



Grant Recipient Audit Policy

Purpose

As a 501(c)3 non-profit organization, the MidwayUSA Foundation is expected to perform due diligence to ensure that grant funds are being used for their intended (tax exempt and governing policy) purpose.

Selection Process

The Foundation will periodically select grant recipients, from each region, at random. The Foundation may also initiate an audit if credible concerns are brought to the Foundation's attention.

Definitions

Underlined words indicate a separate policy for that subject.

Expectations and Assumptions

[a] Grants awarded are not to be deposited into a personal bank account.

[b] Grants awarded are to be used in accordance with the grant application guidelines.

[Team Cash Grant Application and Funding Policy](#)

[Agency and Donor Designated Cash Grant Application and Funding Policy](#)

[Donor Advised Fund Cash Grant Application and Funding Policy](#)

[Coach Training and Range Development Grant Application and Funding Policy](#)

[c] The Foundation recognizes the fact that cash grant distributions represent just a portion of the grant recipient's budget and does not expect the grant recipient to explain which expenses do, and do not, tie back to the grant distribution.

[d] The grant recipient recognizes that, by signing the consideration agreement in the grant application, the grant recipient will cooperate with any audit initiated by the Foundation.

[Team Cash Grant Application and Funding Policy \(Section 9\)](#)

[Agency and Donor Designated Cash Grant Application and Funding Policy \(Section 8\)](#)

[Donor Advised Fund Cash Grant Application and Funding Policy \(Section 8\)](#)

[Coach Training and Range Development Grant Application and Funding Policy \(Section 9\)](#)



Process

1. Data Collection

- 1.1. The Controller will inform the grant recipient that their grant payment is selected for audit, and provide the 'Grant Recipient Audit Policy'.
- 1.2. The Grant Recipient will provide supporting documentation including:
 - [A] Twelve months of bank statements. (The statement that displays the cash grant deposit, and the eleven following.)
 - [B] Invoices, credit card statements, and itemized receipts showing the cash grant was spent on expenses that align with the grant application requirements.
 - [C] Additional details, corresponding to the most recent grant payment, or any additional or previous grant payments, upon request

2. Data Analysis

- 2.1. The Finance Department will review the supporting documentation associated with each of the selected transactions. Each transaction will be graded with the following scale.
 - [A] Supporting Documentation appears unquestionable.
 - [B] Supporting Documentation requires some sort of translation or explanation from the grant recipient.
 - [C] No Supporting Documentation provided.
 - [X] Expense is obviously not in line with the Foundation mission.
- 2.2. The Controller will prepare an audit findings summary to present to the Regional Program Manager and Executive Director along with the data analysis.
 - Findings
 - Observations
 - Recommendations
- 2.3. The Regional Program Manager will review the audit findings summary and provide any required historical insight, observations, context, or recommendations.

3. Executive Director Review

- 3.1. The Executive Director will review and add any pertinent comments to the audit findings summary, then finalize the document referred to in section 2.2.
- 3.2. The Executive Director will determine post-audit actions, if any, in consultation with the Regional Program Manager and Finance. If a MidwayUSA Foundation policy violation(s) is identified, action may be taken up to and including, but not limited to, request for repayment of applicable grant funds, suspension of future cash and/or product grants for a specified period of time, endowment transfer and closure, and any other legal actions deemed appropriate by MidwayUSA Foundation.

4. Grant Recipient Communication

- 4.1. The Controller will inform the Grant Recipient of the audit results and any post-audit actions, if any.