



Clark Nuber ^{PS}

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Federal Grants Management

Part III - March 18, 2025

REDF
An investment that works.

About Clark Nuber



Located in Bellevue, WA



300+ employees



Named one of the best places to work, locally & nationally



Services: Audits, Reviews, & Compilations; Tax Compliance & Planning; International, State, & Local Tax Services; Software Assessment and Selection; CFO, Bookkeeping, & Accounting Services; IT audits and more.



70+ years in existence



25 shareholders



One of the top 100 accounting firms in the nation



Serve: Not-for-Profit & Public Sector, Privately Held & Family-Owned Businesses, and High Net Worth Individuals

Meet the Clark Nuber Team

Current Practice Focus

- ✓ Shareholder in the not-for-profit, public sector, Single Audit & Federal grant advisory practices
- ✓ WSCPA Government Committee – Auditing Subcommittee Chair
- ✓ GAQC Executive Committee member – prior

Personal

- ✓ Indiana Native
- ✓ Identical twin University of Washington Husky daughters



Troy Rector, CPA

Shareholder



Jen Keller, CPA

Principal

Current Practice Focus

- ✓ Federal Compliance Advisory Services & NFP Accounting Services
- ✓ National Grants Management Association, PNW Chapter Vice Chair

Personal

- ✓ Returned Peace Corps Volunteer - Niger
- ✓ Worked for international and national not-for-profits before joining Clark Nuber in 2018

Session Overview

- ✓ **Federal Grants Management Part I**
February 25, 2025
- ✓ **Federal Grants Management Part II**
March 4, 2025
- ❑ **Federal Grants Management Part III**
March 18, 2025



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Learning Objectives



- Review Procurement
- Indirect vs. Direct Costs
- Monitoring & Reporting
- Closeout Process
- Overarching Single Audit Preparation
- Implications of Single Audit Findings
- Q&A

Acronyms

Acronym	Meaning		Acronym	Meaning
ALN	Assistance Listing Number		PII	Personal Identifiable Information
CAP	Corrective Action Plan		PTE	Pass-through Entity
CFR	Code of Federal Regulation		R&D	Research & Development
GAGAS	Generally Accepted Government Auditing Standards		S&D	Suspension & Debarment
NICRA	Negotiated Indirect Cost Rate Agreement		SEFA	Schedule of Expenditures of Federal Awards
NoA	Notice of Award		UG	Uniform Guidance/ 2 CFR 200
OMB	Office of Management and Budget		UEI	Unique Entity Identifier

Procurement

UG Procurement

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graph LR; A[UG Procurement Standards] --> B[Entity's Written Procurement Procedures]
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UG
Procurement
Standards

Entity's Written
Procurement
Procedures

Uniform Guidance Procurement Methods

Method	Dollar Threshold	Documentation Requirements
Micro-purchase	Not to exceed micro-purchase threshold (\$10,000 UG or possibly higher if certain requirements met)	Can award without soliciting competitive price or rate quote if price is reasonable based on research, experience, purchase history or other information and documents it files accordingly.
Small purchase procedure	Greater than micro-purchase, not to exceed Simplified Acquisition Threshold [\$250,000]	Adequate number of price or rate quotes as determined appropriate by the non-Federal entity
Sealed bid	Greater than SAT	Formal proposal process, Firm-fixed-price contract, typically used for construction activities
Competitive proposal	Greater than SAT	Formal proposal, basis for contractor selection
Noncompetitive proposal	Greater than micro-purchase	See next slide – Documented justification for use of the noncompetitive method!

Similar to prior regulation, organizations can establish **lower** thresholds based on internal controls, risk assessment, and documented procedures

Noncompetitive Procurement

- *Justification for use must document applicability of **one** of the following conditions:*
- *Aggregate amount does not exceed micro-purchase threshold*
- Only available from a single source
 - Not for convenience purposes
- Public exigency or emergency will not permit a delay resulting from *publicizing a competitive solicitation*
- Explicit approval from awarding agency
- After solicitation, inadequate competition

UG Procurement Standards: Procurement Records

Uniform Guidance [200.318(i)]:

For all procurements:

- Detail history of the procurement [different for each procurement method]
- Rationale for method of procurement
- Selection of contract type
- Contractor selection or rejection
- Basis for contract price

Suspension and Debarment

- Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180 (200.213)
- Written procedures to address methods and documentation to be retained
- *Covered transactions – i.e. what these requirements apply to:*
 - *Procurement transactions > \$25,000*
 - *All subawards and Non-Competitive procurements greater than the Micro-Purchase threshold*

Suspension and Debarment Procedures Available

Performing **ONE** of the following procedures satisfies the suspension and debarment requirement

- Verify vendor/individual is not suspended or debarred by documenting search of SAM.gov
- Include suspension and debarment clause in the vendor contract
- Stand-alone suspension and debarment certification

Procurement 200.317 – 200.327

What the Auditor Finds: A missing procurement policy or one that is not compliant with the Uniform Guidance.

How an Auditee can avoid a finding: Maintain a written Procurement Policy and Procedures that address:

- Informal procurements up to the Simplified Acquisition Threshold (SAT) of \$250K.
 - Micro-purchases
 - Small purchases
 - Noncompetitive purchases:
 - Single source, emergency, written federal agency approval, or inadequate competition determination after solicitation of a number of sources.
 - Justification for use is documented
- Formal Procurements above SAT.
- Maintain a written conflict of interest Policy and Procedure (200.112).

Suspension & Debarment (200.214)

What the Auditor Finds: No suspension and debarment checks have been performed.

