



FEDERAL YEAR-END UPDATE

FY17

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Agenda

- General overview of federal grants
- Sources of Compliance
- Single Audit in the Washington State
- FY17 Single Audit Key Dates
- Compliance Supplement and Compliance Requirements
- Subrecipient Monitoring
- Federal Disclosure Forms
- DATA Act
- Training/Resources

What is a Federal Grant?

- ❑ One of many different forms of federal financial assistance.
- ❑ In April 2017, the Catalog of Federal Domestic Assistance website listed over 2300 federal grant programs, with over \$600 billion of grant funding awarded.

CATALOG of FEDERAL DOMESTIC ASSISTANCE

Home Programs Agencies Regional Agency Offices General Info Privacy

CFDA Statistics: Programs at a Glance

CFDA contains detailed program descriptions for **2,312** Federal assistance programs. The following chart shows the program distribution for the top five issuing agencies.

Agency	Program Count	Percentage
Department of Health and Human Services	514	39%
Department of the Interior	287	22%
Department of Agriculture	268	20%
Department of Justice	144	11%
Department of Housing and Urban Development	114	9%

Last updated April 25, 2017

About CFDA

Catalog of Federal Domestic Assistance (CFDA) provides a full listing of all Federal programs available to State and local governments (including the District of Columbia); federally-recognized Indian tribal governments; Territories (and possessions) of the United States; domestic public, quasi- public, and private profit and nonprofit organizations and institutions; specialized groups; and individuals.

Find Programs

Search now! You do not need an account to search the catalog and view Federal assistance programs.

Keyword or Program Number

Assistance Type

Select Assistance Type...

SEARCH

[Advanced Search Form](#)

[Find Programs by Number](#)

[Find Programs by Agency](#)

[Added Programs \(since last publication date\)](#)

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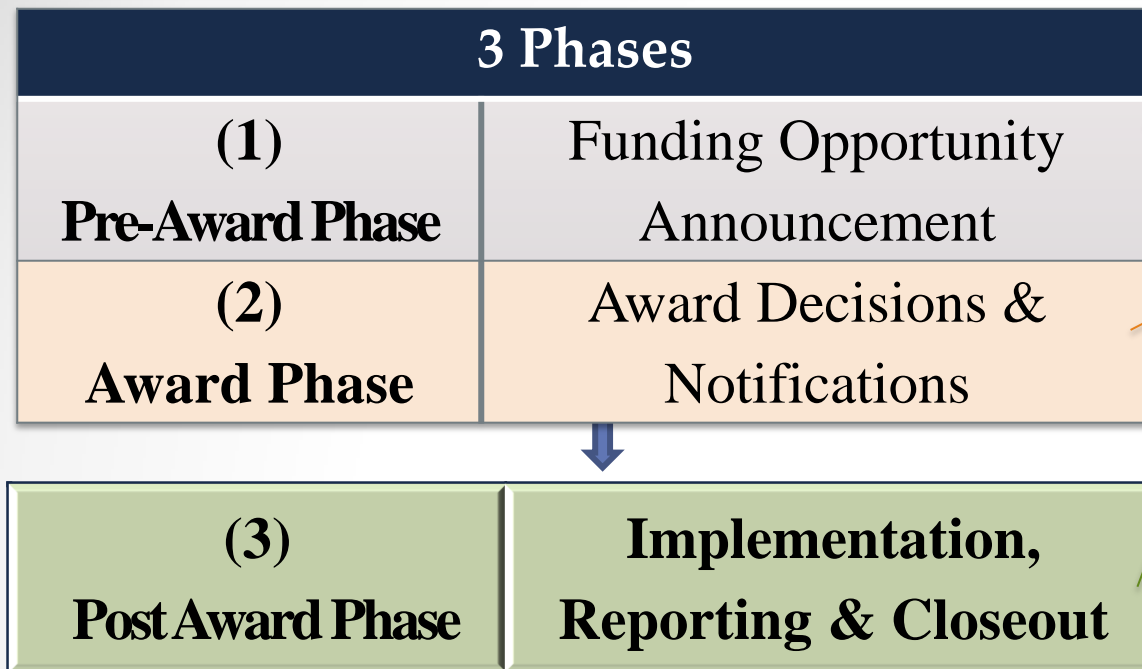
[Download CFDA 2016 Print Edition](#)

RECOVERY

SEARCH RECOVERY PROGRAMS

<https://www.cfda.gov/>

The Grant Lifecycle



- Applications
- Review grant applications.

- Notice of Award (NOA) sent.

- Grant program implementation.
- Monitoring and oversight.



Close out !

- ❑ Grant recipients must submit the final financial and programmatic reports.
- ❑ Typically required to retain grant records for at least 3 years from final expenditure report.

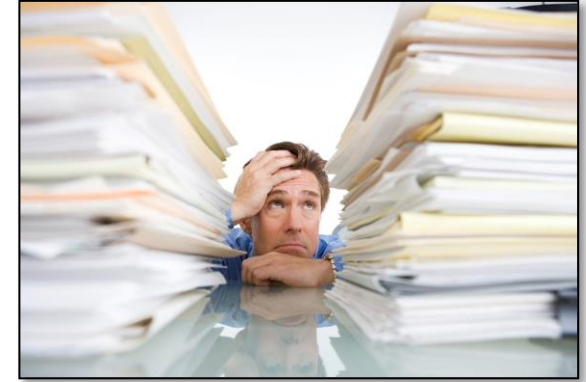
Sources of Compliance Requirements



- ❑ Single Audit Act
- ❑ Statutes and regulations that establishes specific grant programs (e.g, American Reinvestment and Recovery Act)
- ❑ Federal awarding agency regulations and policies
- ❑ Grant award terms and conditions

What is a Single Audit?

History:



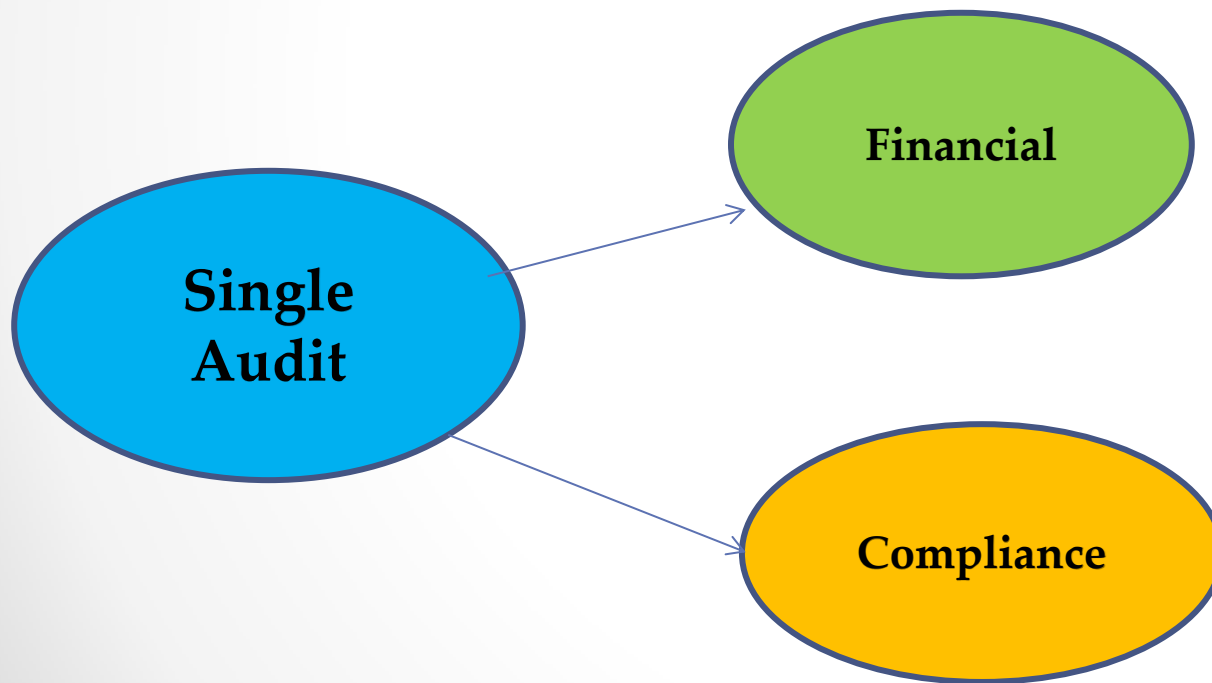
- ❑ Each federal agency used to be responsible for its own audits.
- ❑ Numerous agencies and grant programs - auditing became increasingly difficult and time consuming.
- ❑ Inflated costs to Federal Government and undue burden on recipients.
- ❑ Single Audit Act of 1984 standardized audit requirements for States, local governments, and Indian tribal governments.
- ❑ Office of Management and Budget (OMB) issued various circulars.

