

## Internal Control Checklist

### Checklist for Protection of Personally Identifiable Information Review

#### Guidance

[The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(2 CFR 200 – Federal Uniform Guidance\)](#) provides the following guidance and requirements on personally identifiable information (PII). This is not an exhaustive list and is meant to help guide and prepare grantees for the testing that will occur during a field or desk monitoring engagement.

#### **Personally Identifiable Information**

PII means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources, such as public websites and university listings. This type of information is considered to be public PII and includes, for example, first and last name, address, work telephone number, email address, home telephone number, and general educational credentials. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available in any medium and from any source that, when combined with other available information, could be used to identify an individual.

#### **Protected Personally Identifiable Information**

Protected PII means an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, Social Security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, and educational transcripts. This does not include PII that is required by law to be disclosed.

#### Requirements and Checklist

Requirements	Policy and Procedure Support
A Local Education Agency must take reasonable measures to safeguard protected PII and other information that the federal awarding agency or pass-through entity designates as sensitive or the non-federal entity considers sensitive consistent with applicable federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. See <a href="#">2 CFR 200.303(e)</a> .	Evidence shall include, but not be limited to: <ol style="list-style-type: none"><li>1. Approved policy or policies related to the identification, handling, storage, access, disposal, and overall protection of PII.</li><li>2. Documentation of training of all employees/contractors on the approved policy, including evidence of the date(s) of the training, attendance/completion of the training, content of the training, and any other relevant information. Training must be provided to any other parties who have access to such information.</li></ol>

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	3. Documentation that the approved policy is being followed.
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**Other relevant citations**

[Family Educational Rights and Privacy Act \(34 CFR 99\)](#)

[Identity Protection Act \(5 ILCS 179\)](#)

[Personal Information Protection Act \(815 ILCS 530\)](#)

[Illinois School Student Records Act \(105 ILCS 10\)](#)

## **Checklist for Procurement and Purchasing Review**

Regulatory Citations

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200 – Federal Uniform Guidance) provides the following guidance and requirements for procurement and purchasing. This is not an exhaustive list and is meant to help guide and prepare grantees for the testing that will occur during a field or desk monitoring engagement.

[Procurement Standards - 2 CFR 200.317 through 200.327](#)

All non-federal entities, including subrecipients of a state, will follow §§200.318 General procurement standards through 200.327 Contract provisions.

Policy and Procedure Documentation

1. Approved policy or policies related to the procurement and purchasing process conforming with the regulatory citations noted above.
2. Documentation related to vendor and contractor selections, including quote reviews and Request for Proposal solicitations and reviews.
3. Documentation of purchase orders, invoices, and other billing materials related to vendor payments.
4. Documentation related to contractual agreements, including evidence of how the contract terms are being monitored to ensure specifications are being met.

## **Checklist for Equipment and Inventory Review**

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200 – Federal Uniform Guidance) provides the following guidance and requirements on equipment and inventory. This is not an exhaustive list and is meant to help guide and prepare grantees for the testing that will occur during a field or desk monitoring engagement.

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See also §200.439 Equipment and other capital expenditures.

Requirements	Policy and Procedure Support
<p>A non-federal entity must maintain property records that include the following:</p> <ol style="list-style-type: none"><li>1. A description of the property;</li><li>2. A serial number or other identification number;</li><li>3. The source of funding for the property (including the Federal Award Identification Number [FAIN]):</li><li>4. Who holds title;</li><li>5. The acquisition date;</li><li>6. Cost of the property, and percentage of federal participation in the project costs for the federal award under which the property was acquired;</li><li>7. The location, use, and condition of the property; and</li><li>8. Any ultimate disposition data including the date of disposal and sale price of the property. See <a href="#">2 CFR 200.313(d)(1)</a>.</li></ol>	<p>Evidence shall include:</p> <ol style="list-style-type: none"><li>1. Approved policy or policies related to the management of equipment.</li><li>2. Documentation of equipment records.</li></ol>
<p>A non-federal entity must take a physical inventory of the property, and the results must be reconciled with the property records at least once every two years. See <a href="#">2 CFR 200.313(d)(2)</a>.</p>	<p>Evidence shall include:</p> <ol style="list-style-type: none"><li>1. Approved policy or policies related to physical inventory requirements.</li><li>2. Documentation of physical inventory of equipment.</li></ol>
<p>A non-federal entity must develop a control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. See <a href="#">2 CFR 200.313(d)(3)</a>.</p>	<p>Evidence shall include:</p> <ol style="list-style-type: none"><li>1. Approved policy or policies establishing adequate safeguards related to loss, damage, or theft of equipment.</li><li>2. Documentation of investigations related to lost, damaged, or stolen equipment.</li></ol>

