



# 2018 Federal Year-End Update

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**OFM**

OFFICE OF FINANCIAL MANAGEMENT

# Agenda

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- ❑ 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

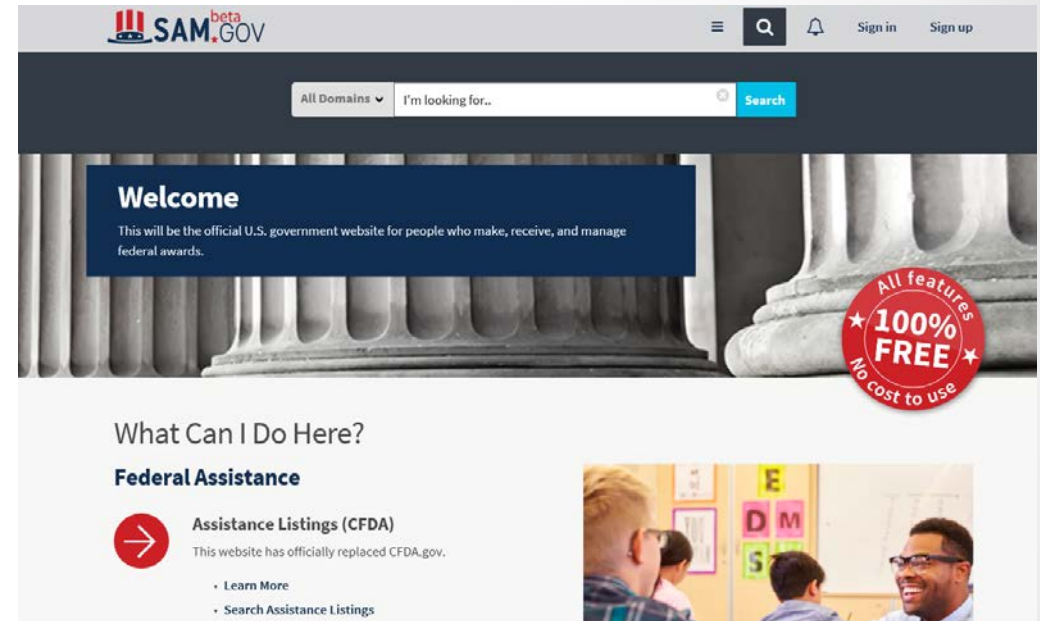
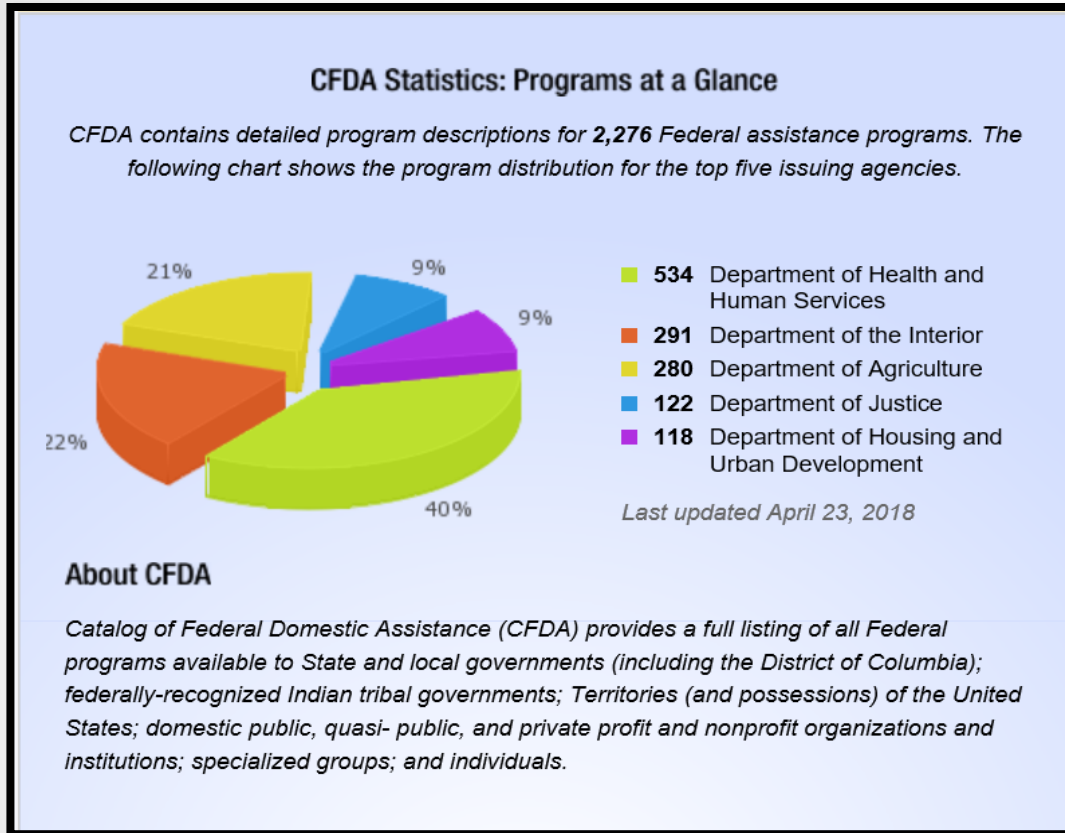
## Agenda

