2018 Federal Year-End Update

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Agenda

- General Overview of Federal Grants
- Single Audit in the Washington State
- FY17 Single Audit Results
- Reporting Federal Assistance
- FY18 Single Audit Key Dates
- Federal Disclosure Forms overview
- Some Helpful Federal Resources
- The Changing Landscape of Grant Reporting
- Training/Others Resources
General Overview of Federal Grants

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- General Overview of Federal Grants
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What is a Federal Grant?

- One of many different forms of federal financial assistance.

As of April 2018, the CFDA website listed over 2,200 federal grant programs, with over $600 billion of grant funding awarded.

The chart shows the program distribution for the top 5 issuing agencies.

beta.SAM.gov (since 5/25/18)
# The Grant Lifecycle

<table>
<thead>
<tr>
<th>3 Phases</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Pre-Award Phase</td>
<td>Funding Opportunity Announcement</td>
</tr>
<tr>
<td>(2) Award Phase</td>
<td>Award Decisions &amp; Notifications</td>
</tr>
<tr>
<td>(3) Post Award Phase</td>
<td>Implementation, Reporting &amp; Closeout</td>
</tr>
</tbody>
</table>

- **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

- Single Audit Act
- Statutes and regulations that established 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?

- OMB issued Circular A-133 in 1990:
  - standardized Single Audit in the U.S. to include all states, local governments, and non-state entities that receive federal funds.

- 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
As a non-federal entity that receives federal grants, internal policies and procedures need to align with the UG requirements.

**Single Audit (cont’d)**

**Then:**
- State, Local & Tribes
  - A-102
  - A-87
- Universities
  - A-89
  - A-133
  - A-50
- Non-profits
  - A-110
  - A-122

**Now:**
- Beginning FY16, single audits must be performed under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements, codified in 2 CFR 200.

**The Uniform Guidance**
- Consolidates federal grants administration requirements.
- Establishes standard language for guidance.

*Important*
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- Single Audit in the WA State
- FY17 Single Audit Results
SAAM 50.30 defined responsibilities in WA State

**State Agencies**
- Effective federal grant management.
- Corrective plan to address audit findings.
- Report federal expenditures and complete disclosure forms.
- Pass-through entity-subrecipient monitoring.

**SAO**
- Risk assessment and identify major federal programs.
- Annual Statewide Single Audit.
- Follow-up on prior audit findings.
- Audit reporting package to OFM.
- Data Collection Form.

**OFM**
- Auditee for the statewide Single Audit.
- Statewide policies and procedures.
- Schedule of Expenditures of Federal Awards (SEFA).
- Annual Single Audit Report.
- Data Collection Form.
- Track audit findings and audit resolution.

Single Audit Key Players
Single Audit Flowchart

-$ - Federal Award -$

State Agency

- AFRS
  - Year-end Disclosure Forms
  - Corrective Action Plan

OFM

- Prepare SEFA and Notes
- Review and finalize Corrective Action

Auditor

- Issue Findings
- Prepare audit package

- Prepare Single Audit Report
- Prepare Data Collection Form and submit report
### 2017 Single Audit Results Summary

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Assistance Expenditures</td>
<td>$ 17.5</td>
<td>$ 17.2</td>
<td>$ 17</td>
<td>$ 15.7</td>
</tr>
<tr>
<td></td>
<td>Billion</td>
<td>Billion</td>
<td>Billion</td>
<td>Billion</td>
</tr>
<tr>
<td>Questioned Costs*</td>
<td>$ 43.1</td>
<td>$ 18.4</td>
<td>$ 28.7</td>
<td>$ 3.9</td>
</tr>
<tr>
<td></td>
<td>Million</td>
<td>Million</td>
<td>Million</td>
<td>Million</td>
</tr>
<tr>
<td>Likely Questioned Costs **</td>
<td>$ 220.5</td>
<td>$ 363.5</td>
<td>$ 142.2</td>
<td>$ 13.8</td>
</tr>
<tr>
<td></td>
<td>Million</td>
<td>Million</td>
<td>Million</td>
<td>Million</td>
</tr>
<tr>
<td>Total Number of Findings</td>
<td>52</td>
<td>50</td>
<td>56</td>
<td>55</td>
</tr>
<tr>
<td>Total Number of Repeat Findings</td>
<td>32</td>
<td>25</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Total Number of New Findings</td>
<td>20</td>
<td>25</td>
<td>36</td>
<td>35</td>
</tr>
</tbody>
</table>