How an Auditee can avoid a finding:

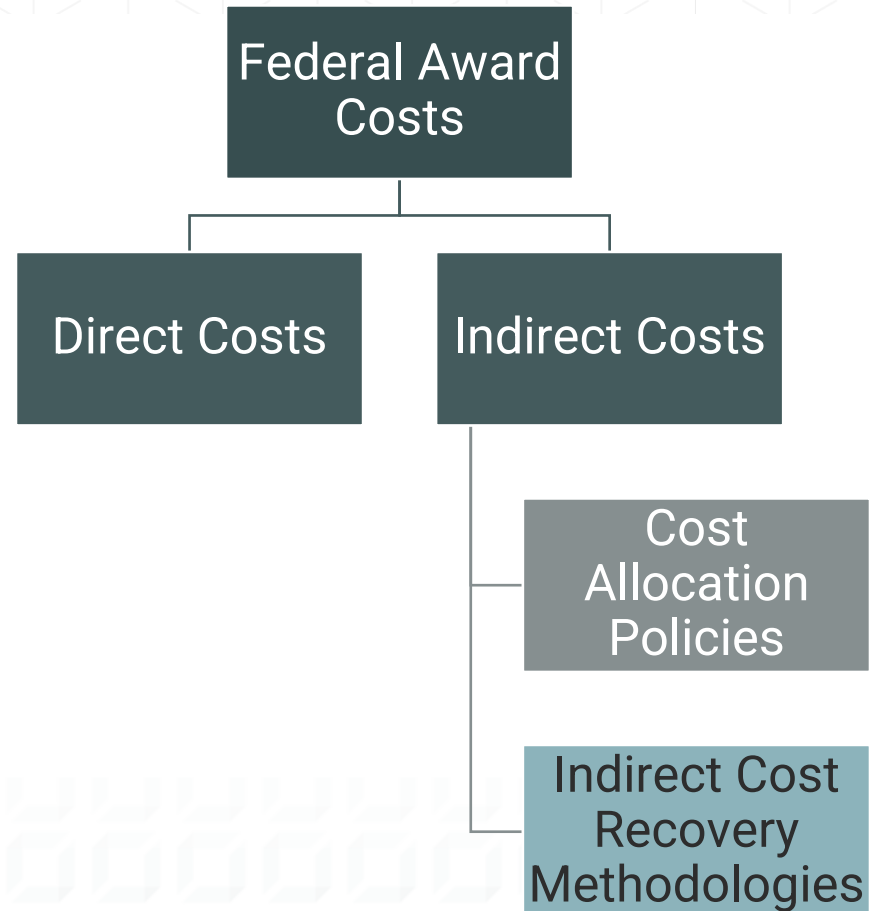
- Maintain written procedures to address methods and documentation to be retained
- *Perform checks or include self-certifying contract language on all covered transactions – i.e. Procurement transactions > \$25,000 and All subawards and Non-Competitive procurements greater than the Micro-Purchase threshold*

OBJECTIVE



Indirect vs. Direct Costs

Indirect Costs



Direct Cost Defined [200.413]

“Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy”

Indirect Costs Defined

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

What are Some Examples of Typical Direct Costs?

- Salaries and wages
- Employee benefits
- Travel costs
- Supplies
- Facility occupancy costs
- Subcontracts

What are Some Examples of Typical Indirect Costs?

- G&A salaries and wages
- Related benefits
- Facility occupancy costs
- Depreciation
- Legal and auditing charges

Question

Would the Accounting Department be considered Direct or Indirect costs?

Recovering Indirect Costs

\$\$\$

Federally
Negotiated
Indirect Cost
Rates

\$\$

Pass-Through
Entity
Negotiated
Indirect Cost
Rates or Other
Negotiated
Methodology