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# General Overview of Federal Grants

# What is a Federal Grant?

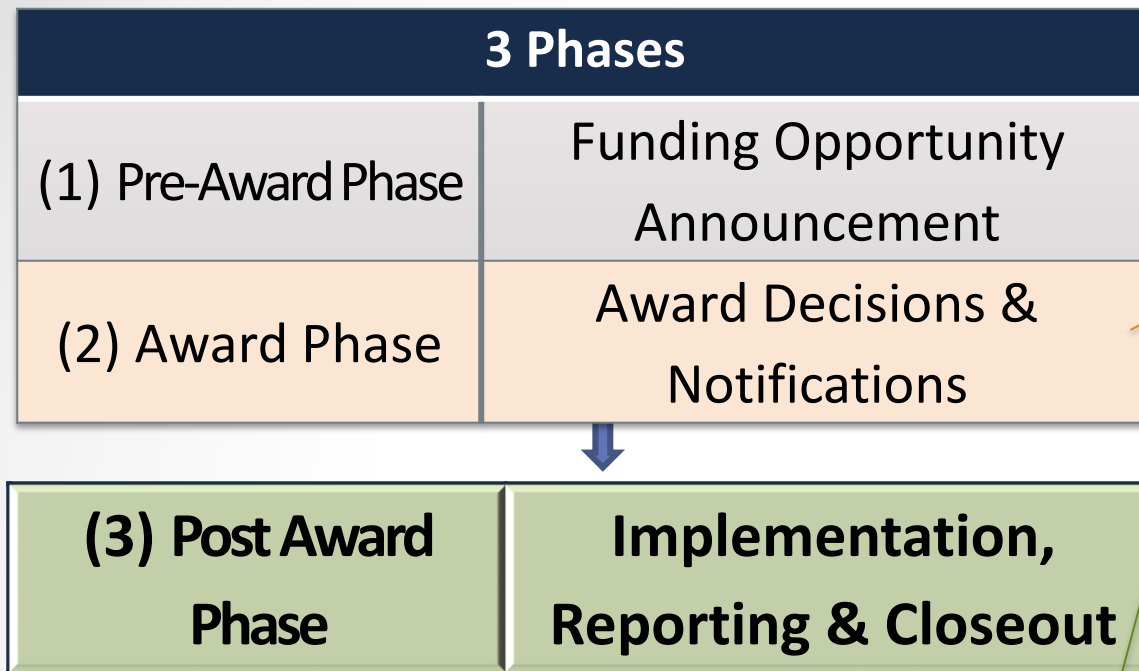
- ❑ One of many different forms of federal financial assistance.



**[beta.SAM.gov](https://beta.sam.gov)** (since 5/25/18)

- ❑ 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.

# The Grant Lifecycle



- Applications
- Review grant applications.

- Notice of Award (NOA) sent.

- Grant program implementation.
- Monitoring and oversight.



- Grant recipients must submit the final financial and programmatic reports.

**Close out !**

- Typically required to retain grant records for at least 3 years from final expenditure report.





# Sources of Compliance

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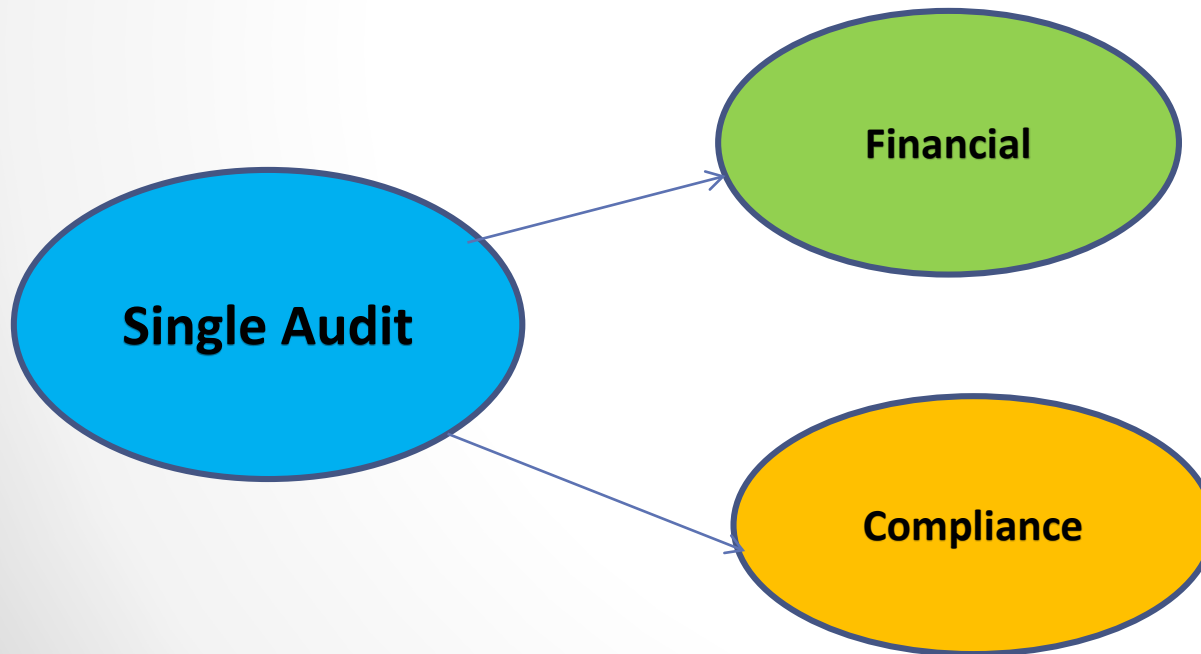