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Requirements	Policy and Procedure Support
<p>(e) <i>Disposition</i>: When equipment acquired under a federal award is no longer needed for the original project, program, or for other activities currently or previously supported by a federal agency, the recipient or subrecipient must request disposition instructions from the federal agency or pass-through entity if required by the terms and conditions of the federal award. Disposition of the equipment will be made as follows, in accordance with federal agency or pass-through entity disposition instructions:</p> <p>(1) Items of equipment with a current per unit fair market value of \$10,000 or less may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency.</p> <p>(2) Except as provided in § 200.312(b), or if the federal agency or pass-through entity fails to provide requested disposition instructions within 120 days, items of equipment with a current fair market value in excess of \$10,000 (per unit) may be retained or sold by the recipient or subrecipient. However, the federal agency is entitled to an amount calculated by multiplying the percentage of the federal agency's contribution toward the original purchase by the current market value or proceeds from the sale. If the equipment is sold, the federal agency or pass-through entity may permit the recipient or subrecipient to retain, from the federal share, \$1,000 of the proceeds to cover expenses associated with the selling and handling of the equipment.</p> <p>(3) The recipient or subrecipient may transfer title to the property to the federal government or to an eligible third party provided that the recipient or subrecipient must be entitled to compensation for its attributable percentage of the current fair market value of the property.</p> <p>(4) In cases where a recipient or subrecipient fails to take appropriate disposition actions, the federal agency or pass-through entity may direct the recipient or subrecipient to take disposition actions. See <a href="#">2 CFR 200.313(e)</a>.</p> <p>If the non-federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. See <a href="#">2 CFR 200.313(d)(5)</a>.</p>	<p>Evidence shall include:</p> <ol style="list-style-type: none"> <li>1. Approved policy or policies related to the disposition of equipment</li> <li>2. Equipment disposal records.</li> </ol>
<p>Regular maintenance procedures must be in place to keep the property in good condition. See <a href="#">2 CFR 200.313(d)(4)</a>.</p>	<p>Approved policy or policies related to the maintenance of equipment.</p>
<p>(a) <i>Title</i>: Title to equipment acquired under a federal award will vest upon acquisition in the recipient or subrecipient subject to the</p>	<p>Evidence shall include:</p>

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Requirements	Policy and Procedure Support
<p>conditions of this section. This title must be a conditional title unless a federal statute specifically authorizes the federal agency to vest title in the recipient or subrecipient without further responsibility to the federal government (and the federal agency elects to do so). A conditional title means a clear title is withheld by the federal agency until conditions and requirements specified in the terms and conditions of a federal award have been fulfilled. Title for equipment vested in a recipient or subrecipient is subject to the following conditions:</p> <p>(1) Use the equipment for the authorized purposes of the project during the period of performance or until the property is no longer needed for the purposes of the project.</p> <p>(2) While the equipment is being used for the originally authorized purpose, the recipient or subrecipient must not dispose of or encumber its title or other interests without the approval of the federal agency or pass-through entity.</p> <p>(3) Use and dispose of the property in accordance with paragraphs (b), (c) and (e) <a href="#">2 CFR 200.313(a)</a>.</p> <p>(c) <i>Use:</i></p> <p>(1) The recipient or subrecipient must use equipment for the project or program for which it was acquired and for as long as needed, whether or not the project or program continues to be supported by the federal award. The recipient or subrecipient must not encumber the equipment without prior approval of the federal agency or pass-through entity. The federal agency may require the submission of the applicable common forms for reporting on equipment. When no longer needed for the original project or program, the equipment may be used in other activities in the following order of priority:</p> <p>(i) Activities under a federal award from the federal awarding agency which funded the original program or project, then</p> <p>(ii) Activities under federal awards from other federal awarding agencies. This includes consolidated equipment for information technology systems.</p> <p>(2) During the time that equipment is used on the project or program for which it was acquired, the non-federal entity also must make equipment available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use</p>	<ol style="list-style-type: none"> <li>1. Approved policy or policies related to the use of equipment.</li> <li>2. Documentation of equipment use in the program/grant for which it was acquired.</li> </ol>

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Requirements	Policy and Procedure Support
<p>must be given to other programs or projects supported by the federal awarding agency that financed the equipment and second preference must be given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible. User fees should be considered, if appropriate.</p> <p>(3) Notwithstanding the encouragement in §200.307 Program income to earn program income, a non-federal entity must not use equipment acquired with the federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by federal statute for as long as the federal government retains an interest in the equipment.</p> <p>(4) When acquiring replacement equipment, a non-federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property. See <a href="#">2 CFR 200.313(c)</a>.</p>	