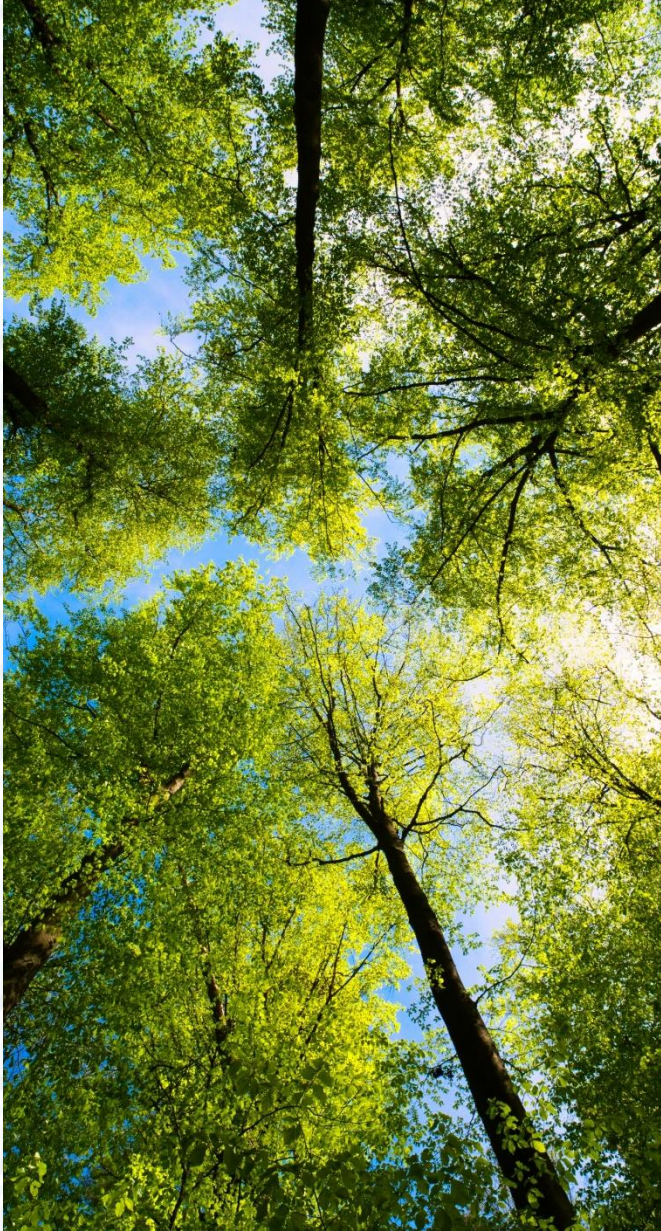
\$

De Minimis
Indirect Cost
Rate

How It Works

- Indirect costs are NOT reimbursed on specific identification
- Indirect cost rate is applied to the Direct Cost base
- Once the rate is negotiated, apply the lesser of the IDC rate or the IDC rate cap for your award if one exists due to statute limitations.



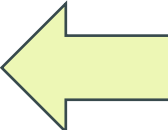


De Minimis Indirect Recovery

UG Principles:

De Minimis Indirect Cost Rate - 200.414(f)

- ~~Condition for use~~
 - ~~Available for non-federal entities never having a federally negotiated indirect cost rate~~
- 10% of Modified Total Direct Costs (MTDC)
 - MTDC defined at 2 CFR Part 200. 1
- No proof of costs required
- NFP's still not "required" to charge indirect costs.



2024 UG
Updates
increase De
Minimis rate up
to **15%** of MTDC

Modified Total Direct Costs Defined - 200.1

Modified Total Direct Costs =
Total Direct Costs

Less:

- Equipment, capital expenditures
- Charges for patient care
- Rental costs
- Tuition remission, scholarships and fellowships
- Participant support costs
- All costs in excess of the first \$25k of subawards*

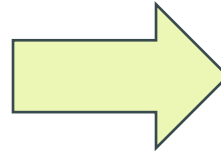
**- 2024 UG Revisions increase in the subaward threshold to \$50k*

De Minimis Rate Applied - *Example*

Total Direct Costs

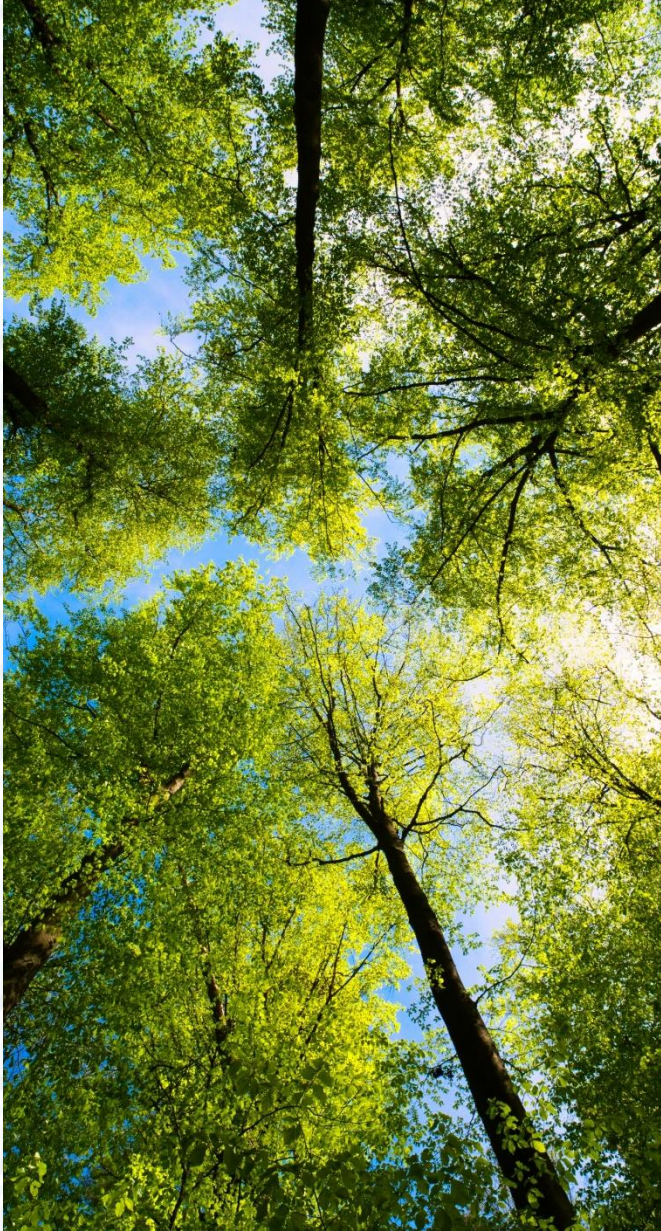
Wages and benefits	\$ 150,000
Supplies	5,000
Rent	2,000
Travel	500
Subawards*	<u>30,000</u>
Total Direct Costs	<u><u>\$ 187,500</u></u>

