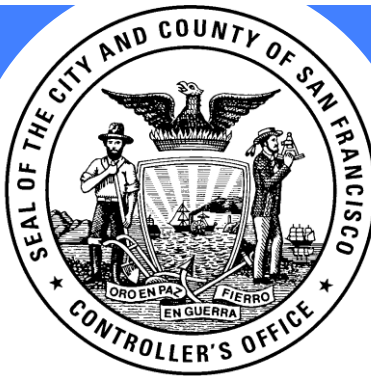


# FY2020 Year-End Workshop

## Single Audit under the Uniform Guidance

**May 6, 2020**

Annie Louie, MGO Partner



**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller

*Disclaimer:* Please note that the audio and other information sent during the webinar will be recorded. By participating in this webinar, you automatically consent to such recording and to subsequent use of the recording.

## Questions & Answers


Departments may submit their year end questions through the MS Teams “Live Event Q&A” Feature

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Live event Q&A ?

Featured My questions Most recent



No featured questions yet

Ask a question



## Questions & Answers

- The questions will be consolidated into a “Frequently Asked Question (FAQ)” to be uploaded to the Knowledge Center once all the workshops are completed.
- 

## Slide Decks

- Individual Year End Workshop slide decks will be available on the Knowledge Center the following day.

## Agenda

1. Overview of Uniform Guidance
2. Auditor Responsibilities
3. Auditee Responsibilities
4. Compliance Requirements
5. Reporting
6. Common Audit Findings
7. COVID-19 Considerations
8. Preparing for the Single Audit
9. Q&A

# OVERVIEW OF THE UNIFORM GUIDANCE

## Overview of the Uniform Guidance

- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 CFR 200 (Uniform Guidance or UG)
  - a government-wide framework for grants management
  - implemented in December 2014 by the Council on Financial Assistance Reform (“COFAR”; now dissolved)
- Objectives
  - Removes previous conflicting guidance and establishes standard language;
  - Focuses audits on areas that have been identified as at risk for waste, fraud, and abuse;
  - Lays the groundwork for Federal agencies to standardize the processing of data;
  - Clarifies and updates cost reporting guidelines for award recipients.

## Federal Agencies Adoption of 2 CFR Part 200

2 CFR Part	Agency Name	2 CFR Part	Agency Name
300-399	Department of Health and Human Services	2400-2499	Department of Housing and Urban Development
400-499	Department of Agriculture	2500-2599	National Science Foundation
600-699	Department of State	2600-2699	National Archives and Records Administration
700-799	Agency for International Development	2700-2799	Small Business Administration
800-899	Department of Veterans Affairs	2800-2899	Department of Justice
900-999	Department of Energy	2900-2999	Department of Labor
1000-1099	Department of Treasury	3000-3099	Department of Homeland Security
1100-1199	Department of Defense	3100-3199	Institute of Museum and Library Services
1200-1299	Department of Transportation	3200-3299	National Endowment for the Arts
1300-1399	Department of Commerce	3300-3399	National Endowment for the Humanities
1400-1499	Department of the Interior	3400-3499	Department of Education
1500-1599	Environmental Protection Agency	3500-3599	Export-Import Bank of the United States
1800-1899	National Aeronautics and Space Administration	3600-3699	Office of National Drug Control Policy, Executive Office of the President
2000-2099	United States Nuclear Regulatory Commission	3700-3799	Peace Corps
2200-2299	Corporation for National and Community Service	5800-5899	Election Assistance Commission
2300-2399	Social Security Administration	5900-5999	Gulf Coast Ecosystem Restoration Council

# Key Sections of the Uniform Guidance

## 6 Subparts

- A. Acronyms and Definitions
- B. General Provisions
- C. Pre-Federal Award Requirements and Contents of Federal Awards
- D. Post-Federal Award Requirements
- E. Cost Principles
- F. Audit Requirements

## 11 Appendices

- Appendix IV – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations
- Appendix V to VII – cost allocation plans for State/Local Governments



## Accessing Key Single Audit-Related Information

- Uniform Guidance codified in Title 2 of CFR, Subtitle A, Chapter II, Part 200
- How to Access the UG
  - Electronic Code of Federal Regulations (e-CFR) version
  - <https://www.ecfr.gov>
- OMB Federal Financial Management Web site
  - Access Compliance Supplement (updated annually)
  - 2020 Compliance Supplement has not yet been issued

## Single Audit Applicability

- When a non-federal entity expends federal awards (either direct or pass-through) in excess of \$750,000 in a fiscal year
- What is a non-federal entity?
  - States
  - Local governments
  - Indian tribes
  - Institutions of higher education (IHE)
  - Not-for-profit organization