What is a Single Audit? (cont'd)

- OMB issued Circular A-133 in 1990:

“Audits of States, Local Governments, and Non-Profit Organizations”

- 1996 amendments updated audit requirements and streamlined the auditing process – only need a single, annual audit.



The audit examines:

- financial statements
- federal award transactions and expenditures
- the general management of its operations
- internal control systems

What is the Uniform Guidance?



- ❑ December 2014 - OMB rescinded 8 OMB Circulars.
- ❑ Implemented *Uniform Administrative Requirements, Cost Principles, and Audit Requirements, codified in 2 CFR 200*
- ❑ Beginning FY16, single audits **must** be performed under the Uniform Guidance.

Why is it important



- ❑ Consolidates federal grants administration requirements .
- ❑ Establishes standard language for guidance.
- ❑ Addresses grant management policy for Federal Grantees, Grant Recipients and Auditors.
- ❑ Lays the groundwork for Federal agencies to standardize the processing of data.
- ❑ Clarifies and updates cost reporting guidelines for award recipients.

What is the Uniform Guidance? (cont'd)

Then:



State, Local & Tribes

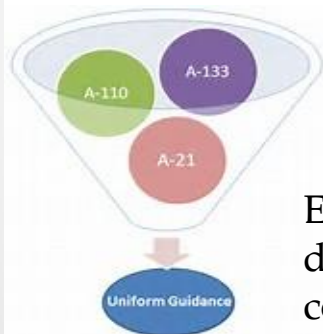
- A-102
- A-87

Universities

- A-89
- A-133
- A-50

Non-profits

- A-110
- A-122



Eliminating duplicative and conflicting guidance

- A-21, *Cost Principles for Educational Institutions,*
- A-87, *Cost Principles for State, Local and Indian Tribal Governments,*
- A-89, *Catalog of Federal Domestic Assistance,*
- A-102, *Grants and Cooperative Agreements With State and Local Governments,*
- A-110, *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations,*
- A-122, *Cost Principles for Non-Profit Organizations,*
- A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and
- The guidance in OMB Circular A-50, *Audit Followup, on Single Audit Act followup*

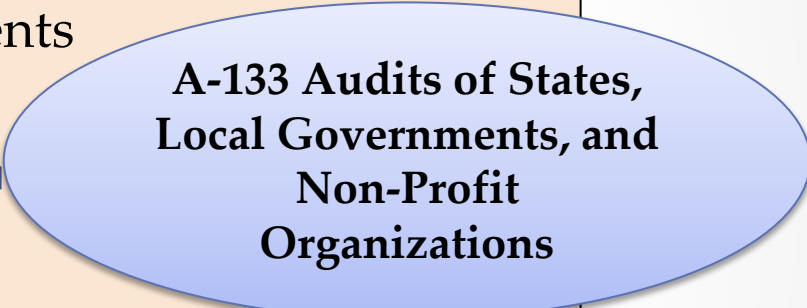
Now:

All OMB guidance streamlined in 2 CFR 200. **UG!**



What is the Uniform Guidance? (cont'd)

2 CFR 200 – basic layout

- 6 Subparts A through F
 - Subpart A, 200.XX – Acronyms & Definitions
 - Subpart B, 200.1XX – General
 - Subpart C, 200.2XX – Pre Award – Federal
 - Subpart D, 200.4XX – Post Award – Recipients
 - Subpart E, 200.4XX – Cost Principles
 - Subpart F, 200.5XX – Audit** ← 
- 12 Appendices – I through XII
- <https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>



Be sure that as a non-federal entity that receives federal grants, you know what policies and procedures need to be revised, deleted, or created.

Highlights of Changes in UG



- ❑ Increased audit threshold to \$750,000
- ❑ Changes to the major program determination process – §200.518
- ❑ Significant emphasis on internal controls, policies, and procedures § 200.303
- ❑ Fixed Amount Awards and Subawards and how they can streamline grants management - §200.201(b)
- ❑ Changes regarding indirect cost rates - 10% de minimis rate - §200.414 (f)
- ❑ Audit changes and requirements for Subrecipient monitoring by pass-through entities - §200.331
- ❑ Increased the threshold for reporting known and likely questioned costs from \$10,000 to \$25,000 - §200.516



SAAM 50.30 was updated to reflect changes that will impact compliance with the Federal Single Audit Act in WA.