*- One subaward entered into during the year



De Minimis Calculation

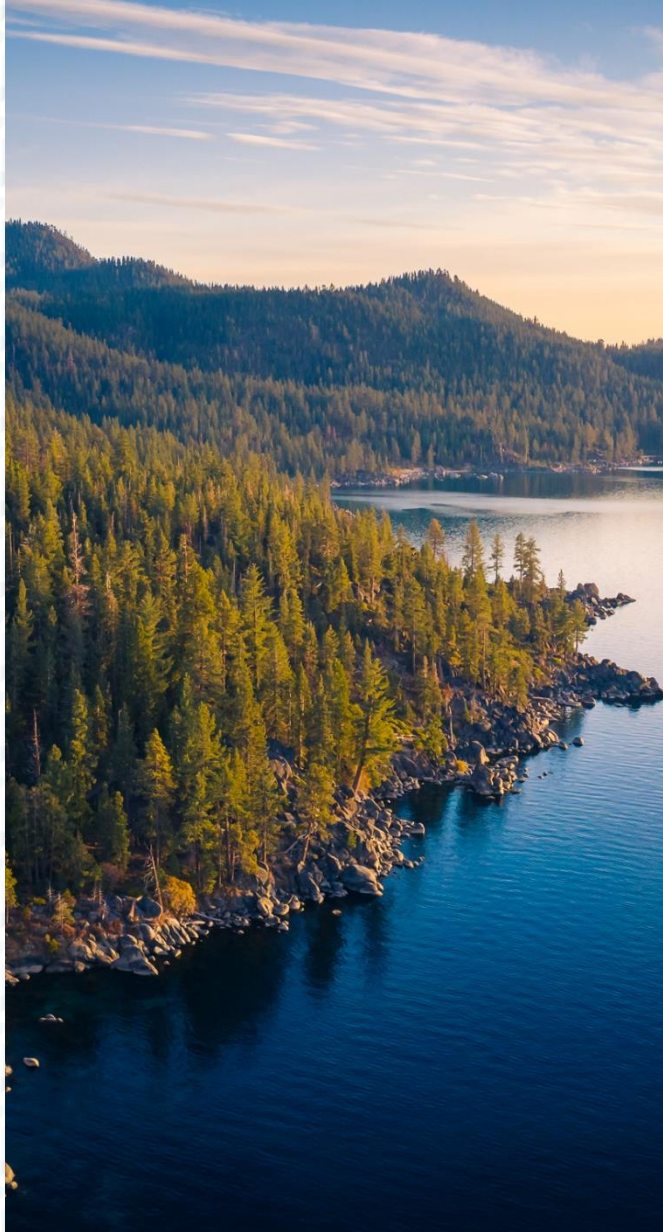
Total Direct Costs	\$ 187,500
Less:	
Rent	(2,000)
Subward costs > \$25k	<u>(5,000)</u>
Modified Total Direct Costs	180,500
De Minimis rate	<u>10%</u>
Calculated Indirect Recovery	<u><u>\$ 18,050</u></u>



Pass-Through Entity Negotiated Indirect Cost Rates

Pass-Through Entity Negotiated Indirect Cost Methodology

- Applicable guidance located at 200.332(a)(4)
- Pass-Through Entities not required to negotiate a rate
- Negotiation of indirect cost rate methodology between Pass-Through Entity and Subrecipient in compliance with the Uniform Guidance. Typically follows same format as Federally negotiated indirect cost rate.
- Acceptance (or not) of pass-through entity negotiated rate with other federal and pass-through funding agencies
- Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with § 200.405(d)



Federally Negotiated Indirect Cost Rates

What are Federally Negotiated Indirect Cost Rate Agreements (NICRAs)?

- **Cost allocation plans** (i.e. indirect cost rate proposal) negotiated with *federal cognizant agency for indirect costs*
 - *Cognizant agency negotiates on behalf of all federal agencies*
- Indirect cost rates calculated based on **entity-wide expenses** including all direct and indirect cost activity of the not-for-profit, not just federal funding
 - *Statement of Functional Expenses (GAAP) often used as the starting point for the indirect cost rate proposal*
- Determines **prospective** indirect cost rate percentage that can be applied to federally funded awards and (sometimes) non-federal awards

UG Revisions clarified that State and Local Government departments having greater than \$35M in direct federal assistance must submit a federal indirect cost rate proposal (reversed Proposed UG guidance)

Who is *Eligible* for a Federal Indirect Cost Rate?

- ❑ Not-For Profit, Local Government, Commercial Organizations
- ❑ Must have a notice of DIRECT federal grant award where indirect costs are to be budgeted –
i.e. federally negotiated indirect cost rates not available for entities only having pass-through federal funding

Example NICRA

SECTION I: RATES

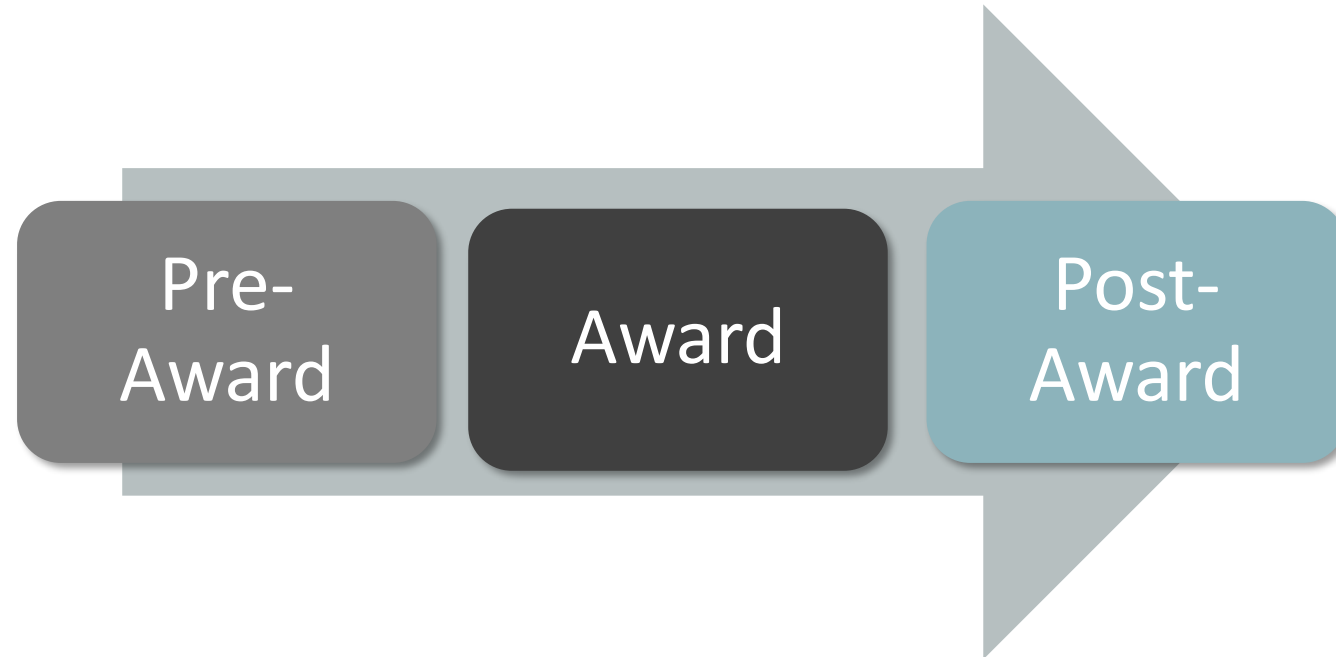
<u>TYPE</u>	<u>APPROVAL</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>LOCATION</u>	<u>APPLY TO</u>
Indirect	Final	07/30/2022	06/30/2023	48.44%	MTDC-1	Loc-1	AP-1
Indirect	Provisional	07/01/2023	06/30/2024	49.51%	MTDC-1	Loc-1	AP-1
Indirect	Provisional	07/01/2024	06/30/2025	45.82%	MTDC-1	Loc-1	AP-1