- Single Audit Act
- Statutes and regulations that established specific grant programs (e.g, American Reinvestment and Recovery Act)
- Federal awarding agency regulations and policies
- Grant award terms and conditions

# What is a Single Audit?

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- 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.

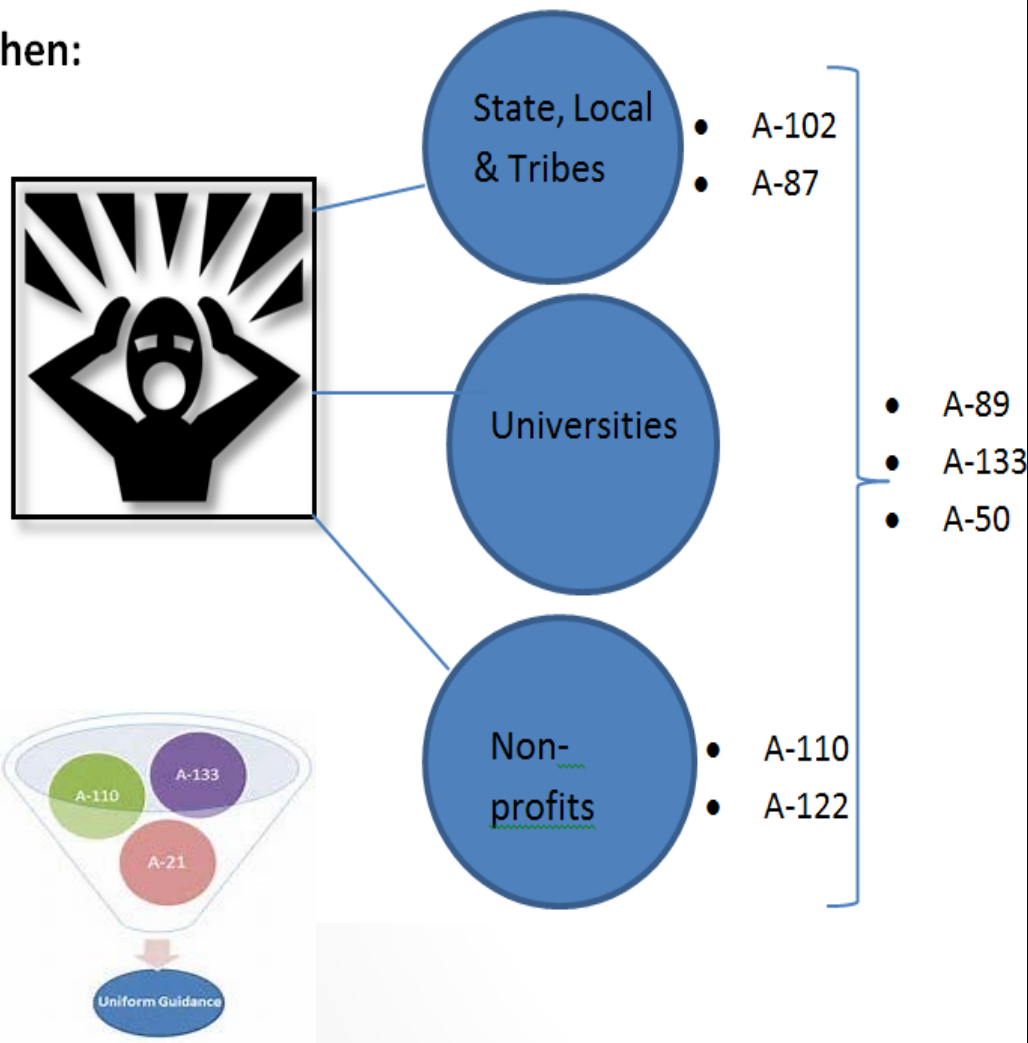


The audit examines:

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

# Single Audit (cont'd)

Then:



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.