Upcoming Changes

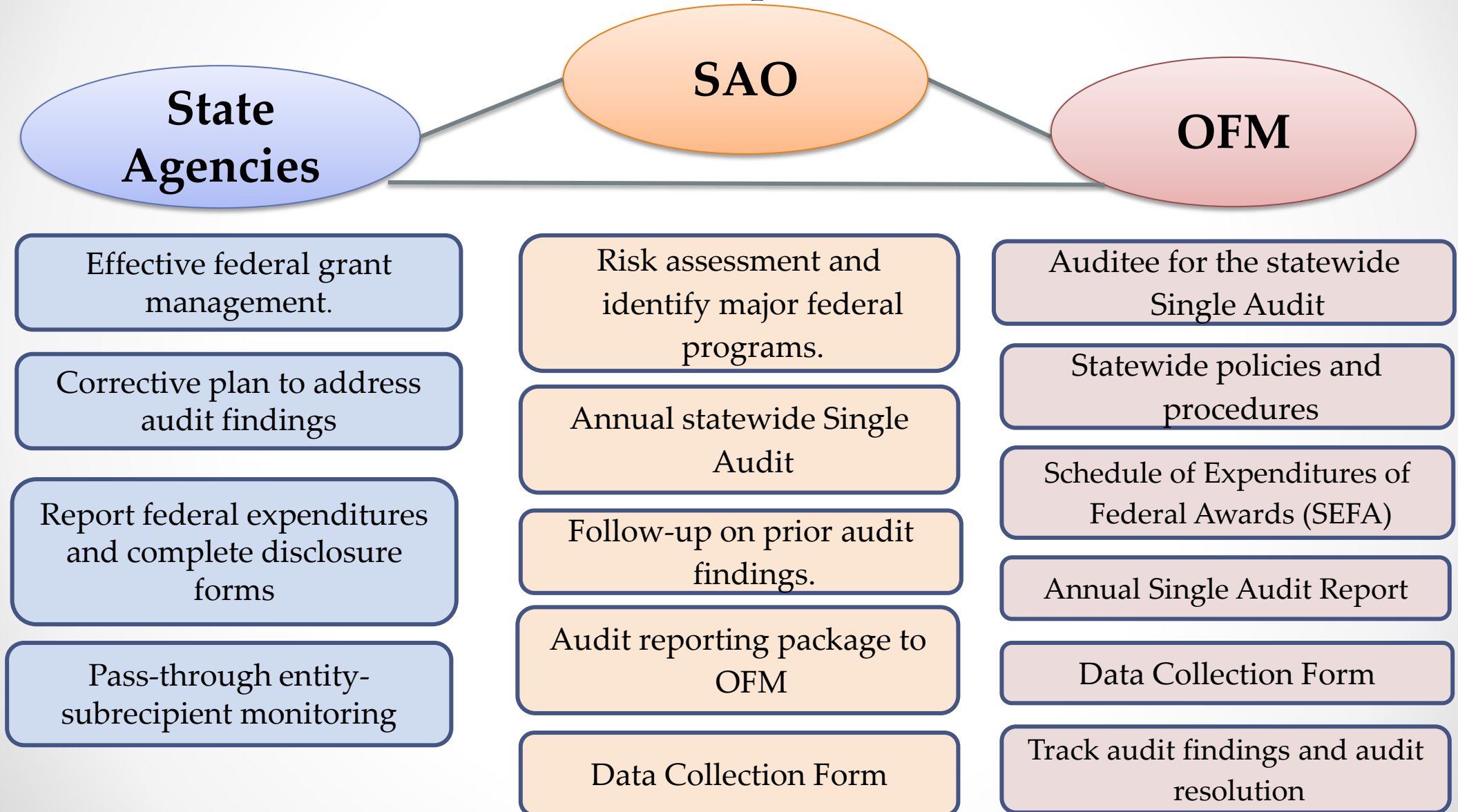
- ❑ New grantee procurement procedures - §200.320
 - the new standards will be effective starting FY19.

- ❑ Audit Quality Project - §200.513
 - once every 6 years and make the results public.
 - first one will likely occur in 2019 but have no definite details released yet.

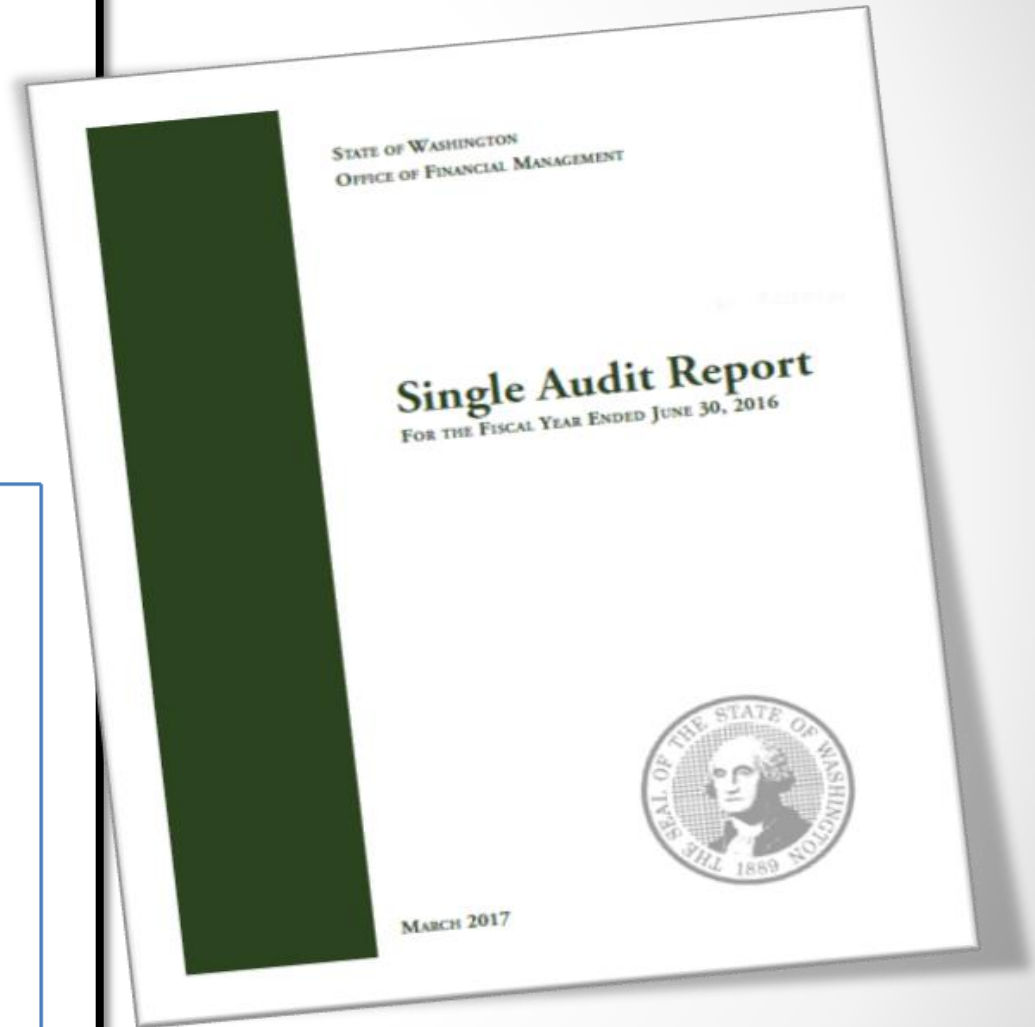
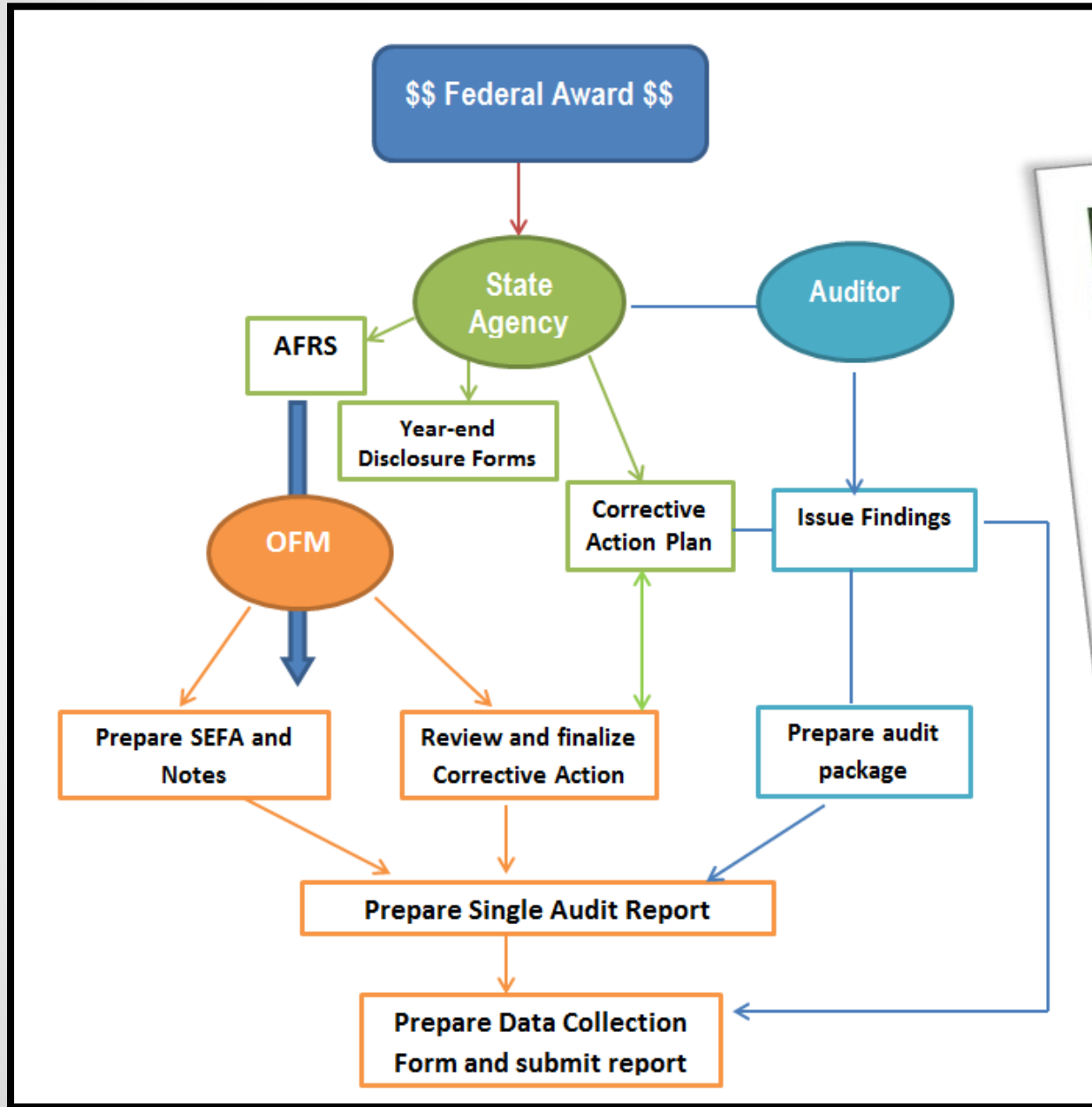
- ❑ 6 Executive Orders that OMB stated could impact the grants community/Single Audit:
 - *March 29, 2017 - Presidential Executive Order Establishing the President's Commission on Combating Drug Addiction and the Opioid Crisis*
 - *January 30, 2017 - Presidential Executive Order on Reducing Regulation and Controlling Regulatory Costs*
 - *January 25, 2017 - Executive Order: Border Security and Immigration Enforcement Improvements*
 - *January 25, 2017 - Executive Order: Enhancing Public Safety in the Interior of the United States*
 - *January 23, 2017 - Presidential Memorandum Regarding the Mexico City Policy*

