



## Accreditation/Approval Table of Evidence Financial and Risk Management

### Budget, Audit, Insurance, and Risk Assessment Requirements 96.33 (a) – (i)

Standard	Evidence to be submitted as a part of Application Part B	Evidence to be submitted and Interviews to be Conducted During Site Visit
<p><b>Critical</b></p> <p>96.33 (a) The agency or person operates under a budget approved by its governing body, if applicable, for management of its funds. The budget discloses all remuneration (including perquisites) paid to the agency's or person's Board of Directors, managers, employees, and supervised providers.</p> <p><i>Additional technical guidance provided by the Department of State. – B.1 Pass Through Funds: Including them in the pass through funds in the budget. 96.33 (a)</i></p>	<ul style="list-style-type: none"> <li>• Operating Budget for current fiscal year.</li> <li>• Operating Budget for previous fiscal year</li> <li>• Governing Body minutes from the meeting when the current budget was approved</li> <li>• Operating Budget for each year in between the last site visit and the current accreditation/approval renewal application submission</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• Governing Body</li> <li>• Treasurer or Finance Committee Members</li> <li>• CEO</li> <li>• CFO</li> </ul>
<p><b>Mandatory</b></p> <p>96.33 (b) The agency's or person's finances are subject to annual internal review and oversight and are subject to independent audits every four years. The agency or person submits copies of internal financial review reports for inspection by the accrediting entity each year.</p>	<ul style="list-style-type: none"> <li>• Most recent audit and management letter (If the agency/person is a first time applicant and the audit is not yet complete, provide a letter from the CEO or the Auditor indicating when the audit is scheduled to occur and when the audit will be provided to the agency/person)</li> <li>• Two most recent annual financial reviews (for ASPs seeking renewal only)</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• Governing Body</li> <li>• Treasurer or Finance Committee Members</li> <li>• CEO</li> <li>• CFO</li> <li>• Person responsible for internal financial reviews</li> </ul>



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<p><b><i>Additional technical guidance provided by the Department of State. – B.2 Independent Audit 96.33(b)</i></b></p> <p><b><i>Additional technical guidance provided by the Department of State. – B.2a Audit: by when must one be completed. 96.33(b)</i></b></p> <p><b><i>Additional technical guidance provided by the Department of State. – B.2c Audit: Limited to intercountry adoption. 96.33(b)</i></b></p>	<ul style="list-style-type: none"> <li>• All audits and internal financial reviews that have been completed since the last site visit (for applicants seeking renewal only)</li> </ul>	
<b>Standard</b>	<b>Evidence to be submitted as a part of Application Part B</b>	<b>Evidence to be submitted and Interviews to be Conducted During Site Visit</b>
<p><b>Mandatory</b></p> <p>96.33 (c) The agency or person submits copies of each audit, as well as any accompanying management letter or qualified opinion letter, for inspection by the accrediting entity.</p>	<ul style="list-style-type: none"> <li>• Narrative outlining the date or most recent audit, when the next audit is due, and the actions the agency/person is taking to obtain any required audits in a timely manner.</li> </ul>	
<p><b>Critical</b></p> <p>96.33 (d) The agency or person meets the financial reporting requirements of Federal and State laws and regulations.</p>	<ul style="list-style-type: none"> <li>• Executive Verification</li> <li>• Two most recent tax returns filed with the IRS</li> <li>• The two most recent 990 forms</li> <li>• Narrative describing how the agency/person keeps apprised of and meets financial reporting requirements.</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• Governing Body</li> <li>• CEO</li> <li>• CFO</li> </ul>



