

FEDERAL YEAR-END UPDATE FY16

Sara Rupe

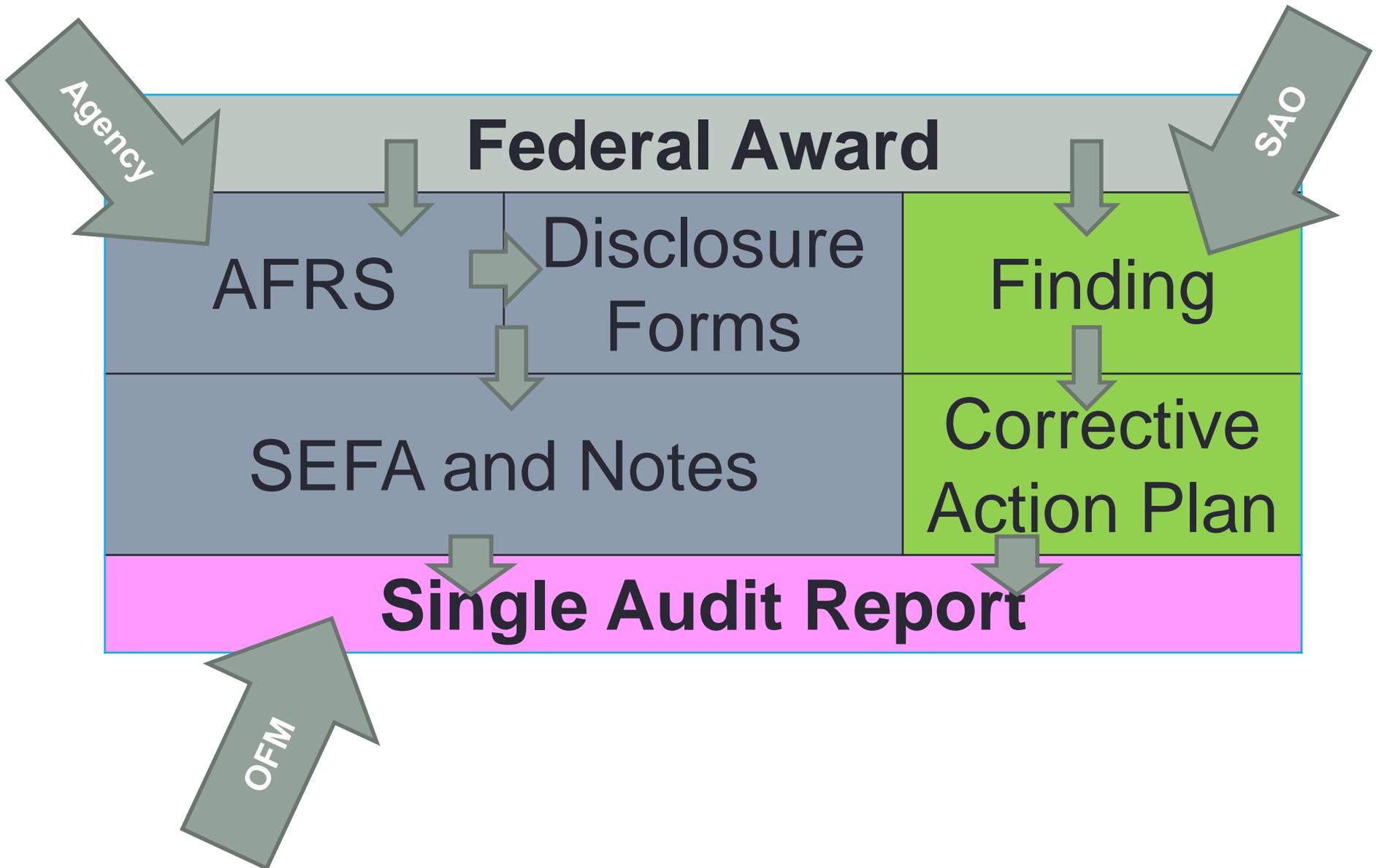
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Agenda