Single Audit Key Players

- SAAM 50.30 defined responsibilities in WA State



Single Audit Flowchart



Statewide Single Audit Report

- The Single Audit report includes:
 - Financial Statements Section
 - Includes SEFA
 - Auditor Section
 - Audit Opinions
 - Federal Findings
 - Auditee Section
 - Corrective Action Plans
 - Summary Schedule of Prior Findings

- OFM must submit the Single Audit report to the Federal government by March 31st.

Uniform Guidance

§200.510 (b)- required SEFA components.

§200.511 (b) - Summary schedule of prior audit findings:

.... must report the status of all audit findings included in the prior audit's schedule of findings and questioned costs.

§200.511(c) - Corrective action plan:

..... At the completion of the audit, the auditee must preparea corrective action plan to address each audit finding included in the current year auditor's reports.

§200.512 – Report submission:

....The audit must be completed and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.



2016 Single Audit Results Summary

Federal Assistance Expenditures	2016	2015	2014	2013
Federal Assistance Expenditures	\$ 17.2 Billion	\$ 17 Billion	\$ 15.7 Billion	\$ 14.9 Billion
Questioned Costs*	\$ 18.4 Million	\$ 28.7 Million	\$ 3.9 Million	\$ 4.3 Million
Likely Questioned Costs **	\$ 369.7 Million	\$ 142.2 Million	\$ 13.8 Million	N/A
Total Number of Findings	50	56	55	45
Total Number of Repeat Findings	25	20	20	22
Total Number of New Findings	25	36	35	23

* Questioned costs - specifically identified by the auditor resulting audit exceptions.


** Likely questioned costs - best estimate of total questioned costs that may exist in the items of the population not tested by the auditor. Sampling involves projecting the error/noncompliance rate to the entire population.

2016 Single Audit Results Summary (cont'd)

Findings Category (compliance requirements):	FY16	FY15
Activities Allowed or Unallowed/ Allowable Costs/ Cost Principles	22	15
Special Tests and Provisions	22	13
Subrecipient Monitoring	1	2
Eligibility	6	5
Level of Effort/Maintenance of Effort, Matching, Earmarking	3	5
Suspension and Debarment	0	1
Period of Availability	1	3
Reporting	2	3
Program Income and Cash Management	0	1
Multiple Compliance Areas	8	6
Non-Federal	1	2

- All findings are followed up by the feds based on the agency's corrective action plan.
- Potential consequences::
 - decrease future funding for the state
 - agency pay back the questioned costs.
 - Worst scenario!!* ○ the program could be eliminated.
- For more information, refer to §200.207 and §200.338 of the Uniform Guidance.

FY 17 Key Dates

 Date	Reporting Item
July 15, 2017	Disclosure Form application opens
July - Aug	Updates to prior finding corrective action plans
Sept 1, 2017	Phase 2 closes and disclosure forms close
Sept 13, 2017	State Financial Certification form is due
Jan 31, 2018	Federal Assistance Certification form is due
Ongoing	Corrective action plans for FY 17 findings
Mar 31, 2018	Submit to the Single Audit Clearinghouse (OFM)

Federal Assistance Disclosure Forms

Federal Assistance Disclosure Form Lead Sheet

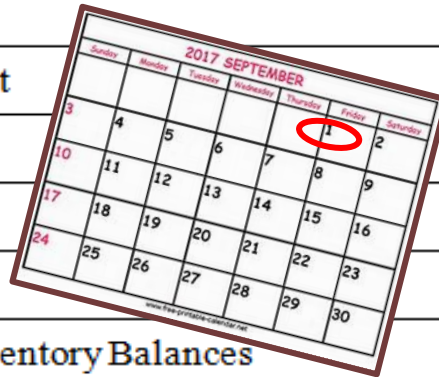
Agency Code:

Agency Title:

95.20.10

Federal Assistance Disclosure Form Lead Sheet

Federal Disclosure Forms	SAAM	Required	Completed
Due September 1, 2017 – Phase 2 Disclosure Forms			
Federal Analytical Review	95.20.30		Yes / N/A
Federal Assistance Received from Nonfederal Sources (Pass-Through)	95.20.70		Yes / N/A
Federal Financial Assistance - Direct	95.20.20		Yes
Federal Identification Numbers	95.20.80	Required	Yes
Federal Loan Balances	95.20.60		Yes / N/A
Federal Nonfinancial Assistance	95.20.40		Yes / N/A
Federal Nonfinancial Assistance Inventory Balances	95.20.50		Yes / N/A
Due January 31, 2018 - Certification			
Federal Assistance Certification	95.20.90	Required	Yes



- Capture detailed data for various aspects of federal assistance activities.
- Facilitates the preparation of the SEFA.
- Agencies should review the information in AFRS before reporting on the disclosure forms!