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



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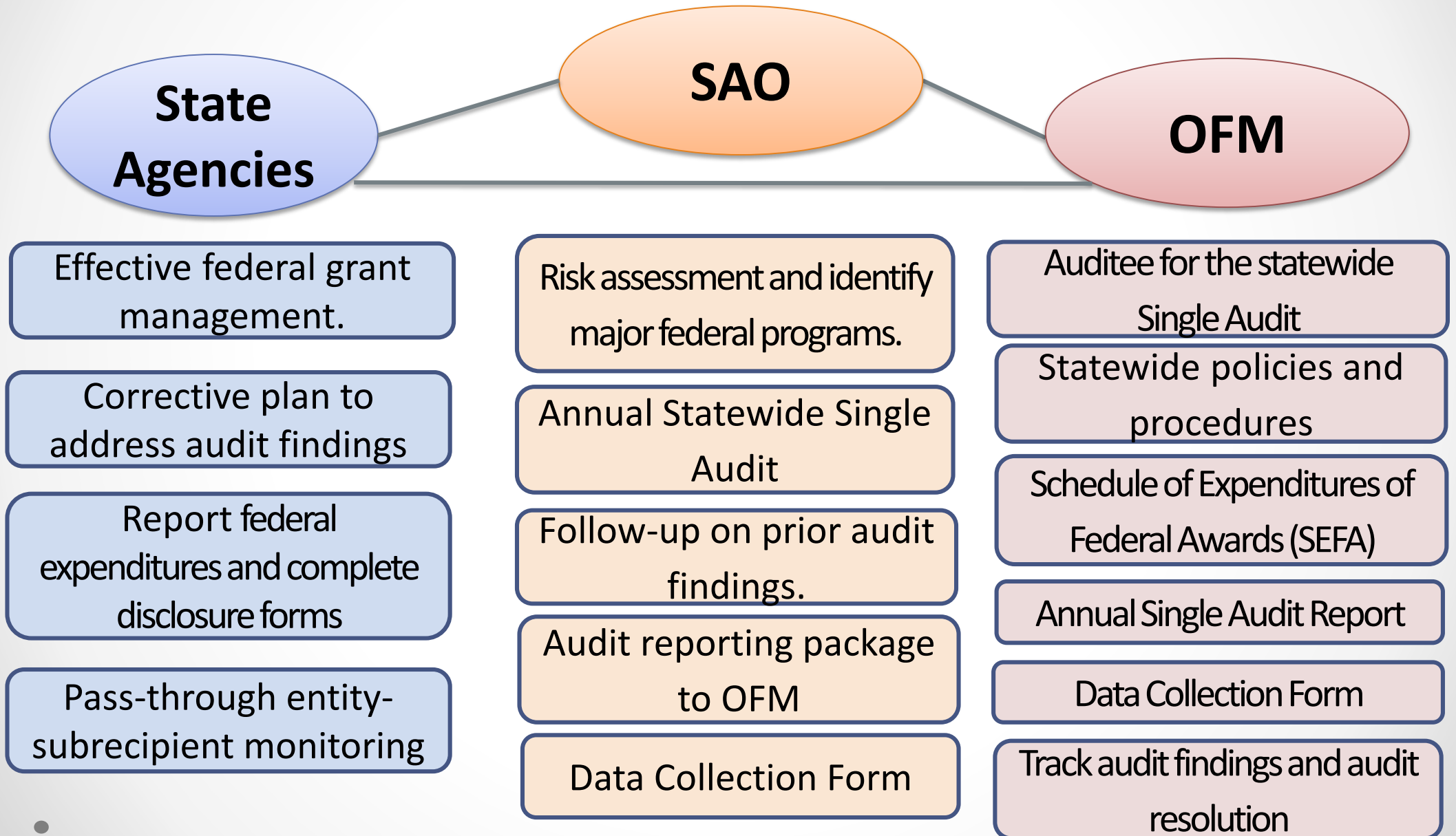
**Single Audit in the WA State**