# AUDITOR RESPONSIBILITIES

## Auditor Responsibilities

- Determine if financial statements are fairly presented
- Report on Schedule of Expenditures of Federal Awards (SEFA)
- Understand and test internal controls over compliance
- Determine auditee compliance
- Follow up on prior audit findings
- Report findings
- Complete and sign the auditor section of the Data Collection Form

## Auditor Major Program Determination

1. Identify Type A programs
2. Identify low-risk Type A programs
3. Identify high-risk Type B programs
4. Determine major programs to audit

## Low-Risk Auditee Status

### Must meet all of the following for each of the two preceding years:

- Annual single audits, including timely filing with FAC
- Unmodified opinion(s) on financial statements in accordance with generally accepted accounting principles (GAAP) or basis of accounting required by state law
- Unmodified in-relation-to opinion on the SEFA
- No material weaknesses in internal control
- No auditor reporting of going concern

### No program had any the following in either of the two preceding years in which they were Type A programs:

- material weaknesses in internal control over compliance
- modified opinion on a major program
- known or likely questioned costs > 5% of expenditures for a Type A program

# AUDITEE RESPONSIBILITIES

## Auditee Requirements

**Arrange for Single Audit in  
Accordance With §200.509**

**Prepare Financial  
Statements**

**Prepare SEFA**

**Provide the Auditor with  
Access**

**Follow-Up and Take  
Corrective Action on  
Findings**

**Prepare Summary  
Schedule of Prior Audit  
Findings**

**Prepare Corrective Action  
Plan**



## Auditor Selection

- Must follow procurement standards in 200.317 through 200.326
  - Objective is to obtain high-quality audit
- Must request a copy of the audit organization's peer review report
- Restriction on auditor preparing indirect cost proposals

## Financial Statements

- Must prepare financial statements for the fiscal year audited that reflect current:
  - Financial position
  - Results of operation or changes in net assets
  - Where appropriate, cash flows
- Must be for same organizational unit and fiscal year that is chosen to meet the requirements of the Uniform Guidance
- May include departments, agencies, and other organizational units that have separate audits under the Uniform Guidance
- **While preparing financial statements in accordance with generally accepted accounting principles (GAAP) not required, auditees cannot be considered a low-risk auditee by the auditor if they voluntarily follow a non-GAAP basis**

## Schedule of Expenditures of Federal Awards (SEFA)

- **Must also prepare a SEFA for the period covered by the auditee's financial statements**
  - Must include the total federal awards expended as determined in accordance with §200.502 “Basis for Determining Federal Awards Expended”
  - Used by auditor for risk assessments and selection of major programs
  - Completeness and accuracy are critical to avoid missed programs!

## Schedule of Expenditures of Federal Awards (SEFA)

- **Required Elements**

1. List individual federal programs by federal agency
2. For clusters, provide the cluster name, list individual federal programs within the cluster of programs, and provide the applicable federal agency name
  - States may define their own clusters
3. For R&D, total federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the federal agency
4. For federal awards received as a subrecipient, the name of the PTE and identifying number assigned by the PTE
5. Total federal awards expended for each individual federal program and the CFDA number or other identifying number when CFDA not available
6. For a cluster of programs, also provide the total for the cluster

## Schedule of Expenditures of Federal Awards (SEFA)

- **Required Elements (continued)**

7. Include the total amount provided to subrecipients from each federal program
8. Report the total amount of federal awards expended for loan and loan guarantee programs
  - Amount includes the values of new loans made during the audit period, and beginning balance of loans from prior years for which the government imposes continuing compliance requirements
  - Review program provisions for specific requirements
9. Report the value of federal awards expended in the form of noncash assistance
  - e.g. food commodities, insurance, and free rent

## Schedule of Expenditures of Federal Awards (SEFA)

- **Required Disclosures**

- For loan or loan guarantee programs, identify in the notes to the SEFA the balances outstanding at the end of the audit period
- Notes that describe the significant accounting policies used in the preparing the SEFA
- Note whether the auditee elected to use the 10% de minimis cost rate

## Audit Findings Follow-Up

- **Prepare a summary schedule of prior audit findings to report the status of all audit findings included in the prior audit's schedule of findings and questioned costs**
  - Audit findings were fully corrected – only need to list the audit findings and state that corrective action was taken.
  - Audit findings were partially or not corrected – describe the reasons for the finding's recurrence and planned corrective action, and any partial corrective action taken.
    - When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the Federal agency's or pass-through entity's management decision, the summary schedule must provide an explanation.
  - When the auditee believes the audit findings are no longer valid or do not warrant further action, the reasons for this position must be described in the summary schedule.