Disclosure Forms - Federal Financial Assistance Direct

Federal Financial Assistance - Direct

Agency Code: _____ Agency Title: _____

95.20.20 Federal Financial Assistance - Direct

CFDA #	Federal Funding Agency	Major Sub-division	Program Title	Cluster	Award Contract Number	Revenue Amount	Expenditure Amount	Difference	Expenditure Amount Passed Through to Subrecipients
Total \$ federal award expenditures									
									See example

Report federal revenue using:
 - major sources "03" + sub-source for each federal agency.
 - "0301-0353 and 0357-0399"
 SAAM 75.80.30
 e.g. Federal Department of Health and Human Services - CFDA Number: 93.xxx
 = Revenue Source: 0393

In general:
 revenue = expenditure
 difference = zero.

BEST PRACTICE

- Make sure federal revenues are coded to the appropriate revenue source code in AFRS.
- Periodic reviews throughout the year to detect errors.

Reconciliation of Agency Direct to ER "Federal Revenue" report

	Revenue	Expenditure
Totals from above	\$ _____	\$ _____
Revenue totals from ER "Federal Revenue" report		
GL Codes 3205, 3210 and 3260, excluding Revenue Source Code 0355	_____	_____
Differences (should be zero)	_____	_____

If there is a difference, please note the CFDA number and include an explanation below

Variance?
 - Need detailed explanation

Disclosure Forms - Federal Financial Assistance Direct

Examples of Allowable Explanations:

- ❑ One agency records revenue, another records expenditures.
- ❑ Agency records revenue in federal sources and records related expenditures in non-federal appropriations.
- ❑ Activities associated with nonappropriated/allotted and nonbudgeted accounts (EA code 6). *e.g. Federal Seizure Account.*
- ❑ Program income from various CFDA's. *e.g. interest earned on Perkins loans coded to non-federal revenue source.*
- ❑ Federal draw downs were not processed until the following fiscal year.
- ❑ Minor rounding differences.

If you have a unique situation and not sure, please contact your financial consultant.

Disclosure Forms - Federal Financial Assistance Direct Pass-through Reporting



SAAM 95.20.10 (b) -

- Do not include amounts passed through to other WA state agencies.
- When a portion is subsequently passed through to a non-state agency (subrecipient), need to report the amount as a pass through expenditure by the original state agency.

	Agency A Received Federal Funds	Agency A Passes the federal funds to Agency B	Agency B Passes the federal funds to subrecipient
EXAMPLE	\$1,000,000	\$500,000	\$200,000
REPORTING REQUIREMENTS			
Agency A:			
Disclosure Form – Expenditure Column	\$1,000,000		
Disclosure Form – Pass Through Column			\$200,000
Agency B:			
Communicate with Agency A the total amount passed through to non state agency subrecipients. In this example the \$200,000			
DO NOT report anything on the disclosure forms since Agency A has already reported the full amount.			

Federal Financial Assistance - Direct									
Agency Code: <u>125</u> Agency Ti <u>Agency A</u> :y									
95.20.20 Federal Financial Assistance - Direct									
CFDA #	Federal Funding Agency	Major Sub-division	Program Title	Cluster	Award Contract Number	Revenue Amount	Expenditure Amount	Difference	Expenditure Amount Passed Through to Subrecipients
15.614	Dept of Interior	Fish and Wildlife	Coastal Wetlands	01	123-456	1,000,000	1,000,000	0	\$200,000
									22

Disclosure Forms - Federal Assistance from Nonfederal Sources (Pass-Through)

Federal Assistance Received from Nonfederal Sources (Pass-Through)

Agency Code: _____ Agency Title: _____

95.20.70 Federal Assistance Received from Nonfederal Sources (Pass-Through)

CFDA#	Federal Funding Agency	Major Sub-division	Program Title	Cluster	Entity Name	Award Contract Number	Revenue Amount	Expenditure Amount	Difference	Expenditure Amount Passed Through to Subrecipients

Reconciliation of Agency Pass-Through to ER Federal "Other Grant Assistance" report

	Revenue	Expenditure
Totals from above	\$ _____	\$ _____
Revenue totals from ER Federal "Other Grant Assistance" report		
GL Codes 3205, 3210 & 3260, Revenue Source Code 0546	_____	_____
Differences (should be zero)	_____	_____

If there is a difference, please note the CFDA number and include an explanation below.

- Federal financial assistance received from entities other than federal or Washington state awarding agencies.
- Use Revenue Source Code 0546 "Federal Revenue - Pass-Through." (SAAM 95.20.70)
- Generally, the associated expenditures are accounted for as private/local expenditure authority charges.
- Reconciling the entered amount to revenue recorded in AFRS.
- Agencies are also required to report the portion of expenditures passed through to subrecipients.

Disclosure Forms - Federal Nonfinancial Assistance

Federal Nonfinancial Assistance						
Agency Code: _____		Agency Title: _____				
95.20.40 Federal Nonfinancial Assistance						
CFDA #	Federal Funding Agency	Program Title	Revenue Amount	Expenditure Amount	Difference (Must be zero)	Expenditure Amounts Passed Through to Subrecipients
Totals						

Revenue amounts should be limited to Accounts 001 and 416 GL Code 3225 Revenue Source codes 03XX. Expenditure amounts should be limited to Accounts 001 and 416 GL Code 6525, Objects N and E and Expenditure Authority types 2 and 3 in Account 001 and Expenditure Authority types 2, 3 and 6 in Account 416. This form should include CFDA numbers 10.551, 10.555, 10.565, 10.569, 39.003, 93.069, and 93.268. CFDA number 39.003 amounts, if any, should be entered on a separate line with revenues amounts equal to expenditure amounts. Because the value for federal surplus property is normally not entered in the state accounting system, the amounts for CFDA number 39.003 will not be included on the ER report referenced in the reconciliation box below.

Reconciliation of Agency Nonfinancial to ER Federal "Non-Financial Revenues & Expenditures" report		
	Revenue	Expendi
Totals from above, less CFDA number 39.003, if any	\$ _____	\$ _____
Totals from ER Federal "Non-Financial Revenues & Expenditures" report Accounts 001 and 416		
Revenues: GL Code 3225, Revenue Source codes 03XX		
Expenditures: Accounts 001 and 416, GL Code 6525, Objects N and E, Expenditure Authority types 2 and 3 (Account 001) and Expenditure Authority types 2, 3 and 6 (Account 416)	_____	_____
Differences (should be zero)	_____	_____

If there is a difference, please note the CFDA number and include an explanation below.

- ❑ Surplus property and donated inventories.
(for example food commodities and immunization supplies).
- ❑ Use this form to report the expenditure or usage of this assistance by CFDA number.
- ❑ SAAM 85.56.40.c has specific guidance for custodial state agencies (e.g. DES) that transmit portions of their donated inventories to other state agencies for eventual use.