**FY17 Single Audit Results**

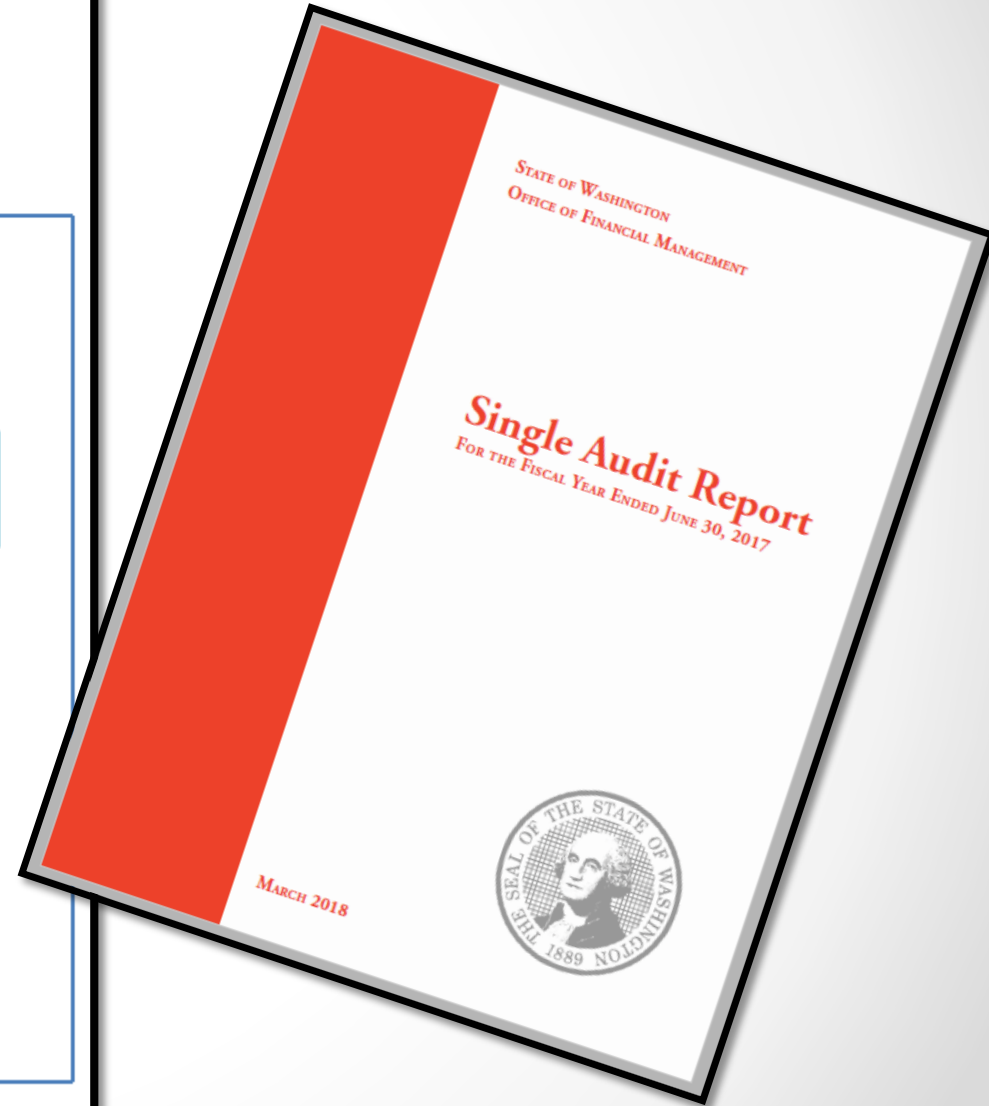
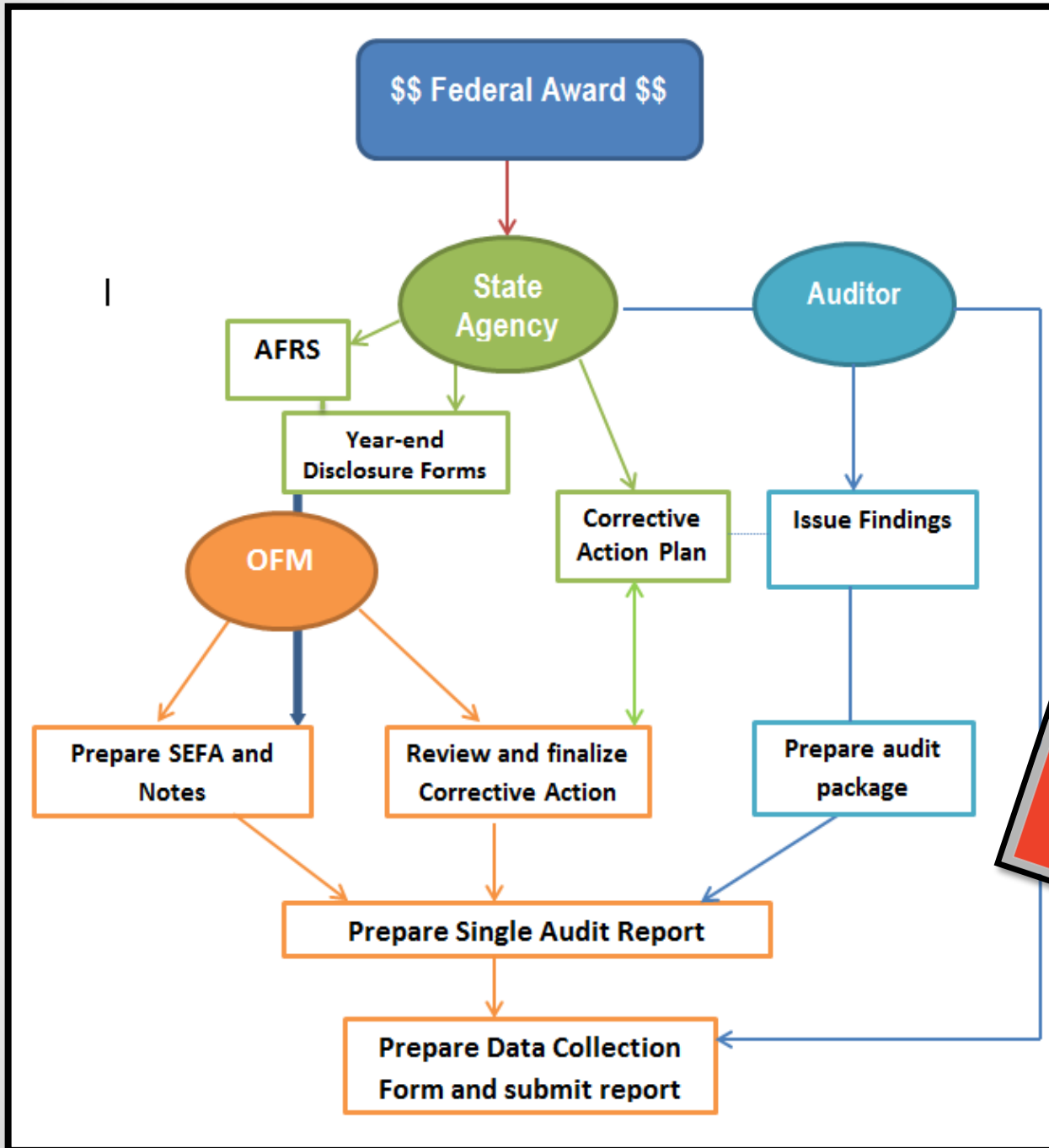
# Single Audit Key Players