OBJECTIVE

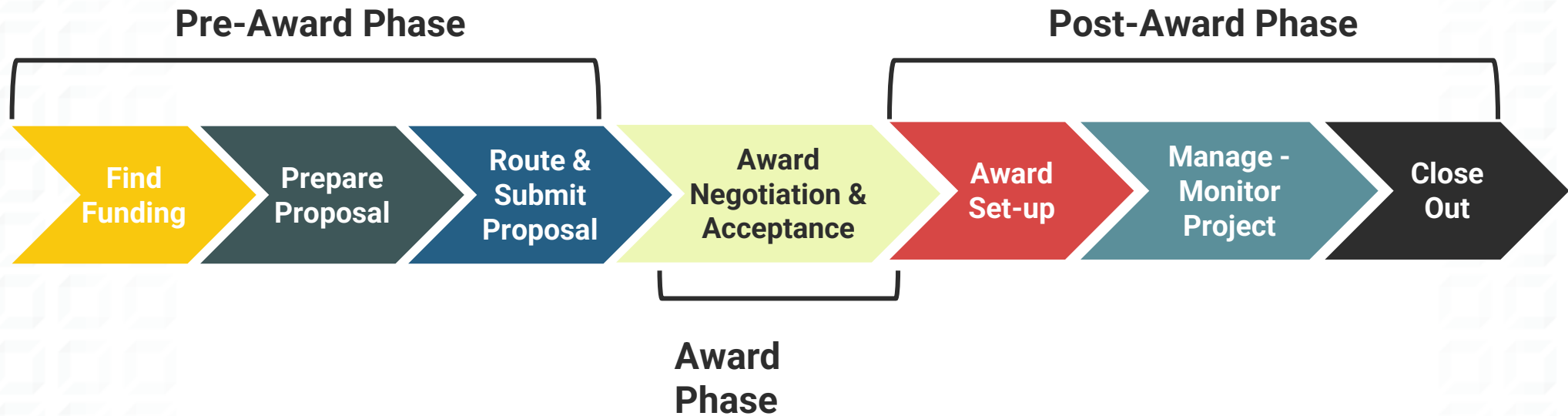


Monitoring & Reporting

The Lifecycle of a Grant



Internal Grant Process



Post-Award Phase: Manage/Monitor Project

- Manage, monitor, & document:
 - Activities
 - Budgets
 - Subrecipients
 - Contractors/Vendors
- Communicate with the grant administrator
- Prepare for audits, site visits, and/or to receive technical assistance
- Review expenses to ensure that they are allocable, allowable, and reasonable

Post-Award Phase: Manage/Monitor Project

Meet Reporting Deadlines!

- Know your Financial & Programmatic reporting deadlines.
- Remember to attach required supporting documentation to the reports.
- Identify where and how reports should be submitted and test your log-in credentials.
- Identify where and how you perform Drawdowns.

Collaborate: If the program report contains financial figures also contained within the financial report, ensure that those figures match.

SF-425 Federal Financial Report

The SF-425 is a cumulative report that outlines:

1. How much money has drawn down by the recipient,
2. How much of the grant funds have been spent and whether those expenditures are part of the Federal or recipient share of expenditures, and
3. How much money is left to spend.