PLEASE!!
NOTE

Disclosure Forms - Federal Loan Balances

Federal Loan Balances

Agency Code: _____ Agency Title: _____

95.20.60 Federal Loan Balances

The costs of administration of these programs should not be recorded on this form. Costs of administration should be recorded on the Federal Financial Assistance - Direct form.

CFDA #	Federal Funding Agency	Major Sub-division	Program Title	Cluster	Loan Balances as of July 1
				Total	

Prior year ending loan balance

Federal Loan Balances Reconciliation

Beginning loan balances as of July 1, from above \$ _____

Plus: New loans () _____

Less: Repayments \$ _____

Ending loan balances as of June 30

Reconciliation to the Federal Direct Form

New loans, from the loan balance reconciliation above \$ _____

Repayments, from the loan balance reconciliation above () _____

Total _____

Amount reported on the Federal Financial Assistance - Direct form \$ _____

Difference (should be zero) _____

If there is a difference, note the CFDA number and provide an explanation below:

- Report activity and balances of loans:
- Beginning balance and new loan amount must be entered as positive numbers.
 - Repayment amount must be entered as a negative number.
 - Ending loan balance is a calculated field.
 - The reconciliation to the Federal Direct Form is automatically populated based on the CFDA numbers.
 - Need a detailed explanation if there is a difference!

Disclosure Forms – Federal Analytic Review

Federal Analytical Review

Agency Code: _____ Agency Title: _____

95.20.30 Federal Analytical Review

Instructions: Complete this form after you have finished the Direct, Pass-Through, Nonfinancial Assistance and Loan Balances federal forms.

If there has been a material change on a federal form since last fiscal year, this form will automatically populate with the current year and prior year information. Provide an explanation for each material change listed below.

Federal disclosure form	Expenditures Passed Through to Subrecipients	CFDA #	Federal Funding Agency	Major Sub-division	Program Title	Prior Year	Current Year	Change	Explanation
A. Direct	Expenditures Passed Through to subrecipients								
B. Pass-Through	Expenditures Passed Through to subrecipients								
C. Nonfinancial Assistance	Expenditures Passed Through to subrecipients								
D. Loan Balances	Ending Loan Balances as of June 30								

The threshold is established each year by OFM
* FY17 - +/- \$20 Million OR 20%.

- Enter all information on ALL of the other federal forms first.
- The information will prefill from the disclosure forms.
- For each line that has data prefilled, add a explanation for the reason for the change from the prior year

Disclosure Forms – Federal Analytic Review

EXAMPLE

Instructions: Complete this form after you have finished the Direct, Pass-Through, Nonfinancial Assistance, and Loan Balances federal forms. If there has been a material change on a federal form since last fiscal year this form will automatically populate with the current year and prior year information. Provide an explanation for each material changes listed below.



Federal Disclosure Form	Expenditures/ Passed Through to Subrecipients	CFDA #	Federal Funding Agency	Major Subdivision	Program Title	Prior Year Expenditure Amount	Current Year Expenditure Amount	Change	Explanation
A. Direct	Expenditures	12.000	Dept of Defense	DOD Contract Number Only Provided	DOD - Contract Number Only Provided	4,215,562	0	(4,215,562)	We received an increase in DOD funding this past year.
A. Direct	Expenditures	81.000	Dept of Energy	DOE Contract Number Only Provided	Energy - Contract Number Only Provided	2,495,943	0	(2,495,943)	There has been a change in the way these are accounted for
A. Direct	Expenditures	84.334	Dept of Education	Education	Undergraduate	9,319,565	5,305,292	(4,014,273)	The Gear-up grant has increased with 3 separate groups going for this year.
B. Pass-Through	Expenditures	81.000	Dept of Energy	DOE Contract Number Only Provided	Energy - Contract Number Only Provided	3,129,394	0	(3,129,394)	There has been a change in the way these are accounted for
B. Pass-Through	Expenditures	98.RD	U.S. Agency for International Development	US Agency for International Development	US Agency for International Development - Unknown	0	2,170,295	2,170,295	We have received an increase in flow through funding.

Make sure every line on this form has an explanation.



[Return To Lead Sheet](#)

Warning: you have not completed all the required explanations.

Instructions: Complete this form after you have finished the Direct, Pass-Through, Nonfinancial Assistance, and Loan Balances federal forms. If there has been a material change on a federal form since last fiscal year this form will automatically populate with the current year and prior year information. Provide an explanation for each material changes listed below.

Disclosure Forms – Federal Assistance Certification

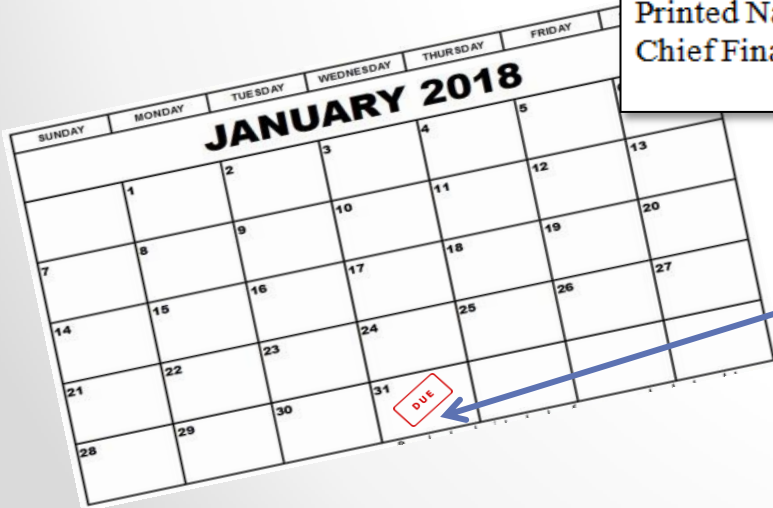
95.20.90 Federal Assistance Certification

I certify, that to the best of my knowledge, the following statements are true:

- (1) We are responsible for complying, and have complied with the requirements of the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*.
- (2) We have provided all information to the SAO whenever records or data were made available.
- (14) We have no knowledge of any fraud, allegations of fraud or suspected fraud involving management, employees or others related to federal programs.
- (15) To the best of my knowledge, no known instances of noncompliance with direct and material compliance requirements or exceptions to the above certifications have occurred subsequent to June 30, 2017, and through the date of this certification.

Note: Any exceptions to the above certifications are attached with a narrative detailing the variance(s) and our proposed or completed corrective actions.

Printed Name and Title of Agency Head	Signature	Date
Printed Name and Title of Chief Financial Officer	Signature	Date



Due January 31, 2018

Disclosure Forms Basics

- Temporary CFDA numbers -

1. No CFDA number and has federal award number: *SAAM 95.20.10b*
 - Review agreement of the program thoroughly:
 - “Contract” - do not include on the disclosure forms.
 - “Federal awards” - review all agreements for the same federal agency and try to group together programs serving the same purposes.
 - Report CFDA number = XX.000 and the federal award number must be provided.

Federal agy #
2. No CFDA number and NO federal award number:
CFDA number = XX.999
 - ❑ The XX.000 and XX.999 CFDA numbers are temporary numbers. A different number will be assigned after phase 2 closes for SEFA reporting. An OFM accounting consultant will be contacting you with further instructions.
 - ❑ R & D Cluster – required to also enter the major subdivision name when reporting.



Disclosure Forms Basics

- Adding CFDA numbers -

What should you do if a CFDA is not available in the disclosure form application?