SAAM 50.30 defined responsibilities in WA State



# Single Audit Flowchart



# 2017 Single Audit Results Summary

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

\* 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)

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

- 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.

*Worst scenario!!*

- 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?

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# Reporting Federal Assistance

# Why do we report federal assistance?

State of Washington - Office of Financial Management  
Single Audit Report

For the Fiscal Year Ended  
June 30, 2017

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I.

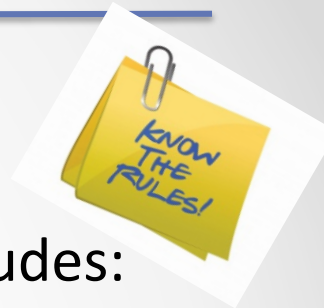
Single Audit requirement:

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.



# Why do we report federal assistance? (cont'd)


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- 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

 Date	Reporting Item
July 13, 2018	Disclosure Form application opens
July 2018	OFM provide to SAO: <ul style="list-style-type: none"><li>• FY17 corrective action plan updates</li><li>• Status of prior years' unresolved findings.</li></ul>
Aug 31, 2018	Phase 2 closes and disclosure forms close
Sept 12, 2018	State Financial Certification form is due
Jan 31, 2019	Federal Assistance Certification form is due
Ongoing	Corrective action plans for FY18 findings
Mar 31, 2019	Submit to the Single Audit Clearinghouse (OFM)



# Federal Assistance Reporting Basics



- ❑ 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.

A screenshot of the 'Disclosure Forms' application login page. The header features the OFM logo (Office of Financial Management, State of Washington) and the text 'Disclosure Forms' with 'UM v.2.1.0.0' in the top right. Below the header is a 'Logon' section. On the left, there are links for 'Home' and 'Help'. On the right, there are input fields for 'User ID' (containing 'marina.yee@ofm.wa.gov'), 'Agency Number (4 characters)' (containing '1050'), and 'Password (input is case sensitive)'. There are also links for 'Forgot User ID' and 'Forgot Password', and a 'Login' button.

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# Federal Disclosure Forms Overview

# 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
<b>Due August 31, 2018 – Phase 2 Disclosure Forms</b>			
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
<b>Federal Identification Numbers</b>	95.20.80	<b>Required</b>	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
<b>Due January 31, 2019 - Certification</b>			
<b>Federal Assistance Certification</b>	95.20.90	<b>Required</b>	Yes

# 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 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

### 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		
_____		

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

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

# Disclosure Form Variances?

Federal Financial Assistance - Direct

SAAM Manual (95.20.20)