- Federal Requirements
- Single Audit Report Preparation
- 2015 Statewide Single Audit
- Disclosure Forms
- SEFA and Data Collection Form Changes
- State Agency Subrecipient Reporting
- Key Dates
- Communication
- OMB Compliance Supplement
- Data Act
- Training
- Resources

General



Federal Requirements – Report Submission

- Uniform Grant Guidance §200.512 states in part:
 - 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.
- For the state this is **March 31st**
- The Reporting Package must include:
 - Financial statements and schedule of expenditures of Federal awards
 - Summary schedule of prior audit findings discussed
 - Auditor's report
 - Corrective action plan

Federal Requirements - SEFA

- Uniform Grant Guidance §200.510 states in part:
 - Schedule of expenditures of Federal awards must include:
 - List individual Federal programs by Federal agency.
 - For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
 - Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
 - Include the total amount provided to subrecipients from each Federal program.
 - Loans and loan guarantee programs disclosure requirements.
 - SEFA note disclosure requirement.

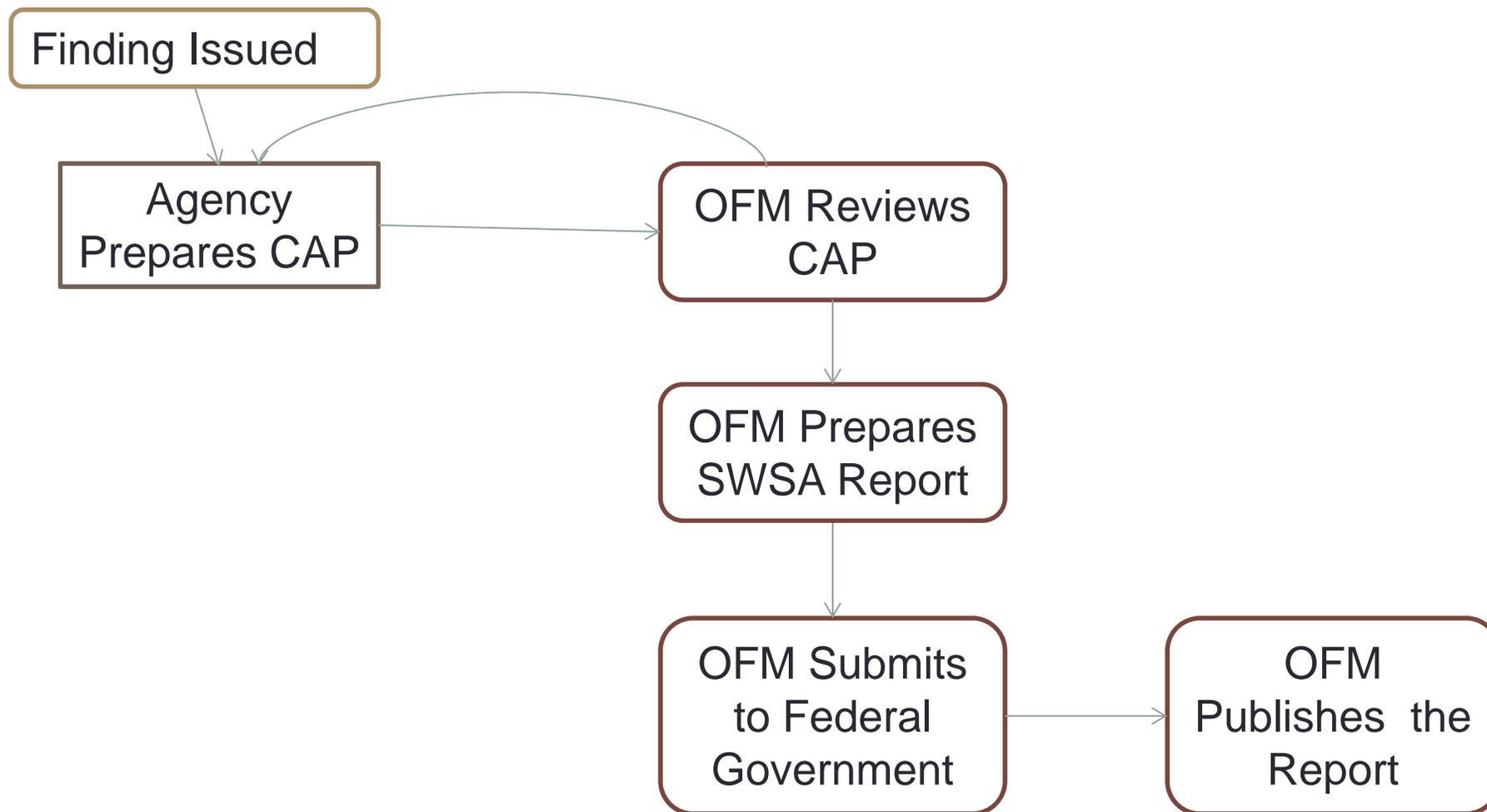
Federal Requirements – Finding follow-up