## Audit Findings Follow-Up

- **Corrective action plan for current year audit findings**
  - The auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.
  - The corrective action plan must provide
    - Name(s) of the contact person(s) responsible for corrective action
    - The corrective action planned
    - The anticipated completion date.
  - If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.



## Auditee Internal Control and Compliance Requirements

**Establish and maintain internal control over federal programs**

**Comply with federal statutes, regulations, federal awards**

**Evaluate and monitor compliance**

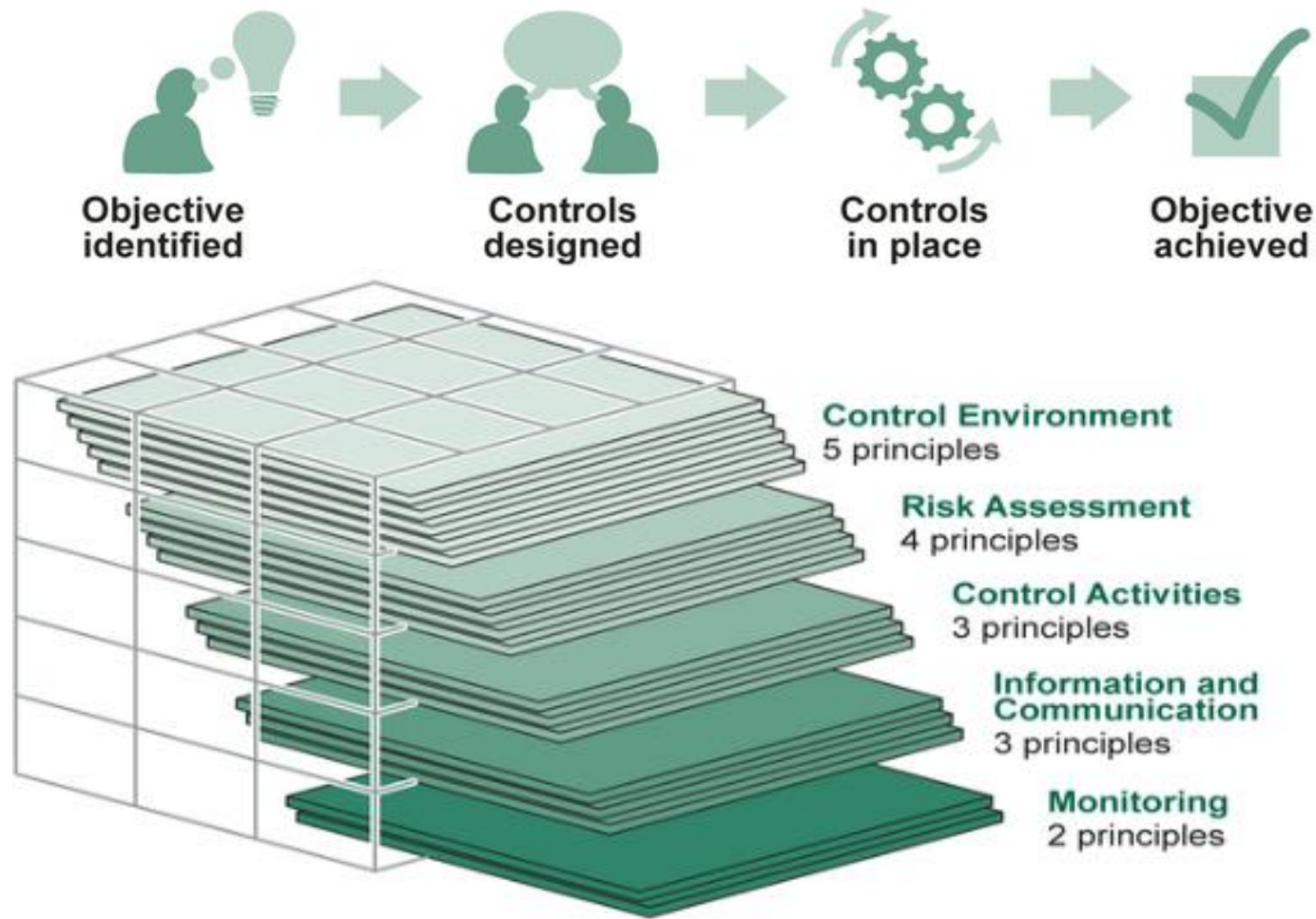
**Take prompt action when noncompliance identified**

**Safeguard protected personally identifiable information (PII)**

## Auditee Responsibility on Internal Controls

- The **non-federal entity must 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] issued by the Comptroller General of the United States, and
  - the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- Use of “should” in Uniform Guidance indicates a “best practice” and is not a mandatory requirement