* 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.
### 2017 Single Audit Results Summary (cont’d)

<table>
<thead>
<tr>
<th>Findings Category (compliance requirements):</th>
<th>FY17</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities Allowed or Unallowed/ Allowable Costs/ Cost Principles</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Special Tests and Provisions</td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td>Subrecipient Monitoring</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Eligibility</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Level of Effort/Maintenance of Effort, Matching, Earmarking</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Suspension and Debarment</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Period of Availability</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Reporting</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Program Income and Cash Management</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Multiple Compliance Areas</strong></td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td><strong>Non-Federal</strong></td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

- 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.
  - the program could be eliminated.
- For more information, refer to §200.207 and §200.338 of the Uniform Guidance.
1. What is the current set of administrative requirements and standards for federal grants?

2. Who are the key players of the single audit in the Washington State?

3. What are the required components of a Single Audit?
Reporting Federal Assistance

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Why do we report federal assistance?

I. Single Audit requirement:

- UG 200.510 – 512
- The Single Audit report includes:
  - Financial Statements Section
  - Auditor Section
  - Audit Opinions
  - Federal Findings
  - Auditee Section
  - SEFA
  - Corrective Action Plans
  - Summary Schedule of Prior Findings

- OFM must submit the Single Audit report to the Federal government by March 31st.
II. Cash Management Improvement Act (CMIA) requires annual Treasury-State Agreement for:
   • Funding Techniques
   • Clearance patterns
   • Interest calculation methodology

Threshold is based on the state's Single Audit Report issued for the previous fiscal year.

III. Auditors reply on the data to determine audit compliance requirements and select programs to audit for the upcoming single audit.
# FY 18 Key Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Reporting Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 13, 2018</td>
<td>Disclosure Form application opens</td>
</tr>
<tr>
<td>July 2018</td>
<td>OFM provide to SAO:</td>
</tr>
<tr>
<td></td>
<td>• FY17 corrective action plan updates</td>
</tr>
<tr>
<td></td>
<td>• Status of prior years’ unresolved findings.</td>
</tr>
<tr>
<td>Aug 31, 2018</td>
<td>Phase 2 closes and disclosure forms close</td>
</tr>
<tr>
<td>Sept 12, 2018</td>
<td>State Financial Certification form is due</td>
</tr>
<tr>
<td>Jan 31, 2019</td>
<td>Federal Assistance Certification form is due</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Corrective action plans for FY18 findings</td>
</tr>
<tr>
<td>Mar 31, 2019</td>
<td>Submit to the Single Audit Clearinghouse (OFM)</td>
</tr>
</tbody>
</table>
OFM uses the Disclosure Forms application to capture federal assistance activities.

Agencies complete disclosure forms timely and accurately to help facilitate the SEFA preparation.

Agencies need to review the information in AFRS before reporting on the disclosure forms.

Users have access to the DF application by logging in with a user name and password.

Some DF information is pre-filled or calculated.

