

**Nevada Department of Education
Student Investment Division Business Rule**

Pre-Award Assessment

Effective: February 1, 2023

The Pre-Award Assessment (PAA) is the first assessment conducted as part of the financial risk-based assessment. The PAA specifically determines whether a potential subrecipient or contractor is eligible to receive state or federal funds. The score is then used to determine financial subrecipient monitoring. For competitive applications, the PAA score is used as a weighted factor during the evaluation and review of a potential awardee, as required by state regulation. A Subrecipient PAA score is effective for one fiscal year (e.g., if an application is for FY23, the PAA is effective for FY23; a new score will be calculated for FY24).

The PAA is in alignment with federal requirements under 2 CFR 200, state requirements as outlined within the State Administrative Manual and the Office of Federal Assistance Grant Policy Manual, and best practices as cited by the U.S. Department of Education. In addition, the PAA brings NDE into compliance with state and federal requirements to assess subrecipients prior to awarding funds.

The PAA for subrecipients, conducted during the application and/or initial budgetary review process for all subawards, includes the following criteria:

Risk Factor	Least Risk (0)	High Risk (1)	Citation
Is the applicant currently debarred?	No	Yes: not eligible to receive funds	2 CFR ¹ 200.216, GPM ² 088.006
Is the applicant currently in receivership?	No	Yes	NDE Policy
What is the applicant's Unique Entity Identifier (UEI)?	Has an active UEI number	No UEI number	2 CFR 1108.395, GPM 088.009
What is the applicant's SAM.gov status?	Clear and active status in SAM.gov	Inactive status on SAM.gov	2 CFR 200.205, 2 CFR 180, GPM 088.006
What is the applicant's Nevada Vendor status?	Has an active Nevada Vendor number	Does not have an active Nevada Vendor number	GPM 088.005
Did the applicant have and submit their Internal Controls?	Has and submits internal controls	Does not submit internal controls / Does not have internal controls document	2 CFR 200, GPM 088.006
Did the applicant have and submit their Financial Management Policies?	Has and submits financial management policies	Does not submit financial management policies / Does not have a financial management policy	2 CFR 200, GPM 088.006
Did the applicant have and submit their Conflict-of-Interest Policy?	Has and submits conflict-of-interest policy	Does not submit conflict of interest policy / Does not have a conflict-of-interest policy	2 CFR 200, GPM 088.006

¹ Code of Federal Regulations (CFR)

² Nevada Grant Policy Manual (GPM)

Did the applicant have and submit their Civil Rights Policy?	Has and submits civil rights policy/statement	Does not submit civil rights policy / Does not have a civil rights policy	2 CFR 200, GPM 088.006
Did the applicant have and submit their Student Privacy Policy?	Has and submits a policy related to protection of student privacy/data	Does not submit student privacy statement / Does not have a policy	2 CFR 200, NDE Policy, FERPA
Did the applicant have and submit their Ledger of Expenditures?	Has and submits ledger of expenditures	Does not submit ledger of expenditures / Does not have a ledger of expenditures	GPM 088.006
What is the status of any relevant accreditations and/or licenses for the applicant?	The applicant holds the relevant accreditation status and/or licenses	The applicant has recently lost accreditation and/or relevant licenses	GPM 088.006
Does the applicant plan to subcontract their awarded funds? ^{*3}	The applicant will not be subcontracting the awarded funds	The applicant will be subcontracting the awarded funds	2 CFR 200, GPM 088.006
Does the applicant's project align with one or more of NDE's 2020 STIP goal strategies?*	The applicant's project clearly aligns with one or more of NDE's 2020 STIP goal strategies	The applicant's project does not clearly align with any of NDE's 2020 STIP goal strategies	GPM 088.006
Does the applicant have previous experience working with similar grants? (e.g., federal or state, amount of funding, etc.)*	Applicant has previous history working with similar grants	Applicant is new to working with grants of similar size and/or complexity	GPM 088.006
Does the applicant have adequate financial staffing and experience to implement and manage the grant?*	80% or more of positions are filled and have the training needed to effectively manage the grant	20% or more of positions are vacant or hiring and will need training to effectively manage the grant	GPM 088.006
Is the applicant able to segregate indirect costs from other funds?	Applicant is able to segregate indirect costs from other funds	Applicant is unable to segregate indirect costs from other funds	GPM 088.006
What accounting system does the applicant use, and can it identify receipts and expenditures of program funds separately and by budget categories?	Accounting system in place identifies receipts and expenditures of program funds separately for each award and by budget cost categories	Accounting system does not identify receipts and expenditures separately for each award and by budget cost categories	GPM 088.006
Does the applicant have a time and effort accounting system in place?	Has a time and effort accounting system in place	Does not have a time and effort accounting system in place	GPM 088.006

³ All items marked with an asterisk are questions specific to the Grant PAA.