<https://www.grants.gov/forms/post-award-reporting-forms.html>

FEDERAL FINANCIAL REPORT									
(Follow form instructions)									
1. Federal Agency and Organizational Element to Which Report is Submitted			2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)					Page 1	of
3. Recipient Organization (Name and complete address including Zip code)									
4a. DUNS Number		4b. EIN		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)			6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final		7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual
8. Project/Grant Period From: (Month, Day, Year)				To: (Month, Day, Year)			9. Reporting Period End Date (Month, Day, Year)		
10. Transactions								Cumulative	
(Use lines a-c for single or multiple grant reporting)									
Federal Cash (To report multiple grants, also use FFR Attachment):									
a. Cash Receipts									
b. Cash Disbursements									
c. Cash on Hand (line a minus b)									
(Use lines d-o for single grant reporting)									
Federal Expenditures and Unobligated Balance:									
d. Total Federal funds authorized									
e. Federal share of expenditures									
f. Federal share of unliquidated obligations									
g. Total Federal share (sum of lines e and f)									
h. Unobligated balance of Federal funds (line d minus g)									
Recipient Share:									
i. Total recipient share required									
j. Recipient share of expenditures									
k. Remaining recipient share to be provided (line i minus j)									
Program Income:									
l. Total Federal program income earned									
m. Program income expended in accordance with the deduction alternative									
n. Program income expended in accordance with the addition alternative									
o. Unexpended program income (line i minus line m or line n)									
11. Indirect		a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share	
Expense									
				g. Totals:					
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:									
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)									
a. Typed or Printed Name and Title of Authorized Certifying Official						c. Telephone (Area code, number and extension)			
b. Signature of Authorized Certifying Official						d. Email address			
						e. Date Report Submitted (Month, Day, Year)			
						14. Agency use only:			

Standard Form 425
OMB Approval Number: 0348-006
Expiration Date: 10/31/2011

Paperwork Burden Statement
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0060), Washington, DC 20503.

Performance & Financial Monitoring & Reporting 200.328 -200.330

When do you submit reports?

- The federal agency or PTE must collect financial reports no less than annually and no more than quarterly – unless a specific condition exists.
- Annual reports are due no later than 90 calendar days after the reporting period
- Quarterly or semiannual reports are due no later than 30 days after the reporting period.
- When possible, the due dates for financial and programmatic reports should align.

What are my monitoring obligations?

- Recipients and Subrecipients are responsible for the oversight and monitoring activities to ensure alignment with the award and its objectives.

Performance & Financial Monitoring & Reporting 200.328 -200.330

What should appear in my programmatic report?

- The report must relate financial data and project or program accomplishments to the performance goals and objectives of the Federal award.
- A comparison of accomplishments to the objectives of the Federal award established for the reporting period (for example, comparing costs to units of accomplishment). Where performance trend data and analysis would be informative to the Federal agency program, the Federal agency should include this as a performance reporting requirement.
- Explanations on why established goals or objectives were not met; and
- Additional information, analysis, and explanation of cost overruns or higher-than-expected unit costs.

NOTE: Reporting requirements must clearly indicate a standard against which the recipient's or subrecipient's performance can be measured.

Question

Subrecipients have 90 days to submit their financial reports while PTEs have 120 days.

True or False?

OBJECTIVE



Closeout Process

Post-Award Phase: Close Out

- Are you ready for a close out or do you need a no cost extension?
- Ensure that all obligations have been met
- Return any unused funds
- Submit close out packet to the grantor
 - Final Federal Financial Report (SF-425)
 - Final Programmatic Report
 - Final Tangible Personal Property Report (SF-428B)
 - Final Real Property Status Report (SF-429B)
 - Close out letter
 - Any other requested documentation

Closeout 200.344

- Recipients must submit all required reports within 120 days after the period of performance ends.
 - Subrecipients have a 90-day deadline to get reports to the pass-through entity.
- The federal agency may grant an extension if justified.
- During closeout, recipients and subrecipients must:
 - liquidate all financial obligations.
 - Refund any unobligated funds.
- If you are pending a final indirect cost rate, you still need to submit your final financial report on time. Once finalized, you would need to submit a revised report.

NOTE: Closeout does not affect the federal agency or pass –through entity from reviewing and recovering disallowed costs during the record retention period.

Record Retention 200.334 - 338

- Records include but are not limited to, financial records, supporting documentation, and statistical records.
- Recipients/subrecipients must retain records for 3 years from the date of submission of their final financial report.
- For awards that are renewed quarterly or annually, the recipient and subrecipient must retain records for three years from the date of submission of their quarterly or annual financial report, respectively.

Record Retention 200.334 - 338

EXCEPTIONS:

- If any litigation, claim, or audit is started before the 3 years, related records must be retained until there is a resolution or final action is taken.
- When notified in writing by the federal agency or pass-through entity, cognizant agency for audit or cognizant for indirect that the retention period is extended.
- Records for property and equipment acquired with federal funds must be retained for 3 years after disposition.
- The three-year retention requirement does not apply to the recipient or subrecipient when records are transferred to or maintained by the Federal agency.
- Program income records must be retained for 3 years after the end of the fiscal year in which the program income was earned.
- Indirect rate computations must be retained for 3 years after submission date or, if not submitted, for 3 years after the end of the fiscal year covering the plan.

OBJECTIVE



Overarching Single Audit Preparation

Single Audit Process

Determine
Federal
Award
Expenditures

Select
auditors
(CFR
200.509)

Prepare
Schedule of
Expenditure
of Federal
Awards
(CFR
200.510)

Major
Program
Determination
(CFR
200.518)

Audit of
Major
Programs

Reporting
(CFR
200.515)

Preparing the Schedule of Expenditures of Federal Awards (§200.510)

Prepare
Schedule
of
Expenditure
of
Federal
Awards
(CFR
200.510)

- Required Contents of Schedule
 - List individual federal programs by Federal Agency, grouped by assistance listing number
 - List awards by federal agency, by assistance listing number, for cluster programs provide cluster name and programs within cluster
 - Provide total Federal awards expended for each individual Federal program, and for each Federal agency
 - For pass-through awards, name of pass-through entity and identifying award number
 - Assistance listing number and program name
 - Total amount provided to subrecipients for each program
 - Footnotes include significant accounting policies, whether the 10% de minimis indirect cost rate was elected and identification of the balance outstanding at end of audit period for loan or loan guarantees
- COVID-19 funding should be separately identified
- It's critically important to the Single Audit that the schedule is complete and accurate as it will be the basis for determining which programs will be selected for audit.

