**Uniform Grant Guidance (UGG) - Section 200.303 Internal Controls**

**The non-Federal entity must:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Establish and maintain effective internal controls** | **Evaluate and Monitor compliance** | **Take prompt action on audit findings** | **Safeguard protected personally identifiable information (PII)** |
| Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.  Internal controls should be in compliance with guidance in Standards for Internal Control in the Federal Government (Green Book) and the Internal Control Integrated Framework issued by COSO.  The UGG defines internal controls as a process implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:   * Effectiveness and efficiency of operations. * Reliability and reporting for internal and external use. * Compliance with applicable laws and regulations. | Evaluate and monitor the non-Federal entity’s compliance with statutes, regulations and the terms and conditions of the Federal award.  Internal control over compliance requirements means a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:  Transactions are properly recorded and accounted for in order to:   * Permit the preparation of reliable financial statements and Federal reports * Maintain accountability over assets * Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award   Transactions are executed in compliance with:   * Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program. * Any other Federal statutes and regulations that are identified in the Compliance Supplement * Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition. | Take prompt action when instances of non-compliance are identified including non-compliance identified in audit findings.  Audit finding means deficiencies which the auditor is required by 200.516 Audit findings, paragraph (a) to report in the schedule of findings and questioned costs.  Audit findings required to be reported by the auditor include:   * Significant deficiencies and material weaknesses in internal control over major programs and significant instances of abuse relating to major programs. * Material non-compliance with Federal statutes, regulations, or the terms and conditions of Federal awards related to a major program. * Known questioned costs that are greater than $25,000 for a type of compliance requirement for a major program. | Take reasonable measures to safeguard protected personally identifiable information (PII) and other information the Federal awarding agency or pass-through entity designates as sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.  The UGG defines PII as information that can be used to distinguish or trace an individual’s identity, either alone or combined with other personal or identifying information that is linked or linkable to a specific individual.  For example:  First name or first initial and last name in combination with:   * Social security number * Passport number * Credit card number * Clearances * Bank numbers |