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Documentation and Evidence

41. Supporting Evidence

- ☐ **Transaction Support**: Maintain supporting evidence for all financial transactions

- ☐ **Decision Documentation**: Document rationale for key financial and programmatic decisions
- ☐ **Approval Evidence**: Retain evidence of required approvals and authorizations

42. Record Organization

- ☐ **File Organization System**: Organize files to support efficient retrieval and review
- ☐ **Index Maintenance**: Maintain indexes or databases to locate specific records
- ☐ **Cross-Reference Systems**: Establish cross-reference systems between related documents

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🚀 Start Your Compliance Transformation Today

What You Get With ProcurementExpress:

1. **Automated Grant Tracking** by funding source
2. **Real-Time Budget Monitoring** to prevent violations
3. **Instant Compliance Reports** for any funder
4. **Complete Audit Trail** automatically organized
5. **Native QuickBooks Integration** - no data migration

Join Organizations That:

- ✅ Pass every federal audit
- ✅ Track every grant dollar accurately
- ✅ Save 10+ hours weekly on compliance
- ✅ Eliminate audit findings completely

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Ready to eliminate audit anxiety? → Schedule Your Demo

Final Compliance Validation

43. Pre-Audit Self-Assessment

- ☐ **Compliance Self-Assessment**: Conduct periodic self-assessments of compliance status
- ☐ **Gap Analysis**: Identify and address compliance gaps before formal audits
- ☐ **Correction Implementation**: Implement corrections to identified compliance deficiencies

44. Audit Readiness

- ☐ **Audit Trail Completeness**: Ensure complete audit trail for all federal award transactions
- ☐ **Documentation Accessibility**: Organize documentation for efficient audit access
- ☐ **Staff Preparation**: Prepare staff to respond to auditor inquiries and requests

45. Reporting Accuracy Verification

- ☐ **Report Review Process**: Implement multi-level review process for all federal reports
- ☐ **Data Accuracy Validation**: Validate accuracy of data included in federal reports
- ☐ **Submission Timeliness**: Ensure timely submission of all required reports

46. Closeout Preparation

- ☐ **Award Closeout Planning**: Plan for proper closeout of federal awards
- ☐ **Final Reporting**: Prepare accurate final financial and performance reports
- ☐ **Asset Disposition**: Complete proper disposition of federally-funded assets

47. Continuous Compliance Monitoring

- ☐ **Ongoing Monitoring System**: Establish systems for continuous compliance monitoring
- ☐ **Regular Compliance Updates**: Stay current with regulatory changes and guidance
- ☐ **Feedback Integration**: Integrate lessons learned and feedback into compliance procedures

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✅ Your Next Steps to Perfect Compliance

Option 1: See It In Action → [Schedule a personalized demo](#) to see how ProcurementExpress automates these 47 compliance points for your organization.

Option 2: Try It Free → [Start your free trial](#) - No credit card required. Full functionality for 14 days.

Option 3: Talk to an Expert → [Contact our grant compliance specialists](#) for a customized implementation plan.

About This Checklist

This comprehensive checklist is designed to help organizations maintain full compliance with 2 CFR 200 requirements. Regular use of this checklist will help you:

- **Avoid costly audit findings** and questioned costs averaging $6,000-$8,000 per finding
- **Maintain eligibility** for continued federal funding across all sources
- **Strengthen internal controls** and organizational risk management
- **Improve overall grant management** effectiveness and efficiency
- **Reduce administrative burden** so staff can focus on mission delivery

Special Considerations for QuickBooks Organizations

Organizations using QuickBooks face unique challenges in meeting federal compliance requirements:

- **Basic project tracking** isn't sufficient for grant compliance
- **Manual processes** create risk of violations and audit findings
- **Lack of automated controls** means violations discovered after the fact
- **Audit preparation** requires extensive manual documentation gathering

ProcurementExpress bridges this gap by providing enterprise-level grant compliance capabilities that integrate natively with QuickBooks, delivering:

- Automated compliance controls that prevent violations before they occur
- Real-time budget monitoring across all funding sources
- Instant, audit-ready reports mapped to funder requirements
- Complete audit trail with supporting documentation automatically organized
- Native QuickBooks integration - no data migration or dual-entry required

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The Bottom Line

Without proper compliance systems, organizations risk:

- ❌ Federal audit findings and questioned costs
- ❌ Funding clawbacks from federal agencies

- ❌ Loss of future grant eligibility
- ❌ Damaged relationships with funders
- ❌ Weeks of staff time preparing for audits

With automated compliance management:

- ✅ 100% audit success rate
- ✅ Zero compliance violations
- ✅ Minutes instead of weeks for audit prep
- ✅ Protected funding relationships
- ✅ Staff focused on mission, not paperwork

For organizations using QuickBooks to manage federal grants, ProcurementExpress.com provides specialized software solutions that automate many of these compliance requirements and integrate seamlessly with your existing financial systems.

Don't wait for an audit finding to take action. → [Get Started Today](#)

ProcurementExpress.com
Federal Grant Compliance Software Built for QuickBooks Organizations

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Helping 764+ organizations achieve perfect federal grant compliance since [Year]