1. Double check in AFRS TM.4.2 screen
2. Submit a request to your OFM Financial Consultant to have the CFDA number added.
 - Submit a copy of the grant award document that shows the CFDA number.
 - Generally we can add a CFDA number the same day.
 - We suggest checking AFRS screen as soon as you receive a new award to see if it is already included.
 - Doing this throughout the year will help in avoiding a ton of requests the week before phase 2 closes.

```
=== AFRS = (TM.4.2) ===== CFDA TABLE VIEW ===
TR: _____ CREATE DATE: _____
                                LAST UPDATE: _____

FUNCTION: V (V=VIEW, N=NEXT, B=BACK)

CFDA NO: 10 . 911__
SUBDIVISION: __ CLUSTER: __
ARRA: _ (Y=YES, N=NO, M=MIXED)
INACTIVE DATE: _____
TITLE:

                                F3=RETURN, F12=MESSAGE,
CFDA FEDERAL PROGRAM NOT FOUND
```

BEST PRACTICE

Disclosure Form basics

- Temporary CFDA numbers -



In prior years, SAAM directed agencies to convert the following for SEFA reporting:

- Federal agency code 45 - 05, 06 or 03
- Federal agency code 95 - 07



Both are available as federal agency prefixes in the new Data Collection Form now.

Disclosure Form basics

- Other reminders -

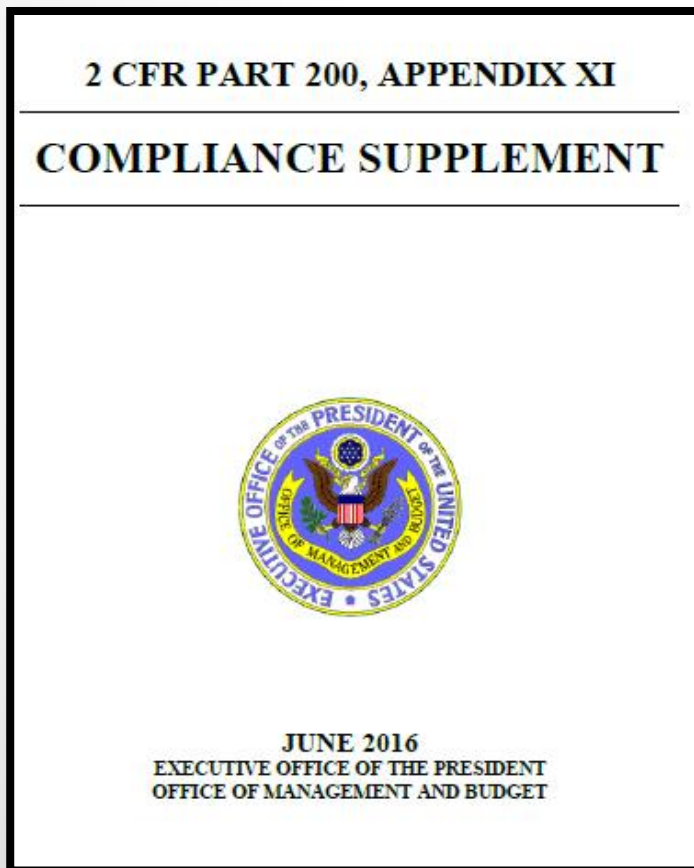
- ❑ When running ER reports. ensure the same criteria are used as listed on the Disclosure Forms.
- ❑ Report both direct and indirect and actual and accrued expenditures.
- ❑ Round amounts to the nearest dollar.

- ❑ When:
 - Federal revenue \neq AFRS
 - Federal revenue \neq Federal expenditures

- DO NOT just make them match
- Need explanation - documented and supported!

What is a Compliance Supplement?

- ❑ 2 CFR Part 200 Appendix XI
- ❑ Federal program's objectives, procedures, and compliance requirements relevant to the audit, as well as audit objectives and suggested audit procedures for determining compliance with these requirements.



- ❑ PART 1 – BACKGROUND, PURPOSE, AND APPLICABILITY
- ❑ PART 2 – MATRIX OF COMPLIANCE REQUIREMENTS
- ❑ PART 3 – COMPLIANCE REQUIREMENTS
 - ❑ Part 3.1 Applies to Federal awards made prior or Dec 26, 2014 with terms and conditions based on the previous OMB circulars on cost principles.
 - ❑ Part 3.2 applies to new federal awards and incremental funding actions with changed terms and conditions based on the new uniform guidance 2 CFR PART 200
- ❑ PART 4 – AGENCY PROGRAM REQUIREMENTS
- ❑ PART 5 – CLUSTERS OF PROGRAMS
- ❑ PART 6 – INTERNAL CONTROL
- ❑ PART 7 – GUIDANCE FOR AUDITING PROGRAMS NOT INCLUDED IN THIS COMPLIANCE SUPPLEMENT

What are Compliance Requirements?

...a series of directives established by federal granting agencies to facilitate a recipients' compliance with federal laws and regulations...

2016 compliance supplement listed 12 compliance requirements:

1. Activities Allowed or Unallowed
2. Allowable Costs/Cost Principles
3. Cash Management
4. Eligibility
5. **Equipment and Real Property Management**
6. Matching, Level of Effort, Earmarking
7. Period of Performance
8. Procurement and Suspension and Debarment
9. Program Income
10. Reporting
11. Subrecipient Monitoring
12. Special Tests and Provisions



- Combined Real Property Acquisition with Equipment
- Removed Davis-Bacon Act

What are the main responsibilities of Pass-through Entities?



§200.331 Requirements for pass-through entities

- Defines information which must be detailed in a subagreement.
- All pass through entities must honor subrecipient's negotiated indirect rate.
- Monitor activities of subrecipient.
- Ensure that subs that spend more than \$750,000 or more during their fiscal year in Federal awards to have a single or program-specific audit conducted (§200.501).
- Make management decisions on all findings within 6 months of issuance.

§200.331(b) Requirements for pass-through entities evaluation subrecipients risk of noncompliance

- Significant increase in effort or required to conduct and document the risk assessment.
- Effective monitoring program to ensure award is used for authorized purpose and goals are achieved.

Subrecipient vs. Contractor ?

§200.330 Subrecipient and contractor determinations

- ❑ Clarifies that the pass-through entity is responsible for making the determination of subcontractor or contractor/vendor.
- ❑ Federal awarding agency may require recipients to comply with additional guidance to support these determination.



A Subrecipient

- determines eligibility for federal financial assistance.
- its performance is measured against federal program objectives
- has responsibility for programmatic decision making.
- has responsibility for meeting applicable federal program compliance requirements.

A Contractor

- provides the goods and services within normal business operations
- provides similar goods or services to many different purchasers
- operates in a competitive environment
- provides goods or services that are ancillary to operations of the federal program
- is not subject to the compliance requirements of the federal program

The substance of the relationship is more important than the form of the agreement.

Use informed judgement in making determination!

Important

Subrecipient vs. Contractor ? (cont'd)

Association of Government Accountants (AGA) tool :

RECIPIENT CHECKLIST FOR DETERMINING IF THE ENTITY RECEIVING FUNDS HAS A CONTRACTOR OR SUBRECIPIENT RELATIONSHIP

This document is intended to help a recipient of federal funds make a judgment as to whether each agreement it makes, for the disbursement of federal program funds, casts the entity receiving the funds in the role of a subrecipient or a contractor. Based on 2 CFR Chapter I, Chapter II, Part 200 et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), issued by the U.S. Office of Management and Budget (OMB) on December 26, 2013, and effective for non-federal entities on December 26, 2014, the following information is intended for use by all non-federal entities.