Federal revenue and expenditure are reported by CFDA numbers.
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Federal Disclosure Forms Overview
# Federal Assistance Disclosure Forms

## Federal Assistance Disclosure Form Lead Sheet

<table>
<thead>
<tr>
<th>Agency Code:</th>
<th>Agency Title:</th>
</tr>
</thead>
</table>

## 95.20.10  Federal Assistance Disclosure Form Lead Sheet

<table>
<thead>
<tr>
<th>Federal Disclosure Forms</th>
<th>SAAM</th>
<th>Required</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due August 31, 2018 – Phase 2 Disclosure Forms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Analytical Review</td>
<td>95.20.30</td>
<td>Yes / N/A</td>
<td></td>
</tr>
<tr>
<td>Federal Assistance Received from Nonfederal Sources (Pass-Through)</td>
<td>95.20.70</td>
<td>Yes / N/A</td>
<td></td>
</tr>
<tr>
<td>Federal Financial Assistance - Direct</td>
<td>95.20.20</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Federal Identification Numbers</td>
<td>95.20.80</td>
<td>Required</td>
<td>Yes</td>
</tr>
<tr>
<td>Federal Loan Balances</td>
<td>95.20.60</td>
<td>Yes / N/A</td>
<td></td>
</tr>
<tr>
<td>Federal Nonfinancial Assistance</td>
<td>95.20.40</td>
<td>Yes / N/A</td>
<td></td>
</tr>
<tr>
<td>Federal Nonfinancial Assistance Inventory Balances</td>
<td>95.20.50</td>
<td>Yes / N/A</td>
<td></td>
</tr>
<tr>
<td>Due January 31, 2019 - Certification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Assistance Certification</td>
<td>95.20.90</td>
<td>Required</td>
<td>Yes</td>
</tr>
</tbody>
</table>
### Federal Assistance Disclosure Forms

- **Federal Financial Assistance – Direct**
- Federal Assistance from Nonfederal Sources
- Federal Nonfinancial Assistance
- Federal Loan Balances
- Federal Analytic Review
- Federal Assistance Certification

#### Federal Financial Assistance - Direct

<table>
<thead>
<tr>
<th>CFDA #</th>
<th>Federal Funding Agency</th>
<th>Major Subdivision</th>
<th>Program Title</th>
<th>Cluster</th>
<th>Award Contract Number</th>
<th>Revenue Amount</th>
<th>Expenditure Amount</th>
<th>Difference</th>
<th>Expenditure Amount Passed Through to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Reconciliation of Agency Direct to ER “Federal Revenue” report

<table>
<thead>
<tr>
<th>Totals from above</th>
<th>Revenue</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

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.

- **0355 Federal Revenue - Non-Assistance is not reported.**

---

**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
Disclosure Form Variances?

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).
- Program income coded to non-federal revenue source. e.g. loan interests.
- 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. **
Federal Assistance Disclosure Forms

Federal disclosure forms:
1. Federal Financial Assistance – Direct
2. Federal Assistance from Nonfederal Sources
3. Federal Nonfinancial Assistance
4. Federal Loan Balances
5. Federal Analytic Review
6. Federal Assistance Certification

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

<table>
<thead>
<tr>
<th>CFDA#</th>
<th>Federal Funding Agency</th>
<th>Major Subdivision</th>
<th>Program Title</th>
<th>Cluster</th>
<th>Entity Name</th>
<th>Award Contract Number</th>
<th>Revenue Amount</th>
<th>Expenditure Amount</th>
<th>Difference</th>
<th>Expenditure Amount Passed Through to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.20.70</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Totals from above</th>
<th>Revenue</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

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.
- Revenue Source Code 0546 “Federal Revenue - Pass-Through.” (SAAM 95.20.70)
- Expenditures - as private/local expenditure authority charges.
- Reconciling amount to revenue recorded in AFRS.
- Required to report the portion of expenditures passed through to subrecipients.
Federal Assistance Disclosure Forms

Federal disclosure forms:
1. Federal Financial Assistance – Direct
2. Federal Assistance from Nonfederal Sources
3. Federal Nonfinancial Assistance
4. Federal Loan Balances
5. Federal Analytic Review
6. Federal Assistance Certification