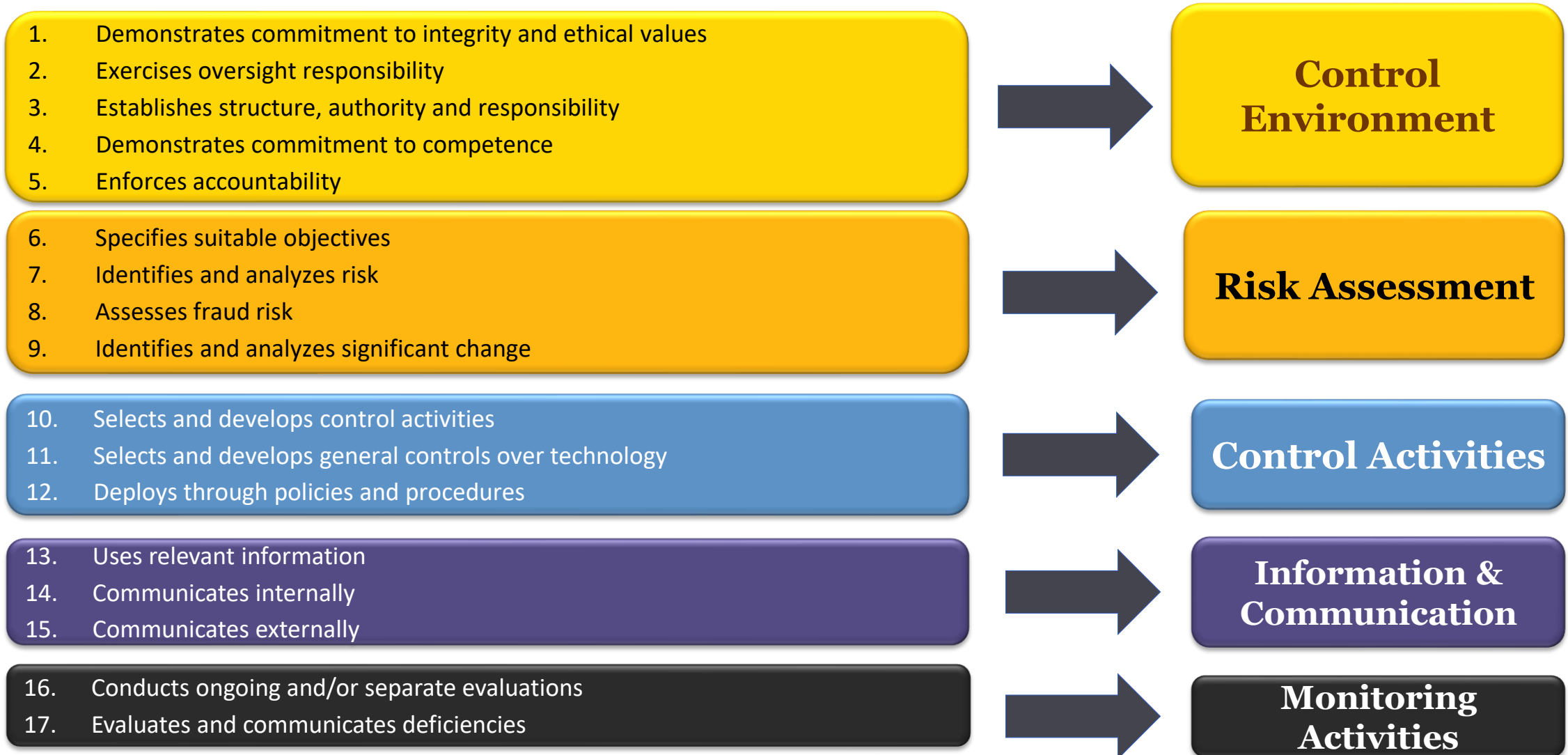
## Internal Control – Green Book



The standards in the Green Book are organized by the five components of internal control shown in the cube.

Each of the five components contains several principles. Principles are the requirements of each component.

## Internal Control – COSO



# How to Access Internal Control Frameworks

## **COSO framework**

- Update to COSO released in May 2013
- Available for purchase
- <https://www.aicpa.org/interestareas/frc/accountingfinancialreporting/cosoupdatedinternalcontrolframework.html>

## **Green Book**

- Update to the Green Book released in September 2014
- Available for free
- <https://www.gao.gov/greenbook/overview>

# COMPLIANCE REQUIREMENTS

## Compliance Requirements

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

## Determining Applicable Compliance Requirements

- Review all relevant awarding documents and contracts (as well as laws or regulations referred to in those documents)
- Review the OMB *Compliance Supplement* (Parts 2, 3, and 4)
- Review <https://beta.sam.gov> (formerly CFDA.gov)
- PTE guidance (e.g., grants management guide, program guides, etc.)