Return To Lead Sheet

CFDA #	Federal Funding Agency	Major Subdivision	Program Title	Cluster	Award Contract Number	Revenue Amount	Expenditure Amount	Difference	Expenditure Amount Passed Through to Subrecipients
16.550	Dept of Justice	Bureau of Justice Statistics	State Justice Statistics Program for Statistical A	01		234,611	234,611	0	0
93.511	Dept of Health & Human Services	Centers for Medicare and Medicaid Services	Affordable Care Act: Grants to States Health Prem R	01		1,447,315	1,447,315	0	0
93.778	Dept of Health & Human Services	Centers for Medicare and Medicaid Services	Medical Assistance Program	18		200,315	200,315	0	0
94.003	Corp for National & Community Service	Corporation for National and Community Service	State Commissions	01		324,311	324,311	0	0
94.006	Corp for National & Community Service	Corporation for National and Community Service	Americorps	01		12,530,922	12,530,922	0	3,343,107
94.009	Corp for National & Community Service	Corporation for National and Community Service	Training and Technical Assistance	01		106,618	106,618	0	0
94.021	Corp for National & Community Service	Corporation for National and Community Service	Volunteer Generation Fund	01		332,246	332,246	0	325,946
Totals						15,176,338	15,176,338	0	3,669,053

Reconciliation of Agency Direct to ER "Federal Revenue" Report

	Revenue	Expenditure
Totals from above	15,176,338	15,176,338
Revenue totals from ER "Federal Revenue" Report GL's 3205, 3210 & 3260, excluding revenue source 0355	15,176,338	15,176,338
Differences (must be zero)	0	0

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

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Return To Lead Sheet

In general:

*Federal Revenue = AFRS*

*Federal Expenditures = AFRS*

*Federal Revenue = Federal*

*Expenditures*

## 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)**

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**

Totals from above	Revenue	Expenditure
	\$ _____	\$ _____
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
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6. Federal Assistance Certification

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

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.

<b>Reconciliation of Agency Nonfinancial to ER Federal "Non-Financial Revenues &amp; Expenditures" report</b>		
	Revenue	Expenditure
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.

# 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 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	( )
Plus: Administrative Cost <i>New!</i>	
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	( )
Administrative Cost, from the loan balance reconciliation above <i>New!</i>	
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!

# 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 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



# 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	FY16 Prior Year Expenditure Amount	FY17 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	Energy - Contract	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	Office of Postsecondary Education	Awareness and Readiness for Undergrad	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	2,170,205		We have received an increase in funding through...

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.

# 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

### 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

Agency Code:		Agency Title:	
90.40.80.A Internal Control Questionnaire Disclosure			
<b>State Questions:</b>			
1. <b>Internal Control Officer.</b> Who is your agency's internal control officer?			
Please provide the following information:		<b>Internal Audit program contact information:</b>	
First name		First name	
Last name		Last name	
Phone number		Phone number	
Email address		Email address	
2. a. Please provide the following information:			
Date		b. If yes, did the internal audit program identify any potential risk(s) material to the state CAFR for the current fiscal year?	
		No	Yes
c. Did this nonconformance impact the internal audit program's ability to fulfill its objectives?			
No		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.	
If yes, provide dates			
<b>Federal Questions:</b>			
3. a. Does your agency have federal expenditures during the fiscal year?			
No		4. Did your most recent agency risk assessment identify any significant risk(s) impacting federal dollars?	
If yes, provide dates		No	Yes
If yes, please provide a brief description of the significant risk(s) identified.			

Effective June 1, 2018 - SAAM 90.40.80

State Disclosure Forms –  
*Internal Control Questionnaire Disclosure*

★ Remember to answer the questions if you have federal expenditures!

# Common Errors on Disclosure Forms

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- 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

# Disclosure Form Reminders

## 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
<b>REPORTING REQUIREMENTS</b>			
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 Finan      Agency A      - Direct**

Agency Code: 125      Agency Title: Sample Agency


**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

# 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
- Federal agy #
- 
- SAAM 95.20.10b
- ❑ 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.

# Disclosure Form Reminders

## *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

# SEFA Review Tips

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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)

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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

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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)

## 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

# Some Helpful Federal Resources

# 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.

## 2 CFR PART 200, APPENDIX XI

### COMPLIANCE SUPPLEMENT

NOTE: Auditors must use this 2018 Supplement and the 2017 Supplement together. See the subsection titled "Purpose" within Part 1 for further explanation.



APRIL 2018  
EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

- 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 ?

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## §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!**

*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
<b>Decision Making Authority</b> <b>200.330 a. 1</b> 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 <b>200.330 a. 3</b> 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 <b>200.330 b. 4</b> 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.
<b>Nature of Award</b> <b>200.330 a. 2</b> 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

[https://www.agacgfm.org/getattachment/Intergovernmental/Free-Online-Products-for-Financial-Managers/subcontractor\\_checklist100315.pdf.aspx](https://www.agacgfm.org/getattachment/Intergovernmental/Free-Online-Products-for-Financial-Managers/subcontractor_checklist100315.pdf.aspx)

- ✓ 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.