- Uniform Grant Guidance §200.511 states in part:
 - (b) *Summary schedule of prior audit findings.* The 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.
 - (c) *Corrective action plan.* At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.

Single Audit Report Preparation

- How does OFM prepare the Statewide Single Audit Report for all state agencies?
 - Schedule of Expenditures of Federal Awards
 - Corrective Action Plan
 - Summary Schedule of Prior Findings

Single Audit Report Preparation Corrective Action Plan Process



2015 Statewide Single Audit Report

- <http://www.ofm.wa.gov/singleaudit/2015/default.asp>
- The Single Audit Report includes:
 - Financial Statements Section
 - Auditor Section
 - Audit Opinions
 - Federal Findings
 - Auditee Section
 - Schedule of Expenditures of Federal Awards and Notes
 - Corrective Action Plans
 - Summary Schedule of Prior Findings

2015 Statewide Single Audit Report

Summary of Results

	2015	2014	2013	2012
Federal Assistance Expenditures	\$17 Billion	\$ 15.7 Billion	\$14.9 Billion	\$15.8 Billion
Questioned Costs	\$28.7 Million	\$3.9 Million	\$4.3 Million	\$4.0 Million
Likely Questioned Costs	\$142.2 Million	\$13.8 Million	N/A	N/A
Total Number of Findings	56	55	45	63
Total Number of Repeat Findings	20	20	22	22

Question Costs are when an agency has not complied with grant regulation and/or does not have adequate documentation to support expenditures.

- For more information refer to § 200.207 and § 200.338 of the Uniform Grant Guidance

2015 Statewide Single Audit Report

Summary of Results

Finding Category	2015	2014
Activities Allowed or Unallowed/ Allowable Costs/ Cost Principles	15	17
Reporting - FFATA	0	12
Reporting	3	0
Special Tests and Provisions	13	7
Subrecipient Monitoring	2	3
Eligibility	5	3
Level of Effort, Earmarking, Matching	5	3
Suspension and Debarment	1	2
Period of Availability	3	1
Procurement	0	1
Program Income and Cash Management	1	2
Multiple Compliance Areas	6	4
Non-Federal	2	0

Disclosure Forms - Overview

	SAAM	Required	Completed
Federal Disclosure Forms			
 Due September 2, 2016 – 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, 2017 - Certification			
Federal Assistance Certification	95.20.90	Required	Yes

Disclosure Forms

Federal Financial Assistance Direct Form

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

Of the total expenditure amount reported, how much was passed through to non-State agency subrecipients?

Report the total dollar amount of expenditures of federal awards .

In general, the revenue amount should be equal to the expenditure amount. Therefore the difference should be zero.

Use the "Federal Revenue" ER Report for the reconciliation .

The reconciliation is prefilled with federal revenue information. If there is a variance a detailed explanation should be included.

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.

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 Office of Management and Budget (OMB) Circulars A-133, *Audits of States, Local Governments and Non-Profit Organizations* and applicable cost principles, or
 - 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.

Due January 31st 2017





Disclosure Forms

Federal Analytical Review

The threshold for material changes are identified each year by OFM FY16 +/- \$20 Million OR 20%

Enter all information on ALL of the other federal forms

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.