## Subrecipient Monitoring: Pass-Through Entity Requirements

**Determine if subrecipient or contractor**

**Clearly identify subawards to subrecipients**

**Provide certain subaward information at time of subaward**

**Evaluate each subrecipients risk of noncompliance**

**Consider imposing specific subaward conditions**

**Monitor activities of subrecipients**

**Verify subrecipient audited**

**Consider results of subrecipient audits**

**Consider taking enforcement action for noncompliant subrecipients**

## Subaward Requirements

1. Federal Award Identification
2. All requirements imposed by the PTE
3. Additional requirements that the PTE imposes on the subrecipient, including identification of any required financial or performance reports
4. An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between the PTE and the subrecipient or a de minimis indirect cost rate as defined in section 200.414
5. A requirement that the subrecipient permit the PTE and auditors to have access to the subrecipient's records and financial statements, as necessary
6. Appropriate terms and conditions concerning the closeout of the subaward

## Subrecipient Monitoring

- **PTE monitoring of the subrecipient must include:**
  - Reviewing financial and performance reports required by the PTE
  - Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient
    - Includes deficiencies detected through audits, on-site reviews, and other means.
  - Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the PTE as required by §200.521 Management decision.
  - Depending on risk assessment results, may require additional monitoring or assistance.

## Subrecipient Risk Assessment

- Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring
- Consider:
  - Subrecipient prior experience with the same or similar subawards;
  - Results of previous audits,
  - Whether subrecipient has new personnel or substantially changed systems; and
  - Extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

## Subrecipient Monitoring

- Verify every subrecipient is audited as required by Subpart F – Audit Requirements
- Caution!
  - A subrecipient may receive federal funding from other sources in addition to the City. If its total federal expenditures exceed \$750,000 in a year, it is subject to the audit requirements.
  - As a pass-through agency, the City must verify the subrecipient complies with the audit requirement regardless of the amount of federal funding the City provides to the subrecipient.

## Subrecipient Monitoring

- Review Subrecipient Audit Reports
- Consider –
  - Size of the award
  - Percentage of award vs. total federal awards received by the agency
  - Audit findings – internal control and/or compliance
  - Corrective action plan

## Subrecipient Monitoring

- Review Monitoring Results
  - Upon conclusion of all monitoring, consider any impact on PTE records.
  - Document the execution of monitoring activities and corrective action taken.
  - Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity (§200.521)

## Subrecipient Monitoring

### Consider Enforcement Action (§200.338)

If noncompliance cannot be remedied, the PTE may take one or more of the following actions, as appropriate:

- Temporarily withhold cash payments
- Disallow all or part of cost of the activity not in compliance
- Wholly or partly suspend or terminate the federal award
- Recommend that the federal agency initiate suspension and debarment proceedings
- Withhold further federal awards
- Take other remedies that may be legally available



# REPORTING

## Single Audit Timing Requirements

- Submission to the FAC
  - Earlier of 30 days after receipt of the auditor's reports or 9 months after year-end
- Reporting Package
  - Financial statements, SEFA, and the auditor's reports thereon
  - Auditor's report(s) on internal control over financial reporting and on compliance and other matters to meet *Government Auditing Standards* requirements (relates to financial statements)
  - Auditor's report on compliance and internal control over compliance (relates to major programs)
  - Auditor's schedule of findings and questioned costs
  - Auditee's summary schedule of prior audit findings
  - Auditee's corrective action plan (if applicable)