Important Terms:

Recipient: A non-federal entity that receives a federal award directly from a federal awarding agency to carry out an activity under a federal program. The term recipient does not include subrecipients. (See 2 CFR 200.86 of the Uniform Guidance.)

Subrecipient: A non-federal entity that receives a subaward for the purpose of carrying out part of a federal award. The subaward creates a federal assistance relationship with the subrecipient. (See 2 CFR 200.93 & .330 (a) of the Uniform Guidance.)

Contractor: A non-federal entity that receives a contract for the purpose of providing goods and services for the awarding non-federal entity's own use. The contract creates a procurement relationship with the contractor. The Uniform Guidance replaced the term "Vendor" with "Contractor." (See 2 CFR 200.22 & .330 (b) of the Uniform Guidance.)

Instructions: The "Characteristics" column in this checklist is based on language in the Uniform Guidance. The column lists



CHARACTERISTICS	EXPLANATIONS				
Decision Making Authority 200.330 a. 1 Determines who is eligible to receive what Federal assistance; a. Does the entity determine who is eligible to participate in the federal program? <input type="checkbox"/> Yes <input type="checkbox"/> No 200.330 a.3 Has responsibility for programmatic decision making; a. Does the entity have the ability to make decisions about how services will be delivered to participants, in accordance with federal programmatic requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No OR 200.330 b.4 Provides goods or services that are ancillary to the operation of the Federal program; b. Does the entity provide goods or services for the recipient's own use? <input type="checkbox"/> Yes <input type="checkbox"/> No b. Does the entity provide services designated by the recipient to serve the recipient's participants without regard to specific federal programmatic requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No If you selected "yes" to EITHER item a, this is an indicator of a subrecipient relationship. If you selected "yes" to EITHER item b, this is an indicator of a contractor relationship.	If the entity determines whether a participant meets a federal program's eligibility requirements for assistance, it is most likely a subrecipient. A contractor may provide services to clients in a program after eligibility has been determined by the recipient. If the entity has authority to make decisions regarding the delivery of service, operations, or types of assistance provided within the terms of the agreement, it is typically a subrecipient. If the entity provides goods or services directly to the recipient or to program participants at the direction of the recipient and does not make programmatic decisions or adhere to program requirements, it is typically a contractor.				
Nature of Award 200.330 a. 2 Has its performance measured in relation to whether objectives of a federal program were met; a. Are the scope of work (or portion, if applicable) and terms and conditions of the agreement the same for the entity as they are for the recipient that received the federal funds? <input type="checkbox"/> Yes <input type="checkbox"/> No	If the entity is providing a service for the recipient to meet the goal of the grant, it is a contractor; if the entity is providing a service that carries out a goal within the scope of the grant, it is a subrecipient. When a grant				
	<table border="1"> <tr> <th>Subrecipient</th> <th>Contractor</th> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Subrecipient	Contractor	<input type="checkbox"/>	<input type="checkbox"/>
Subrecipient	Contractor				
<input type="checkbox"/>	<input type="checkbox"/>				

https://www.agacgfm.org/getattachment/Intergovernmental/Free-Online-Products-for-Financial-Managers/subcontractor_checklist100315.pdf.aspx

DATA Act

Digital Accountability and Transparency Act overview:

- ❑ May 2014 – signed into law
- ❑ May 2015 - 2-year pilot program to test the use of standardized data elements and formats for recipient
- ❑ May 2017 – Federal Agencies begin reporting using the new data structure.
- ❑ May 2018 - Treasury and OMB must publish all federal spending information in this data structure on USASpending.gov.

What are the impacts for the state?

- ❑ Will find out after August 2018
- ❑ Potential benefits:
 - Help match up state spending information with federal spending information
 - Allow states to build more effective information systems for federal grant administration.
 - Consistent identifiers to report on sub-awards – reduce compliance costs.



AGA DATA Act Information Hub:

<https://www.agacgfm.org/Intergovernmental/DATA-Act-Information-Hub.aspx>

Available Training

Current subscription to the Thompson Grants Webinar Training Library. Some recent topics added to the list include:

- ❑ *Purchasing Using Federal Grants: Understanding the Uniform Guidance Requirements*
- ❑ *Cost Allowability in 2017: Understanding OMB's Federal Award Cost Principles*
- ❑ *Preparing for an Audit Under the Uniform Grant Guidance: New Strategies and Techniques (Webinar)*
- ❑ *Procurement Under the Uniform Guidance Beware - The Two Year Fiscal Grace Period Ends In 2017 (Webinar)*
- ❑ *Subrecipient Monitoring Controls: Breaking Down and Analyzing Your Processes for Compliance (Webinar)*
- ❑ *Policies and Procedures in 2017: Complying with the Uniform Guidance*

The logo for Thompson Grants Webinar Training Library features a stylized starburst icon to the left of the text "THOMPSON GRANTS WEBINAR TRAINING LIBRARY".

THOMPSON
GRANTS WEBINAR TRAINING LIBRARY

A small graphic of a green sticky note with a red pushpin at the top left corner. The text "PLEASE!! NOTE" is written in black, handwritten-style capital letters.

PLEASE!!
NOTE

If you are interested please contact us for link and access code to training.

OFM Resources

❑ OFM Website: www.ofm.wa.gov

- Statewide Single Audit Report
- Audit Resolution Report
- SAAM
 - 55.10 Audit Tracking
 - 50.30 Compliance with Federal Single Audit Act
 - 95.10 Federal Reporting Policies and Procedures
 - 95.20 Federal Disclosure Reporting Structure

❑ CAP Training Presentation:

[http://www.ofm.wa.gov/accounting/fmac/OFM Audit Corrective Action Plans 02.26.15.pdf](http://www.ofm.wa.gov/accounting/fmac/OFM_Audit_Corrective_Action_Plans_02.26.15.pdf)

❑ Agency Financial Consultant

Federal Communication on Finding Resolution

- ❑ OFM acts as the auditee for the statewide Single Audit of Washington
- ❑ What is the process for audit findings follow-up?
 - Finding issued.
 - Federal awarding agency receives a copy of the finding and corrective action plan.
 - Federal agency has not been consistent in their communication:
 - Agency or OFM receives communications
 - Agency responds to federal agency
 - Federal Agency makes determination on finding.
- ❑ To enable better monitoring of federal communications, OFM would like to to be informed:
 - Final determinations received from the federal agency.
 - Any communications received regarding reporting federal grants on the Schedule of Expenditure of Federal Awards.

Other Resources

➤ Council on Financial Assistance Reform (COFAR)

- ❑ Officially implemented the Uniform Guidance

<https://cfo.gov/cofar>

- ❑ Provide recommendations to OMB on policies and actions regarding grants and cooperative agreements

- ❑ Publish best practices and innovative ideas.

- ❑ Updates training series on UG each year on website
- most recent July 2016

- ❑ FAQs on a variety of issues related to implementation and interpretation of the UG.

<https://cfo.gov/wp-content/uploads/2015/09/9.9.15-Frequently-Asked-Questions.pdf>



➤ AGA - FREE online toolkits and guides

<https://www.agacgfm.org/Resources.aspx>



➤ American Institute of CPAs

<http://www.aicpa.org>



Questions



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