The information will prefill from the disclosure forms

Federal disclosure form	Expenditures/ Passed Through to Subrecipients	CFDA #	Federal Funding Agency	Major Sub-division	Program Title	Prior Year Expenditure Amount	Current Year Expenditure Amount	Change	Explanation

For each line that has data prefilled add a explanation for the reason for the change from the prior year

Disclosure Forms

Federal Analytical Review



[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 are any below.

Federal Disclosure Form	Expenditures/ Passed Through to Subrecipients	CFDA #	Federal Funding Agency	Major Subdivision
A. Direct	Expenditures	84.063	Dept of Education	Office of Postsecondary Education
A. Direct	Expenditures	84.268	Dept of Education	Office of Student Financial Assistance Programs
A. Direct	Expenditures	84.334	Dept of Education	Office of Postsecondary Education
B. Pass-Through	Expenditures	84.038	Dept of Education	Office of Student Financial Assistance Programs
B. Pass-Through	Passed Through to subrecipients	84.038	Dept of Education	Office of Student Financial Assistance Programs
D. Loan Balances	Ending Loan Balances as of June 30	84.038	Dept of Education	Office of Student Financial Assistance Programs

Disclosure Forms - EXAMPLE

Federal Analytical Review



EXAMPLE Agency – PRIOR YEAR Direct Form

1

2

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		105,782	105,782	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		603,102	603,102	0	0
94.003	Corp for National & Community Service	Corporation for National and Community Service	State Commissions	01		287,323	287,323	0	0
94.006	Corp for National & Community Service	Corporation for National and Community Service	Americorps	01		13,204,390	13,204,390	0	2,638,469



Disclosure Forms - EXAMPLE

Federal Analytical Review

EXAMPLE Agency – CURRENT YEAR Direct Form

CFDA #	Federal Funding Agency	Major Subdivision	Program Title	Cluster	Award Contract Number	Revenue Amount	Expenditure Amount	Difference	Expenditure Amount Passed Through to Subrecipients
94.005	Corp for National & Community Service	Corporation for National and Community Service	Learn and Serve America_higher Education	01		0	14,000,000	(14,000,000)	2,300,000
Totals						0	14,000,000	(14,000,000)	2,300,000

Diagram annotations: A box labeled '3' has a red arrow pointing to the 'Expenditure Amount' cell (14,000,000). A box labeled '4' has a red arrow pointing to the 'Expenditure Amount Passed Through to Subrecipients' cell (2,300,000). A red box highlights the entire data row for CFDA # 94.005.

Disclosure Forms - EXAMPLE

Federal Analytical Review



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 change on a federal form since last fiscal year this form will automatically populate with the current year and prior year information changes listed below.

Make sure every line on this form has an explanation.

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	Explanat
A. Direct	Expenditures	94.005	Corp for National & Community Service	Corporation for National and Community Service	Learn and Serve America_higher Education	0	14,000,000	14,000,000	
A. Direct	Passed Through to subrecipients	94.005	Corp for National & Community Service	Corporation for National and Community Service	Learn and Serve America_higher Education	0	2,300,000	2,300,000	
A. Direct	Expenditures	94.006	Corp for National & Community Service	Corporation for National and Community Service	Americorps	13,204,390	0	(13,204,390)	
A. Direct	Passed Through to subrecipients	94.006	Corp for National & Community Service	Corporation for National and Community Service	Americorps	2,638,469	0	(2,638,469)	



Disclosure Forms Federal Analytical Review

Federal Loan Balances

EXAMPLE Agency – PRIOR YEAR Loan Form

SAAM Manual (95.20.60)

[Return To Lead Sheet](#)

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 Subdivision	Program Title	Cluster	Loan Balances as of July 1
84.038	Dept of Education	Office of Student Financial Assistance Programs	Federal Perkins Loan Program_federal Capital Contr	03	7,297,401
				Total	7,297,401

Federal Loan Balances Reconciliation

Beginning loan balances as of July 1, from above	\$7,297,401
Plus: New loans	1,417,111
Less: Repayments	(1,099,487)
Ending loan balances as of June 30	<u>\$7,615,025</u>

Disclosure Forms

Federal Analytical Review



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 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 b