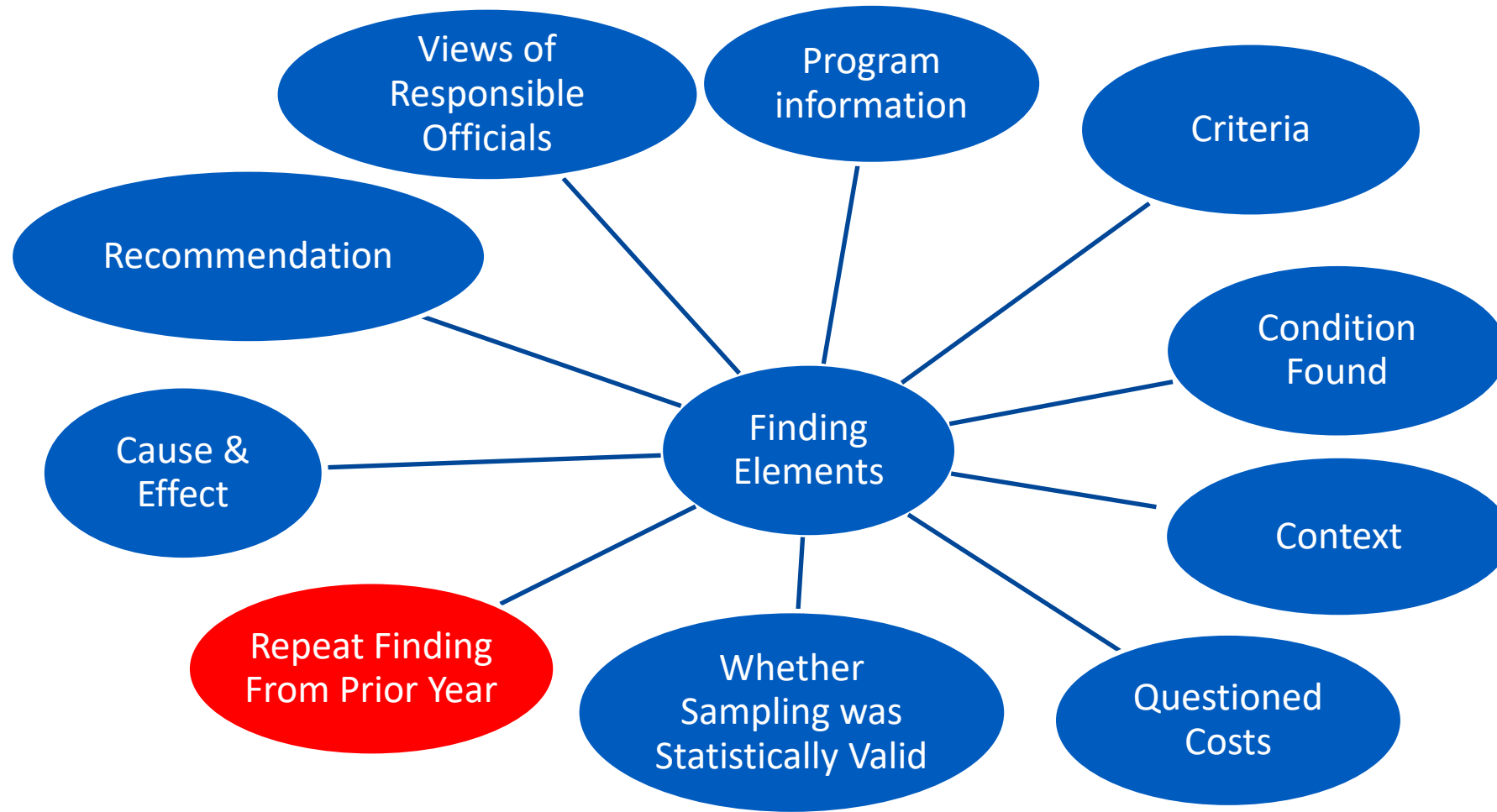
## Uniform Guidance Findings

- The auditor must report the following as audit findings in the Schedule of Findings and Questioned Costs:
  - Significant deficiencies and material weaknesses in internal control over major programs and significant instances of abuse
  - Material noncompliance with the provisions of 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
  - Known questioned costs when likely questioned costs are greater than \$25,000 for a type of compliance requirement for a major program

## Uniform Guidance Findings

- The auditor must report the following as audit findings in the SFQC: (continued)
  - Known questioned costs that are greater than \$25,000 for a federal program which is not audited as a major program
  - Known or likely fraud affecting a federal award, unless otherwise reported in the Schedule of Findings and Questioned Costs
  - Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit finding

## UG Finding Elements



# COMMON AUDIT FINDINGS

## Common Audit Findings

- **Preparation of the Schedule of Expenditures of Federal Awards (SEFA):**
  - Misclassification of contractor expenditures as pass-through (subrecipient) amounts.
  - Expenditures and pass through amounts reported under the wrong program or CFDA number.
  - Incorrect CFDA numbers and federal program name.
  - Noncash assistance amounts not included in the SEFA.
  - Federal expenditures in the SEFA do not reconcile with the general ledger and accounting records.

## Common Audit Findings

- **Activities Allowed or Unallowed and Allowable Costs/Cost Principles:**
  - Charging costs to federal awards for salaries and wages based upon budgeted amounts.
  - Inappropriate payments to participants due to untimely eligibility redeterminations or improper initial determinations.
  - Indirect costs charged that were based upon cost pool allocations that had unallowable costs.
  - Costs charged to federal programs incurred outside the period of performance or closeout period.