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# Changing Landscape of Grant Reporting

# The Changing Landscape of Grant Reporting

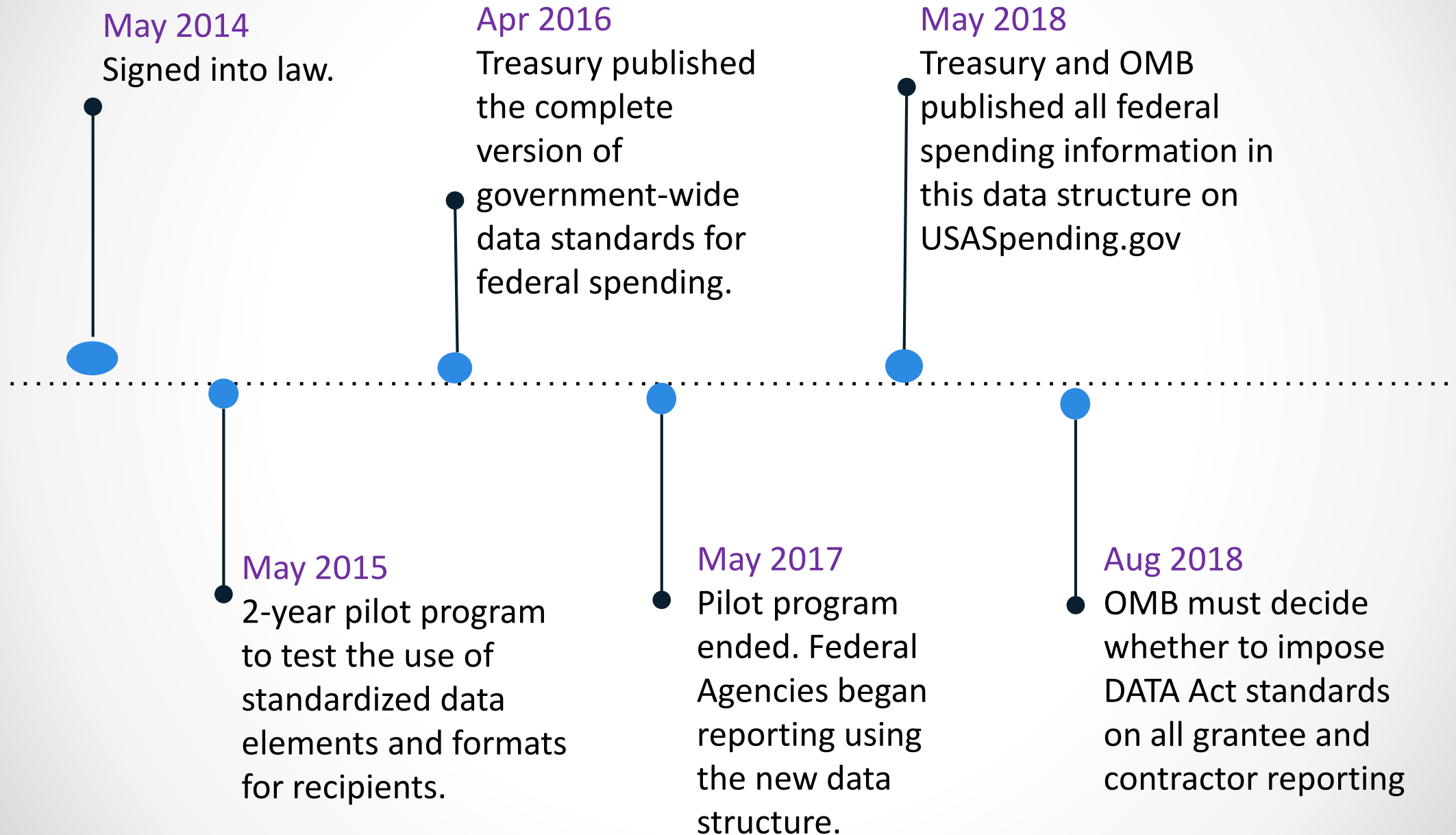
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- **DATA Act**
- **GONE Act**
- **GREAT Act**



# Digital Accountability and Transparency Act



# Grants Oversight and New Efficiency Act - GONE ACT

**Jan 28, 2016**

Signed into law  
(in coordination with Dept  
of Health & Human  
Services)

**Mar 31, 2019 - Report #2**

Report to Congress:

- Expired grants in Report #1 that have been closed
- Grants that have not been closed

**CLOSEOUT**

**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.

**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

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- ❑ 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

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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*

 THOMPSON  
GRANTS WEBINAR TRAINING LIBRARY



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

 PLEASE!!  
NOTE

# OFM Resources

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- ❑ 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:

- [http://www.ofm.wa.gov/accounting/fmac/OFM Audit Corrective Action Plans02.26.15.pdf](http://www.ofm.wa.gov/accounting/fmac/OFM_Audit_Corrective_Action_Plans02.26.15.pdf)

- ❑ Agency Financial Consultant

# 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/2017/08/July2017-UniformGuidanceFrequentlyAskedQuestions.pdf>



## ➤ AGA - FREE online toolkits and guides

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



## ➤ American Institute of CPAs

<http://www.aicpa.org>



# What's Coming?

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- ❑ 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.







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