Preparing the Schedule of Expenditures of Federal Awards (§200.510)

Prepare
Schedule
of
Expenditure
of
Federal
Awards
(CFR
200.510)

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Department of Housing and Urban Development:				
Supportive Housing for the Elderly (Section 202 Loan)	14.157	*	\$ -	\$ 462,131
CDBG - Entitlement Grants Cluster				
Passed through Snohomish County-				
Community Development Block Grants/Entitlement Grants	14.218	* CDBG-A 2019 #01		550,000
Community Development Block Grants/Entitlement Grants	14.218	* 45520496340		215,000
Passed through City of Bellevue-				
Community Development Block Grants/Entitlement Grants	14.218	* Not available		100,000
Total CDBG - Entitlement Grants Cluster/ ALN #14.218				865,000
Passed through King County-				
HOME Investment Partnerships Program	14.239	* 4578100414		300,000
Passed through State of Washington-				
HOME Investment Partnerships Program	14.239	* 01-40002-000		687,593
Total ALN #14.239				987,593
Total Department of Housing and Urban Development				2,314,724
United States Department of Health and Human Services:				
Administration for Children and Families-				
Unaccompanied Alien Children Program	93.676	9ZSD5001	1,000,000	2,146,500
Total United States Department of Health and Human Services			1,000,000	2,146,500
Total Expenditures of Federal Awards			\$ 1,000,000	\$ 4,461,224

* Denotes an outstanding loan.

Major Program Determination (§200.518)

Major
Program
Determination
(CFR
200.518)

- Completed by auditor
- Follows a prescribed risk-based approach
- A minimum number of major programs are determined based upon program risk conclusions and certain percentage of coverage thresholds

Audit of Major Programs

Audit of
Major
Programs

Auditee Responsibility:

- Provide auditor with access to personnel, accounts, books, records, supporting documentation, and other information needed (CFR 200.508)

Auditor Process:

Understand Program

- Obtain grant agreements
- Inquiries of program staff
- Read program description from the Federal Agency
- Identify the applicable compliance requirements



Obtain Program Activity

- Obtain GL detail
- Obtain detail of eligible populations
- Obtain access to subrecipient monitoring reports
- Obtain access to financial and program reports submitted



Test and Conclude on Activity

- Select samples and test transactions
- Select samples and test eligibility
- Test various financial and program reports

Audit of Major Programs

Audit of Major Programs

Key Considerations For a Successful Audit:

- Prepare a summary sheet for each award with all pertinent information (award period, amount, matching provisions and any special terms and provisions) for your program and accounting staff
- Use accounting software to separately track all revenues and expenses of each award.
- Auditors are required to test internal controls over compliance. Be ready to have your compliance controls documented and ensure they are effective throughout year.
- Sampling of transactions is a common single audit approach. Prepare early so that all documentation can be gathered and be available when the audit begins.
- Ensure that all relevant policies are documented and available
 - Many transactions are only allowable if under written policies (especially compensation)
 - Single audit will test that your entity's policies meet compliance requirements and then test transactions against your policy (procurement, subrecipient monitoring)
- Retain documentation throughout the year supporting any judgments on why a cost was reasonable, allocable, allowable and necessary

Audit of Major Programs

Audit of
Major
Programs

Key Considerations For a Successful Audit, Continued:

- There are many steps in a single audit so keep coordinated on due dates and project management both internally and with your auditor.
- Reach out to your auditor with questions throughout the year
- Keep program and accounting staff educated on Uniform Guidance compliance

Resources:

- Uniform Guidance
- OMB Compliance Supplement (*next slides*)
- sam.gov provides additional information on federal programs

OMB Compliance Supplement – What is it?

Audit of
Major
Programs

- Issued by the federal Office of Management and Budget (OMB)
- Principal tool for auditors to understand federal program objectives, procedures, and compliance requirements
- Identifies the important compliance requirements the federal government expects to be considered as part of a Single Audit
- Updated annually
- Where can I find it?

<https://www.whitehouse.gov/omb/office-federal-financial-management/>

OMB Compliance Supplement: Table of Contents

Audit of
Major
Programs

- Part 1: Background, Purpose and Applicability
- Part 2: Matrix of Compliance Requirements
- Part 3: Compliance Requirements
- Part 4: Agency Program Requirements
- Part 5: Clusters of Programs
- Part 6: Internal Control
- Part 7: Guidance for Auditing Programs Not Included In the Compliance Supplement
- Part 8: Appendices

OMB Compliance Supplement - Appendices

Audit of
Major
Programs

- Appendix I: Federal Programs Excluded from the A-102 Common Rule and Portions of Part 200
- Appendix II: Federal Agency Codification of Governmentwide Requirements and Guidance for Grants and Cooperative Agreements
- Appendix III: Federal Agency Single Audit and Program Contacts
- **Appendix IV: Internal Reference Tables**
- **Appendix V: List of Changes for the [Current Year] Compliance Supplement**
- Appendix VI: Program-Specific Audit Guides
- **Appendix VII: Other Audit Advisories**
- Appendix VIII: SSAE 16 Examinations of EBT Service Organizations
- Appendix IX: Compliance Supplement Core Team

WIOA – Part 4

2024 OMB Compliance Supplement

May 2024		WIOA Cluster								DOL	
A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	N	Y	Y	N	N	Y	Y	N

SNAP E&T – Part 4

2024 OMB Compliance Supplement

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	Y	N	Y	N	N	Y	Y

Reporting

Reporting
(CFR
200.515)

Auditor Responsibility

- Opinion on the financial statements
- A report on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements
- Report on compliance for each major program and a report on internal control over compliance
- A schedule of findings and questioned costs
- Certification of Data Collection Form

Auditee Responsibility

- Financial statements and Schedule of Expenditures of Federal Awards
- Summary schedule of prior audit findings
- Corrective action plan for findings (if applicable)
- Submission and Certification of Data Collection Form

Schedule of Findings and Questioned Costs

Reporting
(CFR
200.515)

Reports summary of the audit results

- Audit opinions
- Reportable internal control deficiencies
- Whether the audit disclosed any audit findings
- Identification of major programs
- Threshold for “Type A” programs
- Whether the auditee is a low-risk auditee

Question

The auditor is responsible for crafting and monitoring the organization's progress on their corrective action plan?