- 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.
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!
Federal Assistance Disclosure Forms

Federal disclosure forms:
1. Federal Financial Assistance – Direct
2. Federal Assistance from Nonfederal Sources
3. Federal Nonfinancial Assistance
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The threshold is established each year by OFM.
Make sure every line on this form has an explanation.
Federal Assistance Disclosure Forms

Federal disclosure forms:
1. Federal Financial Assistance – Direct
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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 requested by the State Auditor’s Office (SAO) and have notified the SAO whenever records or data containing information subject to any confidentiality requirements 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, 2019
### Reminder

**Internal Control Questionnaire Disclosure**

Effective June 1, 2018 - SAAM 90.40.80

State Disclosure Forms – *Internal Control Questionnaire Disclosure*

- **State Questions:**
  1. **Internal Control Officer:** Who is your agency’s internal control officer?

<table>
<thead>
<tr>
<th>Please</th>
<th>First name</th>
<th>Last name</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. **State Questions:**
   a. **Please:**
      | Date | Did the internal audit program identify any potential risk(s) material to the state CAFR for the current fiscal year? |
|-------|------|------------------------------------------------------------------------|
|       |     | No | Yes |
|       |     |   |    |

b. **Did this to state:**
   - If yes, please provide a summary of the material nonconformance and a brief corrective action plan. “Material nonconformance” is defined as not meeting a core principle or common mandatory attribute to an extent that it impacts the internal audit program’s ability to fulfill its objectives.
   - **Federal Questions:** The following questions are only required if your agency had federal expenditures during the fiscal year.

<table>
<thead>
<tr>
<th>a.</th>
<th>Does your most recent agency risk assessment identify any significant risk(s) impacting federal dollars?</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td></td>
</tr>
<tr>
<td>If yes,</td>
<td></td>
</tr>
</tbody>
</table>

If yes, please provide a brief description of the significant risk(s) identified.

**Remember to answer the questions if you have federal expenditures!**
Common Errors on Disclosure Forms

- Incorrect CFDA numbers
- Federal revenues are coded to the wrong subsource in AFRS
- Reporting subrecipient amount incorrectly (subrecipients vs. contractors?)
- Incorrect amounts reported
- Inadequate explanations of variance from AFRS
- Inadequate explanations for significant variances from prior year (Fed Analytic Review form)
- Errors in reporting loans
• 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.
Disclosure Form Reminders

Temporary CFDA numbers

No CFDA number?

☐ 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.

1. Has federal award number:
   ➤ Report CFDA number = XX.000 and the federal award number must be provided.

2. NO federal award number:
   ➤ Report CFDA number = XX.999

☐ XX.000 and XX.999 are temporary CFDA numbers. A different number will be assigned after phase 2 closes for SEFA reporting.

☐ R & D Cluster – xx.RD and need to enter the major subdivision name when reporting.
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.
SEFA Review Tips

Suggestions for agency reviews:

1. Start the disclosure forms early.

2. Follow a written process to verify correct data is entered on the disclosure forms.

3. Be sure AFRS reflects correct amounts. Periodic reviews throughout the year to detect errors.

4. Compare revenue, expenditure and pass-through amounts with last year by CFDA #s.
SEFA Review Tips (cont’d)

5. Be sure new grants are included.

6. Balance federal revenue and expenditures before the disclosure form system closes. Investigate differences, change as needed.