Risk Factor	Least Risk (0)	Medium Risk (1)	High Risk (2)	Citation
If match or maintenance of effort is required, has applicant identified an allowable and sustainable source?*	There are no matching/MOE requirements for the applicant	There are match or MOE requirements for the applicant and they have identified a single sustainable source	There are match or MOE requirements for the applicant and they have identified fragmented sources	2 CFR 200, GPM 088.006
What is the status of recent state or federal financial audits for the applicant?	No findings on the most recent state or federal audits	No recent state or federal audits were conducted	One or more findings on the most recent state or federal audit	GPM 088.006
Is the applicant's Single Audit clear of any significant findings in the past three years?	No findings in the previous three fiscal years.	No Single Audit conducted in the previous three fiscal years.	One or more findings in the previous three fiscal years.	2 CFR 200.500,
What was the Financial Subrecipient Monitoring score for the applicant in the previous fiscal year?	0-10 = 0	11-20 = 1 21-30 = 2 31-40 = 3	41-50 = 4 51-60+ = 5	GPM 088.006

Grant Applicant Scoring

Upon the closure of a Notice of Funding Application (NOFO) or general application period, the Office of Division Compliance calculates the PAA score for each applicant using the Financial Risk-Based Assessments Tool. For all grants, including entitlement grants, the PAA will be calculated prior to issuing a subaward agreement and drive financial monitoring. A PAA score has two categories: the risk factors associated with the subrecipient, and the risk factors associated with the grant.

Once a Subrecipient PAA score has been calculated, this score will remain in effect for the subrecipient throughout the fiscal year. If an organization submits multiple applications, the Subrecipient PAA score initially calculated is used across all applications *unless the organization requests a new score due to updates to their Nevada Vendor Number, UEI, SAM.gov status, or submitted documentation*. For subsequent applications, only questions related to the Grant PAA (marked with an asterisk on the above rubric) will be assessed to reflect the specific provisions of the grant. In this case, Subrecipient PAA questions may be marked by the applicant as "previously submitted for FY24".

For competitive applications, the score will be used as a weighted measurement in the rubric evaluation for the application under consideration. If a subrecipient has previously submitted an application, their Subrecipient score will be used in combination with the competitive Grant PAA to calculate their score.

In alignment with the Master Grant Timeline and the schedule of financial risk-based assessments, every subrecipient receiving funds in a given fiscal year must be identified and provided a PAA score annually. For formula, entitlement, and continuing grants, the PAA is included during the submission and review of budgets for the annual subaward agreement; for all electronic grants, the PAA has been embedded within ePage. As needed to capture grants not in the ePAGE system or with extended performance periods, a Pre-Award Assessment form will be sent to the subrecipient via email.

The PAA is scored in the following manner, with an adaptation for competitive evaluations:

PAA Score - Subrecipient	PAA Score - Grant	Criteria	NOFO Rubric Score
Debarred	N/A	Not eligible to receive funds	0
14-24	4-6	High Risk	1-2
6-13	2-3	Medium Risk	3-4
0-5	0-1	Low Risk	5

Contractors

An abbreviated PAA must be conducted for contractors. While State Purchasing will conduct the appropriate risk assessments for contractors of services or combined goods and services over \$100,000 and for goods over \$5,000, the Office of Division Compliance must conduct a PAA for each bidding contract for services or combined goods and services under \$100,000 and goods under \$5,000. A PAA must be conducted for single-source contractors and emergency contracts prior to being submitted to State Purchasing.

Upon receiving a Request to Initiate a Solicitation, the SID Contract Manager will coordinate with the Office of Division Compliance to conduct the Contractor PAA. Division Compliance will also coordinate with the requesting program office to receive a complete list of all interested contractors for assessment. Similar to the NOFO process, the Contractor PAA must be used as a weighted rubric score during the solicitation/bid and review process.

The Contractor PAA includes the following criteria:

Risk Factor	Least Risk (0)	Medium/High Risk (1)	High Risk (2)	Citation
Debarment Status	No	Yes: not eligible to receive funds	N/A	2 CFR 200.216, GPM 088.006
Nevada Vendor Status	Has an active State Vendor number	Does not have an active Nevada Vendor number	N/A	GPM 088.005, SAM
Secretary of State Status	Active and in good standing	Not active / Out of state vendor with no Nevada registry	Not in good standing	SAM ⁴ 0322
Contract Entry and Tracking System (CETS) Status	Vendor has previous entries in CETS with positive performance ratings	Vendor has no previous entries in CETS and/or has previous entries in CETS with average performance ratings or no performance ratings	Vendor has previous entries in CETS with poor performance ratings	State Purchasing

The Contractor PAA is scored, with an adaptation for competitive evaluations, as follows:

Contractor PAA Score	Rubric Score	Criteria
Debarred or Not in Good Standing	0	Not eligible to receive funds
3-6	1-2	High Risk
1-2	3-4	Medium Risk
0	5	Low Risk

Retention of Annual PAA and Contractor PAA Scores

The PAA and rubric scores of each subrecipient will be saved in the Compliance/02 Financial Risk-Based Assessments and Monitoring/FY/01-07 Organization Type/Subrecipient folder by

⁴ State Administrative Manual

applicant name. Applicants, if not selected for funding, are filed in Compliance/02 Financial Risk-Based Assessments and Monitoring/FY/09 Other/01 Competitive. All awarded subrecipients must be updated in the FY Master Grants Directory and FY FRBA Scores and Schedules.

The Contractor PAA and rubric scores for each bidding contractor will be saved in Compliance/02 Financial Risk-Based Assessments and Monitoring/FY/09 Other/02 Contractor/Contractor by contractor name. The Contractor PAA must also be saved in Contracts/FY/RFP#. The Contractor PAA score is effective for six (6) months from the date the PAA was completed due to the rapidly shifting nature of contractor status.