



# 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.

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### 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](#)

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## 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
- 







## 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](https://www.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](#)

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## 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



### 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](#)

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## 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](#)

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## 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
- 



### 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](#)

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## 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](#)**

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## 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



### 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](#)

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## 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](#)

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## 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
- 



## 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](#)

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## 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
- 

## 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
- 

## 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
- 



## 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](#)**

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# 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.

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## 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
- 






## 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

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*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](#)**

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**ProcurementExpress.com**

Federal Grant Compliance Software Built for QuickBooks Organizations

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