



After the Award #4

Avoiding the Red Flags

Prevention is the best method of making sure you're considered a "best bet" to complete the work. The following questions are the ones on the minds of the agency considering you for an award. They're also often employed by outside investors, including Angel and VC investors, as a pre-award review of a potential company's financial risk.

These are the questions you'll need to answer:

- How will the funds you receive be tracked?
- Do you have written accounting and procurement procedures in place?
- How will you track property, inventory and supplies that you purchase with grant funds?
- Do you have an accounting system capable of tracking all drawdowns and grant expenditures separately by the specific funding source?
- Are performance objectives communicated clearly so program staff and others understand how they will be measured?
- What data elements do you need to collect and track to measure your progress in meeting performance measurements?
- What is your record retention policy?

Every one of these areas is becoming more and more important to agencies that provide federal funds. But if you have everything in place to make sure you have good answers to the above questions, you have a far better chance to be viewed as a "best bet" by whichever agency you're interested in.