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<p><b>Critical</b></p> <p>96.33 (e) The agency's or person's balance sheets show that it operates on a sound financial basis and maintains on average sufficient cash reserves, assets, or other financial resources to meet its operating expenses for two months, taking into account its projected volume of cases and its size, scope, and financial commitments. The agency or person has a plan to transfer its intercountry adoption cases if it ceases to provide or is no longer permitted to provide adoption services in intercountry adoption cases. The plan includes provisions for an organized closure and reimbursement to clients of funds paid for services not yet rendered.</p> <p><b><i>Additional technical guidance provided by the Department of State. – B.3 Sufficient Cash Reserves 96.33(e)</i></b></p> <p><b><i>Additional technical guidance provided by the Department of State. – B.3a Cash reserve: Accounts receivable not included. 96.33(e)</i></b></p>	<ul style="list-style-type: none"> <li>• A narrative describing how the organization maintains on average, sufficient cash reserves, assets, or other financial resources to meet its operating expenses for two months</li> <li>• Evidence documenting current cash reserves, assets, or other financial resources and the agency's current operating budget</li> <li>• Plan for transfer of intercountry adoption cases</li> <li>• Financial reports including: balance sheets, income statements, cash flow statements</li> <li>• Documentation of cash reserves, assets or other financial resources that were maintained each year since the agency/person was accredited/approved (for applicants seeking renewal only)</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• Governing Body</li> <li>• CEO</li> <li>• CFO</li> </ul>



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<p><i>Additional technical guidance provided by the Department of State. – B.3b Cash reserve standard not waivable. 96.33 (e)</i></p> <p><i>Additional technical guidance provided by the Department of State. – B.3c Cash reserve: Cannot use money budgeted to other purposes unless truly surplus. 96.33(e)</i></p> <p><i>Additional technical guidance provided by the Department of State. – B.4 Operating Expenses defined. 96.33 (e)</i></p>		
<b>Standard</b>	<b>Evidence to be submitted as a part of Application Part B</b>	<b>Evidence to be submitted and Interviews to be Conducted During Site Visit</b>
<p><b>Critical</b></p> <p>96.33 (f) If it accepts charitable donations, the agency or person has safeguards in place to ensure that such donations do not influence child placement decisions in any way.</p>	<ul style="list-style-type: none"> <li>• Charitable donation policy and procedures or for individuals, a statement certifying verifying charitable donations do not influence placement decisions.</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• Development Officer or person responsible for charitable donations</li> </ul>
<p><b>Critical</b></p> <p>96.33 (g) The agency or person assesses the risks it assumes, including by reviewing information on the availability of insurance coverage for intercountry adoption-related activities. The agency or person uses the assessment to meet the requirements in paragraph (h) of this section and as the basis for determining the type and amount of professional, general, directors' and officers',</p>	<ul style="list-style-type: none"> <li>• A narrative describing the agency/person's approach to risk assessment. Include a description of the steps in the risk assessment process, decision making process and follow up and provide an example of the agency/person's response to an identified risk</li> <li>• Current risk assessment that specifies risks and insurance needs</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• Person responsible for risk assessment</li> </ul>



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errors and omissions, and other liability insurance to carry.		
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<p><b>Critical</b></p> <p>96.33 (h) The agency or person maintains professional liability insurance in amounts reasonably related to its exposure to risk, but in no case in an amount less than \$1,000,000 in the aggregate.</p>	<ul style="list-style-type: none"> <li>• Current Insurance policy</li> <li>• Current verification from insurance broker of continuous coverage since last accreditation review (for applicants seeking renewal only)</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• Person responsible for insurance</li> </ul>
<p><b>Critical</b></p> <p>96.33 (i) The agency's or person's chief executive officer, chief financial officer, and other officers or employees with direct responsibility for financial transactions or financial management of the agency or person are bonded.</p> <p><i>Additional technical guidance provided by the Department of State. – B.5 Liability insurance v. bonding 96.33 (i)</i></p> <p><i>Additional technical guidance provided by the Department of State. – B.6 Bonding 96.33(i)</i></p>	<ul style="list-style-type: none"> <li>• Proof of bonding</li> <li>• Current verification from issuer of the bonding of continuous coverage since last accreditation review (for applicants seeking renewal only)</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• Person responsible for bonding</li> </ul>



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### Compensation 96.34 (a) – (f)