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	Explanat
A. Direct	Expenditures	84.063	Dept of Education	Office of Postsecondary Education	Federal Pell Grant Program	17,233,469	0	(17,233,469)	
A. Direct	Expenditures	84.268	Dept of Education	Office of Student Financial Assistance Programs	Federal Direct Student Loans	66,580,591	0	(66,580,591)	
A. Direct	Expenditures	84.334	Dept of Education	Office of Postsecondary Education	Gaining Early Awareness and Readiness for Undergra	2,809,865	0	(2,809,865)	
						Prior Year	Current Year		
D. Loan Balances	Ending Loan Balances as of June 30	84.038	Dept of Education	Office of Student Financial Assistance Programs	Federal Perkins Loan Program_federal Capital Contr	7,297,401	0	(7,297,401)	

Disclosure Forms - Basics

- Report revenue using sources
 - 0301-0353 and 0357-0399
 - 0546 Federal Revenue – Pass Through
- **REMINDER:** Be sure federal revenues are coded to the appropriate revenue source code. We look for this at year end.
 - **EXAMPLE:**
 - Federal Agency: Department of Health and Human Services
 - CFDA Number: 93.xxx
 - SAAM 75.80 Revenue Source: 0393

Disclosure Forms - Basics

- SAAM 95.20.10c – Required Conversions for CFDA numbers.
 1. The CFDA catalog lists all federal assistance programs of the National Foundation on the Arts and Humanities under one federal agency code 45
 2. The CFDA catalog lists the Executive Office of the President under federal agency code 95.

Refer to the SAAM chapter if you have any awards from these federal agencies for the appropriate CFDA number.

Disclosure Forms - Basics

- Other Reminders:
 - Extract criteria the agency uses needs to tie to the Disclosure Form
 - Report both direct and indirect and actual and accrued expenditures
 - Round amounts to the nearest dollar.
- In most cases:
 - Federal revenues = AFRS and
 - Federal revenues = federal expenditures
 - If not, an allowable explanation must be provided
 - **DON'T JUST MAKE THEM MATCH**

Disclosure Forms - Basics

- Examples of Allowable Explanations
 - One agency records the revenue and another agency records the expenditures
 - An agency records revenue in federal sources and records related expenditures in non-federal appropriations
 - An agency reports expenditures on the DF but not in AFRS and another agency reports state expenditures that are later reimbursed by feds
 - Minor rounding differences

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 accounting consultant to have the CFDA number added.

NOTE: Submit a copy of the grant award document(or at least the first page) that shows the CFDA number that you need added.

Generally we can add a CFDA number the same day.

If possible, try to check this throughout the year. If you received a new award you have never had before you can check the AFRS screen to see if it is already included. That way we don't receive a ton of requests the week before phase 2 close.

SEFA and Data Collection Form Changes

- The new Data Collection Form is expected to be released by July 2016, which will be effective for FY16.
- Most will be done by OFM. There is one item that may impact agencies.
- For any programs that do not have a CFDA assigned (this would be CFDA numbers entered on the disclosure forms as xx.000 for example 93.000)
 - Review the agreement to identify if the program is considered a “federal award” or “contract. If it is a contract it does not need to be included on the disclosure forms.
 - If it is a federal award, review the agreements for all of xx.000 for the same federal agency to determine if any programs should be grouped together because they are for the same purpose.

SEFA and Data Collection Form Changes

- What does this mean for the agency?
 - No change to how you currently report on the disclosure forms. Continue to report unidentified CFDA numbers in accordance with SAAM 95.20.10b. (xx.000)
 - If necessary, OFM will contact you after phase 2 close with additional instructions.

State Agency Subrecipient Reporting

- SAAM 95.20.10b
- The portion of federal award expenditures passed through to subrecipients. **Do not include amounts passed through to other agencies of the state of Washington, except when:**
 - **A portion of the amount passed through is subsequently passed through to a non-state agency (subrecipient).** This amount should be reported as a pass through expenditure by the original state agency.

Important Notice

State Agency Subrecipient Reporting

	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
<u>REPORTING REQUIREMENTS</u>					
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.					