# Common Audit Findings

- **Cash Management**

- For non-Federal entities other than states, payment methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and disbursement.
- Claiming costs for reimbursement that were not incurred prior to requesting/receiving federal funds.
- Advancing funds to subrecipients when substantial prior federal funds were still on-hand and not being expended timely.
- Draw down of federal funds not adhering to the proper funding technique.

## Common Audit Findings

- **Eligibility:**
  - Funding to participant was not discontinued, although period of assistance ended.
  - Documentation to support eligibility determination were not retained.
- **Matching, Level of Effort, Earmarking:**
  - Contribution of specified dollar amount or percentage to match federal awards is not properly calculated.
  - Amounts were based on budget and not verified against with actual results.
- **Period of Performance:**
  - Using federal funds after the period of performance has lapsed without grantor approval.

## Common Audit Findings

- **Procurement and Suspension and Debarment:**
  - No documentation demonstrating that a check was performed to verify that a contractor or subrecipient was not suspended or debarred before entering into an agreement.
- **Reporting:**
  - Supporting data in all reports submitted to the grantor is not retained or missing.
  - No written documentation for correspondence with grantors on compliance requirement questions (e.g., approval of extensions on report submission deadlines).

## Common Audit Findings

- **Subrecipient Monitoring:**

- Non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities.
- A pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of subrecipient or a contractor.
- The Federal awarding agency may supply and require recipients to comply with additional guidance to support such determinations.

## Common Audit Findings

- **Examples of Subrecipient Monitoring Findings:**
  - Determinations not being performed or improper determinations of contractor vs. subrecipient.
  - Not communicating all required subaward information to the subrecipients (e.g. DUNS number, federal award identification number, federal award date, CFDA number, federal program name, etc.)
  - Insufficient risk assessment or no risk assessment being performed for each subrecipient.
  - Lack of established policies and procedures for conducting monitoring activities.
  - Lack of documentation to support monitoring activities being performed.
  - Not timely monitoring subrecipients or not following-up on status of corrective action plans.

## Common Audit Findings

- **Special Provisions – Wage Rate Requirements:**
  - The Davis–Bacon Act of 1931 requires local prevailing wages to be paid to contractors and subcontractors that perform work on federal projects for all contracts over \$2,000.
  - Payments were made to contractors/subcontractors before the certified payrolls or statements of non-performance were collected to review for compliance.

# COVID-19 CONSIDERATIONS

## SBA PPP Loans and Other CARES Act Funds Subject to Single Audit?

### Types of funding:

- Small Business Administration (SBA) Payment Protection Program (PPP) loans;
- SBA Economic Injury Disaster Loans;
- Treasury Middle Market or Economic Stabilization Fund loans for eligible not-for-profit organizations (NFPs);
- Education Emergency Stabilization Fund Assistance;
- Employee Retention Credits for NFPs;
- Reimbursements to state and local governments and NFPs for unemployment work-sharing programs;
- Accelerated/advance payment program for Medicare providers; and
- Provider relief funding from the Public Health and Social Services Emergency Fund



## SEFA and CFDA Questions

### Effect of Funding on Programs and Clusters

- To what extent will CARES Act funding fall into existing CFDA numbers?
- Will any existing clusters be affected by the addition of new CFDA numbers?
- Will there be any new clusters?
- Will COVID-19 awards have to be identified separately on the SEFA?
- If there will be separate SEFA requirements, how are the agencies communicating that information to recipients and subrecipients?

### 2020 Compliance Supplement

- At least 4 federal agencies (i.e., HHS, HUD, ED, and SBA) have requested additional time to add COVID-19-related information to their program sections.

## Impact on Single Audit

- Risk Assessment
  - Potential for more high-risk programs for 2020 single audits
  - e.g. new funding sources, changes in operating environment (e.g. cybersecurity) and personnel (e.g. volunteers or temporary hires)
- Internal Control
  - Different sets of controls 1) before COVID-19, 2) during the shutdown, and 3) a ramp up after stay-in-place restrictions are relaxed.
  - Potential for increased control findings
  - Increased sample sizes for controls and compliance testing
- Compliance & Documentation issues
  - Is the pandemic declaration sufficient to justify the sole source exemption in Uniform Guidance?
  - What are “appropriate” records and documentation to support certain charges to federal awards?
- Findings
  - Situations where audit findings related to COVID-19 would be of little value to the auditee and/or federal agency (e.g. procurement finding on emergency purchases for one-time funding)