7. Determine if pass-through need to be reported.

8. Communicate with program staff to be sure correct coding are used to run ER reports.

9. Promptly address questions from SWA regarding the SEFA amounts and provide necessary information.

10. If you have a question regarding federal assistance reporting, contact your agency’s assigned OFM Consultant.
Disclosure Forms – True or False

1. There are many changes to the FY18 disclosure forms. - (T/F)
2. Revenue source code 0355 is not reported on the disclosure forms. - (T/F)
3. Federal revenues may or may not equal federal expenditures. - (T/F)
4. The Disclosure Form system is open year round. - (T/F)
5. If Agency A reports the federal revenue and agency B reports the associated expenditures, an explanation is needed on the disclosure form. - (T/F)
6. Both the original state agency and the pass-through state agency report the award on the federal financial assistance direct disclosure forms. - (T/F)
Some Helpful Federal Resources

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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 recipient’s compliance with federal laws and regulations...
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 in Federal awards during fiscal year 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
- Required to conduct and document the risk assessment, and implement effective monitoring program.
- Obtained subrecipients’ audit reports from the Federal Audit Clearinghouse instead of requesting them from the subrecipients.
Subrecipient vs. Contractor?

§200.330 **Subrecipient and contractor determinations**
- Clarifies that the pass-through entity is responsible for making subcontractor or contractor/vendor determination.
- 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 to many different purchasers.
- Operates in a competitive environment.
- Provides goods or services that support the 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!
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 1, Chapter II, Part 200 et. 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 contractor creates a procurement relationship with the contractor. The Uniform Guidance replaced the term “Vend- or” 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 the characteristics and the decision-making authority for each. The column on the right explains the determination and the decision-making authority.

- Review existing subrecipient monitoring processes.
- Ensure the risk assessment performed on each subrecipient is documented.
- Increased audit threshold may need additional procedures to verify subrecipients.

Changing Landscape of Grant Reporting
The Changing Landscape of Grant Reporting

- DATA Act
- GONE Act
- GREAT Act
Digital Accountability and Transparency Act

May 2014
Signed into law.

Apr 2016
Treasury published the complete version of government-wide data standards for federal spending.

May 2015
2-year pilot program to test the use of standardized data elements and formats for recipients.

May 2017
Pilot program ended. Federal Agencies began reporting using the new data structure.

May 2018
Treasury and OMB published all federal spending information in this data structure on USASpending.gov

Aug 2018
OMB must decide whether to impose DATA Act standards on all grantee and contractor reporting.
Grants Oversight and New Efficiency Act - GONE ACT

Jan 28, 2016
Signed into law
(in coordination with Dept of Health & Human Services)

Dec 31, 2017 - Report #1
Each fed agency submits report to HHS:
• List federal grants held by expiration dates
• List grants with zero or undisbursed balances
• Describe challenges leading to delays in grant closeout
• 30 oldest fed grants, provide explanation.

Mar 31, 2019 - Report #2
Report to Congress:
• Expired grants in Report #1 that have been closed
• Grants that have not been closed

Sept 30, 2019 - Report #3
Report to Congress recommending legislation to improve:
• grants management accountability and oversight
• timely closeout of federal grants.
Grant Reporting Efficiency and Agreements Transparency Act

- Introduced in January 2018.

- 3 main goals:
  - Standardized Federal Grantee Reporting
  - Grantee Reporting Automation
  - Increased Spend Transparency

- Benefits:
  - Reduces recipient compliance costs by automation in report compilation.
  - Consistent standards exist between agencies and federal grant recipients...This would result in significant timesaving,
  - Improves federal and public oversight of the distribution of federal funds.
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**

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

- OFM Website: [www.ofm.wa.gov](http://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:

- Agency Financial Consultant
Other Resources

- **Council on Financial Assistance Reform (COFAR)**
  - Officially implemented the Uniform Guidance
    - [https://cfo.gov/cofar](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.

- **AGA** - FREE online toolkits and guides
  - [https://www.agacgfm.org/Resources.aspx](https://www.agacgfm.org/Resources.aspx)

- **American Institute of CPAs**
  - [http://www.aicpa.org](http://www.aicpa.org)
What’s Coming?

- New federal group
  - Facilitate Open communication
  - Assist OFM with the development of federal grant administration training
  - Offer other federal topic-based training

- Single Audit results and major changes to disclosure forms presented in FMAC meeting and posted on website.