

# On Site Financial Review Protocol

December 28, 2012

1. All grants of \$50,000 or more and/or any grantee not in compliance with their grant agreement will be reviewed by the grants compliance team for an on site financial review.
  - a. At least three to five grantees will be selected per fiscal year for financial review site visits, with the goal to do site visits of all active FDC grantees every three years.
  - b. The site visits are estimated to take two to four days per site visit depending on the complexity of the grantee and the availability of the local team to provide information, financial records and documents in a timely manner.
  - c. For grantees where the financial records are not in English, assistance with translation of financial records and documents will be provided by the grantee unless they provide prior notice to the grants compliance team.
  - d. The purpose of the site visits will be to do a financial review that verifies completeness of the grantee financial report, adherence to their grant agreement, use of funds for charitable purposes, accountability for equipment and other fixed assets purchased with grant funding, separation of duties, internal controls and review of the grantee's procedures for ensuring compliance with anti-terrorist and anti-money laundering laws.
  - e. The site review team will consist at a minimum of the Chief of Finance and Administration and/or the Controller and one member of the Grantmaking team, and/or a member of the Funds Dissemination Committee or the Grants Advisory Committee.
2. Any grantee that fails its on site financial review will not be eligible for funding from any of the grant programs of the Wikimedia Foundation until a correction plan has been submitted and implemented to the satisfaction of the grants compliance team and is permitted under the laws of the United States.
3. The site visit team will request that the following be available for their review:
  - a. Grant financial report.
    - i. Review standard - timeliness, completeness and accuracy of the report.
  - b. Most recently completed financial statements.
    - i. Review standard - timeliness, completeness and accuracy of the report.
  - c. Transaction detail report for the grant.
    - i. Review standard - timeliness, completeness of the report with transactions being able to be reconciled to source documents and/or bank statements.
  - d. List of any grants awarded from FDC funding that will include the name of the organization and/or the financially responsible person for the grant.
    - i. Review standard - completed record of all grantees with the names of responsible individuals and complete and accurate grant reports from the

- grantees for any completed grants. This review will include OFAC review of any responsible individual.
- e. Reconciled bank statements for all grant funds.
    - i. Review standard - all bank statements reconciled for the period of the grant and for the most recently completed fiscal year.
  - f. Source documents for any grant transactions, including receipts, payroll records and invoices.
    - i. Review standard - source documents are available to the review team in a organized manner either in paper format or electronically and are a complete record of all grant transactions.
4. The site visit team will perform a review and if needed testing of the following:
- a. Accounting system.
    - i. Review standard - controlled access to the accounting system and general ledger transaction integrity.
  - b. Internal controls.
    - i. Review standard - appropriate separation of duties and review of financial transactions, including expenditure approvals.
  - c. Cash disbursements.
    - i. Review standard - appropriate disbursement controls, including access to checks, cash or electronic disbursement systems.
  - d. Conflicts of interest.
    - i. Review standard - conflict of interest policy in place, policy has been implemented and no conflicts of interest for any financial transaction.
  - e. Banking controls and records.
    - i. Review standard - appropriate controls on who has access to bank accounts and bank records for accounts with grant funds.
  - f. Fixed assets:
    - i. Review standard - listing of all fixed assets purchased with grants funds and the ability to show location and control over fixed assets.
  - g. Compliance with the grant agreement:
    - i. Review standard - completeness of compliance with the grant agreement.
  - h. Risk management and insurance:
    - i. Review risk management plan for entities activities and insurance.
  - i. Payroll management and taxes.
    - i. Review payroll process, changes to compensation and payment of taxes.
5. The site review team will need to meet with the Board Treasurer(s), primary accountant or bookkeeper (either internal or external) for the organization, the staff member in charge of financial matters and if needed, the Chair of the Board.