## OMB Guidance to Date

### OMB Memo

- M-20-11, *Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly impacted by the Novel Coronavirus (COVID-19)*  
(<https://www.whitehouse.gov/wp-content/uploads/2020/03/M-20-11.pdf>)
- M-20-17, *Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations*  
(<https://www.whitehouse.gov/wp-content/uploads/2020/03/M-20-17.pdf>)

## Single Audit Extensions

- OMB memo M-20-11 provides waivers and a 12-month extension for grant recipients performing essential research and services necessary to carry out the emergency response related to COVID-19
- OMB memo M-20-17 provides a 6-month extension to an expanded scope of recipients affected by the loss of operational capacity and increased costs due to COVID-19
  - Applies to fiscal year-ends through June 30, 2020
- Both instruct “awarding agencies” to extend the submission deadline
  - Unclear how an awarding agency can authorize an extension when the recipient has awards from various federal agencies.
  - Extension under M-20-17 is broad. Recipients and subrecipients do not need to individually seek approval for the extension by the cognizant or oversight agency for audit.
  - Delayed completion and submission would still qualify the grantee as a “low-risk auditee”
  - Recipients should maintain documentation of the reason for the delayed filing

# PREPARING FOR THE SINGLE AUDIT

## Preparing for the Single Audit

- **Gather and summarize grant information**
  - Clean and organized records give auditors comfort
  - Have a fairly complete, accurate, and reliable first draft of your SEFA ready for the auditors
- **Document your policies and procedures**
  - Documentation drives quality and compliance
- **Discuss with auditor the scope of the single audit and nature of federal awards**
- **Review the *OMB Compliance Supplement***

## Preparing for the Single Audit

- **As a Pass-through Entity:**
  - Identify all sub-recipients
  - Risk assessments
  - Ensure subawards meet requirements
  - Develop monitoring files
    - Site visits
    - Contracts
    - Cross-agency information
    - Single Audit reports
    - Correspondence on issue resolution

## Preparing for the Single Audit

- **Cost Transfers:**
  - Shifts of costs between programs look suspicious
  - Those occurring close to the end of a project are particularly suspect
- **Applicable Credits:**
  - Do not forget to subtract credits from your grant charges before submitting to the awarding agencies
    - Purchase discounts
    - Rebates and refunds
    - Contract settlements



## Preparing for the Single Audit

- **Cash Management:**
  - Minimize the time elapsing between drawing down federal cash under your letter of credit and disbursing it by check
  - Credit any interest earned back to the federal government
- **Property Records:**
  - Make sure your property records include all of the required data elements outlined in Subpart E
- **Equipment Inventory:**
  - Take inventory of all equipment that has been acquired with Federal funds (at least once every two years)
  - Reconcile the inventory count to your property records

## Preparing for the Single Audit

- **Procurement:**
  - Become familiar with all federal, state, and local procurement requirements
    - e.g. FEMA grants require certain affirmative steps to ensure Minority and Women Owned Businesses are actively solicited during the procurement process.
  - Non-Competitive Procurement – If you award any contracts for goods or services on a sole source basis, prepare a written justification as to why you proceeded with the transaction
  - Avoid contract splitting

## Preparing for the Single Audit

- **Third Party In-Kind Contributions:**

- The value of services and property donated to the non-Federal entity may not be charged to the Federal award either as a direct or indirect (F&A) cost, but may be used to meet cost sharing or matching requirements.
  - See 2 CFR §200.306 Cost sharing or matching
- Costs must be necessary and reasonable for accomplishment of project or program objectives.

## Preparing for the Single Audit

- **Third Party In-Kind Contributions (continued):**
  - Carefully and reasonably estimate the fair market value of services, supplies, equipment, and facilities that you receive from third parties.
    - Volunteer services – labor rate used to determine the value should be the same as similarly paid employees with the organization; or, if none, use rate paid for similar work in the local market
    - Donated resources (e.g. use of equipment, property) – similarly, rate is determined by the local rates
    - Donated property (e.g. equipment, supplies) – use fair market value of the property at the time of the donation.

## Preparing for the Single Audit

- Ask questions
- Obtain awarding agency pre-approval as appropriate
- Follow procurement procedures
- Follow the scope of work
- Meet program deadlines
- Keep complete, clear, and accurate records

QUESTIONS?

## Year End Workshop Sessions

Topic	Date	Status
Kickoff	May 5 <sup>th</sup> , 11:00 – 12:00 PM	Completed
AOSD Guidance and Deadlines	May 6 <sup>th</sup> , 10:30 – 12:00 PM	Completed
Single Audit and Uniform Guidance	May 6 <sup>th</sup> , 2:00 – 3:30 PM	
Purchase Orders, Requisitions, and OCA Guidance	May 7 <sup>th</sup> , 11:00 – 12:00 PM	Upcoming