True or False?



OBJECTIVE



Implications of Single Audit Findings

Reporting a Finding? (§200.516)

Reporting
(CFR
200.515)

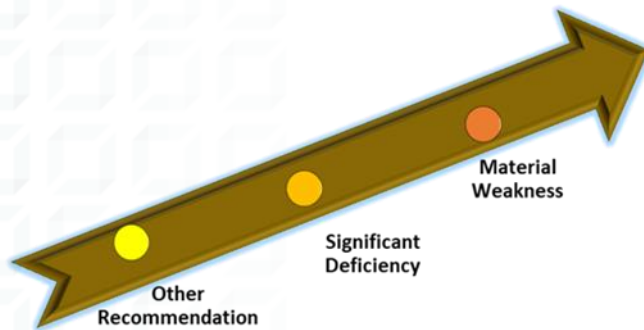
What is a finding?

- Significant deficiencies and material weaknesses in internal control over major programs
- Material noncompliance with laws and regulations or terms and conditions of awards related to major program
- Known or likely questioned costs >\$25k
- Circumstances for auditor's report being other than unmodified
- Known or likely fraud involving a federal award, unless otherwise reported
- Misreporting status of prior-year findings in summary schedule

Single Audit: Types of Findings

Reporting
(CFR
200.515)

Internal Control



Compliance

- Unmodified opinion
- Modified opinion
- Disclaimer of opinion
- Adverse opinion

Reporting a Finding? (§200.516)

Reporting
(CFR
200.515)

What is reported?

- Identification data – federal program award identification (Assistance listing number and program title), award number and year, name of federal agency, and name of pass-through entity if applicable
- Criteria – What should we have seen?
- Condition – What facts did we see?
- Cause – Reasons responsible for difference between the criteria and condition
- Questioned costs and how computed – Known
- Effect or potential effect– What is the result of what we saw?
- Information for perspective – Isolated or systemic problem?
- Identify if a repeat finding
- Recommendation – How to prevent in the future
- Views of responsible officials – auditee response and corrective action plan
- Finding reference number

What if I Have a Finding?

Reporting
(CFR
200.515)

- Discuss the facts and any mitigating circumstances with your auditor
- Review the written finding
- Prepare your response and corrective action plan
- May have to repay some costs
- Can affect the amount of audit testing in future years
- Appeals process with the Federal Agency is available
- May impact future funders' risk assessment of your organization and your NFP and may receive reduced future discretionary Federal awards.
- Federal Agencies can also impose more restrictive reporting or other requirements.

Audit Findings and Follow Up (§200.511)

Reporting
(CFR
200.515)

- Prepare a corrective action plan for current year findings
 - Reference auditor assigned reference numbers
 - Name(s) of the contact person(s) responsible for the corrective action
 - Corrective action planned
 - Anticipated completion date
- If Auditee does not agree with findings or believes a corrective action plan is not required, then the auditee response to the finding must include an explanation and reasons for that determination.

Audit Findings and Follow Up (§200.511)

Reporting
(CFR
200.515)

Prepare a summary schedule of prior audit findings

- Reference auditor assigned reference numbers
- Include the fiscal year the finding initially occurred
- Finding corrected
 - Only list the audit finding and state corrective action was completed
- Finding not corrected
 - Describe the reason for recurrence and planned corrective action
 - Statement that the finding is no longer valid or warrants further action. This is valid when ALL the following have occurred
 - Two years have passed since report containing the finding was submitted to FAC
 - Federal agency is not currently following up about the finding
 - A management decision was not issued

Data Collection Form

Reporting
(CFR
200.515)

- Data Collection Form is a reporting package that includes following:
 - Financial statements and SEFA
 - Summary schedule of prior audit findings
 - Auditor's report(s)
 - Corrective Action Plan
 - Data Collection Form (Auditee responsibility)
 - Auditee certified
 - Auditor certified
 - Submitted by the earlier of
 - 30 calendar days after issuance of auditor's report
 - 9-months after end of the audit period
- Is uploaded to Federal Audit Clearinghouse and is publicly available - <https://facweb.census.gov/>.
- Requirements associated with reporting can be found at - Report Submission (§200.512)

Resources

- **Uniform Guidance:**
<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>
- **Uniform Guidance Frequently Asked Questions:**
<https://www.cfo.gov/assets/files/2%20CFR%20Revised%20FAQs.pdf>
- **OMB Compliance Supplement:**
https://bidenwhitehouse.archives.gov/omb/office-federal-financial-management/current-compliance-supplement/?utm_medium=email&utm_source=SFMC_RAVE&utm_campaign=&utm_content=808698&AdditionalEmailAttribute2=&AdditionalEmailAttribute3=&AdditionalEmailAttribute4=&AdditionalEmailAttribute5=
- **AGA Subrecipient vs. Contractor Checklist:**
<https://www.agacgfm.org/Resources/intergov/SubrecipientvsContractor.aspx>
- **SAM.gov Assistance Listings:**
<https://sam.gov/content/assistance-listings>



Q & A