

**CERTIFICATION OF FINANCIAL MANAGEMENT SYSTEM  
COMPLIANCE WITH THE “COMMON RULE,”  
24 CFR, PART 84 AND 24 CFR, PART 85 REQUIREMENTS**

Recipient: _____ Date: _____
Contact Person: _____ Phone: _____
This certification is for funding year: _____

This certification is required prior to release of funds pursuant to the “Common Rule,” 24 CFR Part 84 (for nonprofit organizations) and 24 CFR Part 85 (for units of local government). The “Common Rule” requires that recipients of federal funds have financial systems that meet the requirements set forth under the section entitled “Standards for Financial Management Systems.”

**AUDITOR’S CERTIFICATION**

Name, Address and Telephone Number of Auditor:
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1. Does the Recipient’s financial system have separate account numbers for each project activity?  Yes  No
2. Do the separate accounts provide a way to break project costs out on a line item basis?  Yes  No
3. Are costs reviewed in terms of the “Common Rule,” 24 CFR Parts 84 and 85, prior to obligation or expenditure?  Yes  No
4. Does someone compare budgeted line item costs against incurred costs in order to identify spending variances on a line item basis so that adjustments can be made in a timely manner?  Yes  No
5. Is source documentation acquired, processed and filed prior to any disbursements?  Yes  No
6. Does the financial system produce regular financial status reports?  Yes  No

7. Are appropriate controls in place to assure accountability for all funds?

Yes       No

8. Are appropriate controls in place to safeguard cash, property and other assets?

Yes       No

9. Is the finance officer bonded?

Yes       No

10. Has the Recipient been audited by an independent auditor or agency?

Yes       No

If yes, do the last two audits express an unqualified opinion?

Yes       No

If yes, does either of the last two audits indicate any audit exceptions or findings?

Yes       No

**If yes, please attach a copy of findings from the audited financial statements.**

11. In your judgement, is this Recipient capable of undertaking the financial management of HUD Neighborhood Stabilization Program-1 funds?       Yes       No

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Signature of Auditor

Date

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Name of Auditor (Please type or print)

If prior year audit has not been performed, the Certification should be signed by the recipient's chief executive officer.

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Signature

Date

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Printed Name and Title