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<p><b>Mandatory</b></p> <p>96.34 (a) The agency or person does not compensate any individual who provides intercountry adoption services with an incentive fee or contingent fee for each child located or placed for adoption.</p> <p><i>Additional technical guidance provided by the Department of State. – B.7 Compensation for finding adoptive parents not prohibited. 96.34 (a)</i></p>	<ul style="list-style-type: none"> <li>• Compensation policy or procedure</li> <li>• Executive Verification</li> <li>• Financial records including, but not limited to payroll, contractor invoices, and accounts payable records</li> <li>• Agreements with collaborating providers</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• Collaborating providers</li> <li>• Employees and independent contractors</li> <li>• Finance personnel, including person responsible for bookkeeping</li> </ul>
<p><b>Mandatory</b></p> <p>96.34 (b) The agency or person compensates its directors, officers, employees, and supervised providers who provide intercountry adoption services only for services actually rendered and only on a fee-for-service, hourly wage, or salary basis rather than a contingent fee basis.</p>	<ul style="list-style-type: none"> <li>• Compensation policy or procedure that specifies how each type of provider is compensated.</li> <li>• Financial records including, but not limited to payroll, contractor invoices, and accounts payable records</li> <li>• Agreements with collaborating provider</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• Collaborating providers</li> <li>• Employees and independent contractors</li> <li>• Finance personnel, including person responsible for bookkeeping</li> </ul>
<p><b>Mandatory</b></p> <p>96.34 (c) The agency or person does not make any payments, promise payment, or give other consideration to any individual directly or indirectly involved in provision of adoption services in a particular case, except for</p>	<ul style="list-style-type: none"> <li>• Records of in-kind or other donations made by the adoption service provider</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• Finance personnel, including person responsible for bookkeeping</li> </ul>



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<p>salaries or fees for services actually rendered and reimbursement for costs incurred. This does not prohibit an agency or person from providing in-kind or other donations not intended to influence or affect a particular adoption.</p>		
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<p><b>Critical</b></p> <p>96.34 (d) The fees, wages, or salaries paid to the directors, officers, employees, and supervised providers of the agency or person are not unreasonably high in relation to the services actually rendered, taking into account the country in which the adoption services are provided and norms for compensation within the intercountry adoption community in that country, to the extent that such norms are known to the accrediting entity; the location, number, and qualifications of staff; workload requirements; budget; and size of the agency or person.</p> <p><b><i>Additional technical guidance provided by the Department of State. – B.8 “Not Unreasonably High” 96.34 (d), (e)</i></b></p>	<ul style="list-style-type: none"> <li>• Current operating budget</li> <li>• Payroll records</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• Finance personnel, including person responsible for bookkeeping</li> </ul>



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<p><b>Critical</b></p> <p>96.34 (e) Any other compensation paid to the agency's or person's directors or members of its governing body is not unreasonably high in relation to the services rendered, taking into account the same factors listed in paragraph (d) of this section and its for-profit or nonprofit status.</p> <p><i><b>Additional technical guidance provided by the Department of State. – B.8 “Not Unreasonably High” 96.34 (d), (e)</b></i></p>	<ul style="list-style-type: none"> <li>• Section of the bylaws or Governing Body Manual that addresses compensation</li> <li>• Accounts payable records</li> </ul>	<p>Interviews with:</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• Governing Body Members</li> <li>• Person responsible for bookkeeping</li> </ul>
<p><b>Critical</b></p> <p>96.34 (f) The agency or person identifies all vendors to whom clients are referred for non-adoption services and discloses to the accrediting entity any corporate or financial arrangements and any family relationships with such vendors.</p> <p><i><b>Additional technical guidance provided by the Department of State. – B.9 “Referral” as applies to vendors of non-adoption services. 96.34 (f)</b></i></p>	<ul style="list-style-type: none"> <li>• List of vendors to whom clients are referred for non-adoption services which specifies any corporate or financial arrangements and/or family relationships with vendors</li> </ul>	