Key Dates

Date	Reporting Item
July 15	Disclosure Form application opens
July - Aug	Updates to prior finding corrective action plans
Sept 2	Phase 2 closes and disclosure forms close
Sept 14	State Financial Certification form is due
Jan 31	Federal Assistance Certification form is due
Ongoing	Corrective action plans for FY 16 findings
Mar 31	Submit to the Single Audit Clearinghouse (OFM)

Communication with Federal Agencies – Finding Resolution Process

- What is the process for findings follow-up?
 - Finding issued
 - Federal awarding agency receives a copy of the finding
 - Then what????
 1. Agency received communication from federal agency on next steps
 2. OR OFM receives communications from federal agency on next steps
 - Agency responds to federal agency
 - Federal Agency makes determination on finding.
- OFM would like:
 - Final determinations received from the federal agency.
 - Any communications received regarding reporting federal grants on the Schedule of Expenditure of Federal Awards.

OFM – Federal Communications

- Starting in January 2016 I started a email communication group.
- Limited to 2 contacts for each agency:
 - Disclosure Forms
 - Corrective Action Plans
- Those individuals are responsible for forwarding the communications to the necessary people within their agency.
- If you have questions about who are the contacts for your agency please let me know.

OFM – Federal Communications

- FY16 Communications included:
 - Available Training
 - Audit Costs
 - Beginning with the **state's fiscal year 2016**, the Uniform Guidance restricts the allowability of audit costs. Refer to 2 CFR §200.425 Audit Services and the September 2015 COFAR for more details
 - Indirect Costs
 - §200.414 Indirect (F&A) paragraph (f) states in part: *any non-Federal entity that has never received a negotiated indirect cost rate may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely.*

OMB Compliance Supplement

- Possible release in June 2016.
- KPMG Single Audit Update webcast discusses possible changes.

OMB Compliance Supplement

- What are the audit requirements?
 - Matrix of Compliance Requirements
 - Part 3 – Compliance Requirements
 - General Information “Plain Language”
 - Source of requirements
 - Audit objective and Audit Procedures
 - Part 4 – HHS(EXAMPLE)
 - About the Program
 - Compliance Requirements
- No Compliance Supplement?
 - Grant Agreement
 - CFDA.gov

Data Act

1. Expand the Federal Funding Accountability and Transparency Act of 2006 (FFATA) to disclose direct Federal agency expenditures and link Federal contract, loan, and grant spending information to programs;
2. Establish Government-wide data standards for financial data and provide consistent, reliable, and searchable Government-wide spending data that is displayed accurately;
3. Simplify reporting for entities receiving Federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency;

Data Act

4. Improve the quality of data submitted to USASpending.gov by holding Federal agencies accountable for the completeness and accuracy of the data submitted;
5. Apply approaches developed by the Recovery Accountability and Transparency Board to spending across the Federal Government; and,
6. Require agency Inspectors General and the Comptroller General to audit and report on agency compliance with the law's mandates.

Source: <https://repository.usaspending.gov/wiki/?q=content/what-data-act>

Data Act

- What are the impacts for the state?
 - TBD – August 2018
- For more information about the Data Act and the Pilot Program please visit the following websites:
 - <http://www.grants.gov/web/grants/outreach/grants-gov-pilots.html>
 - <https://www.usaspending.gov/Pages/Data-Act.aspx>

Available Training

- Thompson webinar library training is available through the end of the year. Topics include:
 - Uniform Grant Guidance
 - Time and Effort documentation
 - Data Act
 - Policies and Procedures
 - Subrecipient Monitoring

If you are interested please email me and I will provide you the link and access code.

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
- Agency Financial Consultant

Other Resources

- COFAR(Council on Financial Assistance Reform) - <https://cfo.gov/cofar/>
- AGA(Association of Government Accountants) FREE Online tools:
 - Subrecipient vs. contractor checklist
 - Risk Assessment Monitoring Questions
 - <https://www.agacgfm.org/Intergovernmental/Free-Online-Products-for-Financial-Managers.aspx>
- KPMG Free Webcasts
 - Single Audit Update(2016 Compliance Supplement, Uniform Guidance)
 - <http://www.kpmg-institutes.com/events/webcast-landing-page.html>

Questions

