

March 11 - 15 | Arlington, VA
Crystal Gateway Marriott

2024

WINTER TRAINING CONFERENCE



NASCS

Turning Possibilities into Reality

Compliance Hot Spots & Opportunities

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Compliance Hot Spots & Opportunities

Making the Most of CSBG

NASCSP Winter Training Conference

March 12, 2024

Discussion Leader: **Kay Sohl**

www.kaysohlconsulting.net



Workshop Topics:

- **Meshing the demands of 2 CFR 200 and CSBG**
- **Cost principles: Allowability and Allocability**
- **Cost Allocation Plans**
- **Indirect Cost Rates**
- **Monitoring cost allocation plans and practices**
- **Pass-through entity challenges**
- **Understanding Single Audits and Dealing with Single Audit findings**
- **Tools and tips for monitoring CSBG compliance**
- **Next Steps**

Workshop Goal

Before



After



Background

- **Uniform Guidance first took effect December 26, 2014**
 - **Replaced OMB Circulars A-87, A-122, and A-133**
- Codified in the Code of Federal Regulations: **2 CFR Part 200**
- OMB required to review UG every 5 years (2 CFR § 200.109)
 - **First significant revisions issued August 13, 2020**
 - Most provisions effective November 12, 2020
 - Applies to new awards and award modifications issued on or after November 12, 2020
 - Revisions don't apply to HHS awards until new rule is issued
- **Additional Uniform Guidance changes are on the way!**

2023 Proposed Changes

October 5, 2023

Four main objectives for proposed revisions:

1. Incorporate statutory requirements and administration priorities;
2. Reduce agency and recipient burden;
3. Clarify differing interpretations; and
4. Rewrite sections in plain language, improving flow, and addressing inconsistent use of terms

OMB Decision Date for 2023 Revisions

- **Not yet announced**
- **Comment period closed 12/4/23**
- **OMB announced intention to move quickly**
- **Increase in de minimis rate may have significant impact on CAAs**

Highlights of 2023 Proposed Changes

- Increase in **Single Audit Threshold to \$1 million** – with indexing
- Increasing amount of **sub-award costs counted within MTDC from \$25,000 to \$50,000**
- Increase equipment **capitalization threshold to \$10,000**
- Clarifying & reducing prior approval requirements
- Clarification of rules defining direct costs
- **Increasing the de minimis rate to 15% MTDC**

Proposed Change in De Minimis Rate

- **Increase** de minimis rate from 10% to **15%**
- Maintain requirement to compute de minimis rate using **Modified Total Direct Cost as base**
- **Maintain 2020 revision** permitting any recipient or sub-recipient to elect to use the de minimis rate – even if they previously had a Negotiated Indirect Cost Rate
- **Action by HHS** will still be needed to make the new de minimis rate provisions apply to HHS awards and sub-recipient agreements

Federal Agency Versions of UG

HHS: codified its own version of the Uniform Guidance as

- 45 CFR Part 75

All other federal agencies adopted 2 CFR Part 200 with a few exceptions/additions:

- **Dept.. of Energy:** 2 CFR Part 910
- **CNCS:** 2 CFR Part 2205
- **HUD:** 2 CFR Part 2400
- **DOL:** 2 CFR Part 2900
- **Dept.. of Education:** 2 CFR Part 3474

What's In the Uniform Guidance

2 C.F.R. Part 200

- **Subpart A:** Acronyms and Definitions
- **Subpart B:** General Provisions
- **Subpart C:** Pre-Federal Award Requirements and Contents of Federal Awards
- **Subpart D:** Post-Federal Award Requirements
- **Subpart E:** Cost Principles
- **Subpart F:** Audit Requirements
- **Appendices:** Required contract provisions, indirect costs etc.

Which UG Provisions Apply to CSBG?

All these **UG provisions apply to all block grants, including CSBG:**

- Subpart A (definitions)
- Subpart B (Provisions
- Subpart F (Audit Requirements)
- Subpart C – only certain provisions (see next slide)

Provisions in Subpart C that apply to CSBG

- § 200.203 – Public notice/CFDA
- § 200.331 – Subrecipient & contractor determinations
- § 200.332 – Pass-through entities
- § 200.333 – Fixed amount subawards
- ***Additionally: Subpart E, Cost Principles**, applies to CSBG because CSBG Act, the authorizing statute (42 U.S.C. § 9916(a)(1)(B)), specifically requires it

Cost Principles: Subpart E

Allowable Costs

Only allowable costs may be charged to federal awards. To be allowable must have:

- Evidence **cost was incurred** and/or the work was done
- Evidence purchase was **necessary**
- Expense **not prohibited**
- **Allocability** - Ability to **associate** the cost **with award objective**

Costs May Be -

- Allowable
- Possibly Allowable
 - **Example: Capital Expenditures 200.439**
 - **Capital expenditures** for general purpose equipment, buildings, and land are **unallowable...except** with prior written approval of the federal awarding agency or the pass-through entity
- Prohibited
 - **Example: Alcohol 200.423**

What is Allowable?

- **Sources:** 2 CFR 200, specific program CFRs, State or other pass-through requirements
- **§ 200.1 Definitions** – alphabetized directory of federal funds management concepts
- **Sub-part E - Cost Principles 200.420 – 200.476**
 - Alphabetized list by type of cost
 - Factors affecting cost allowability 400.403

Timing is Everything !

To be allowable as charges to federal awards, cost must be:

- **Incurred during the award period**
- **Provide benefit** to the funded activity **during the award period**
- **Approved prior to being incurred** if specific approval is required
- Substantiated by **consistent accounting**

Cash versus Accrual Accounting

	Cash	Accrual
What is it?	A system which records income only when it is received and expenses only when they are paid out	A system which records income when it is earned , and expenses when the obligation to pay arises , regardless of when payment is made
What costs are charged to federal awards	Bills paid during the award period for expenses which provided benefit during award period.	Expenses which provided benefit during the award period, even if bills not paid until after the award period concludes

Fringe Benefits Example

§ 200.431

- **Cash basis accounting:** charge only amounts paid during the award period. Charge cost of paid leave during the **period in which leave is taken**
- **Accrual basis accounting:** charge amounts earned by employees during the award period regardless of when bills paid. **Charge cost of paid leave when leave is earned**

Allocability

Costs Benefiting More Than 1 Cost Objective

- Costs that benefit **more than one** cost objective must be **fairly allocated** to all cost objectives that benefit
- Organization may define **Cost Objective** as a *program*, a *project*, a **function**, or an **award**
- Must use consistent definition

Cost Objective

§200.28

Cost objective means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost... A cost objective may be a major function of the Grantee, a particular service or project, [or] a Federal award...

Functional Cost Objective Budget Format

	Total	Manage	Fund raising	Energy Assist	WAP	Early Childhood
Personnel						
Prof. Services						
Occupancy						
XXXXX						
Total Expenses						

Funding Agreement Cost Objective Budget Format

	Total	Award 1	Award 2	Award 3	Award 4	Unrestricted
Personnel						
Prof. Services						
Occupancy						
Allocated Admin						
Total Expenses						

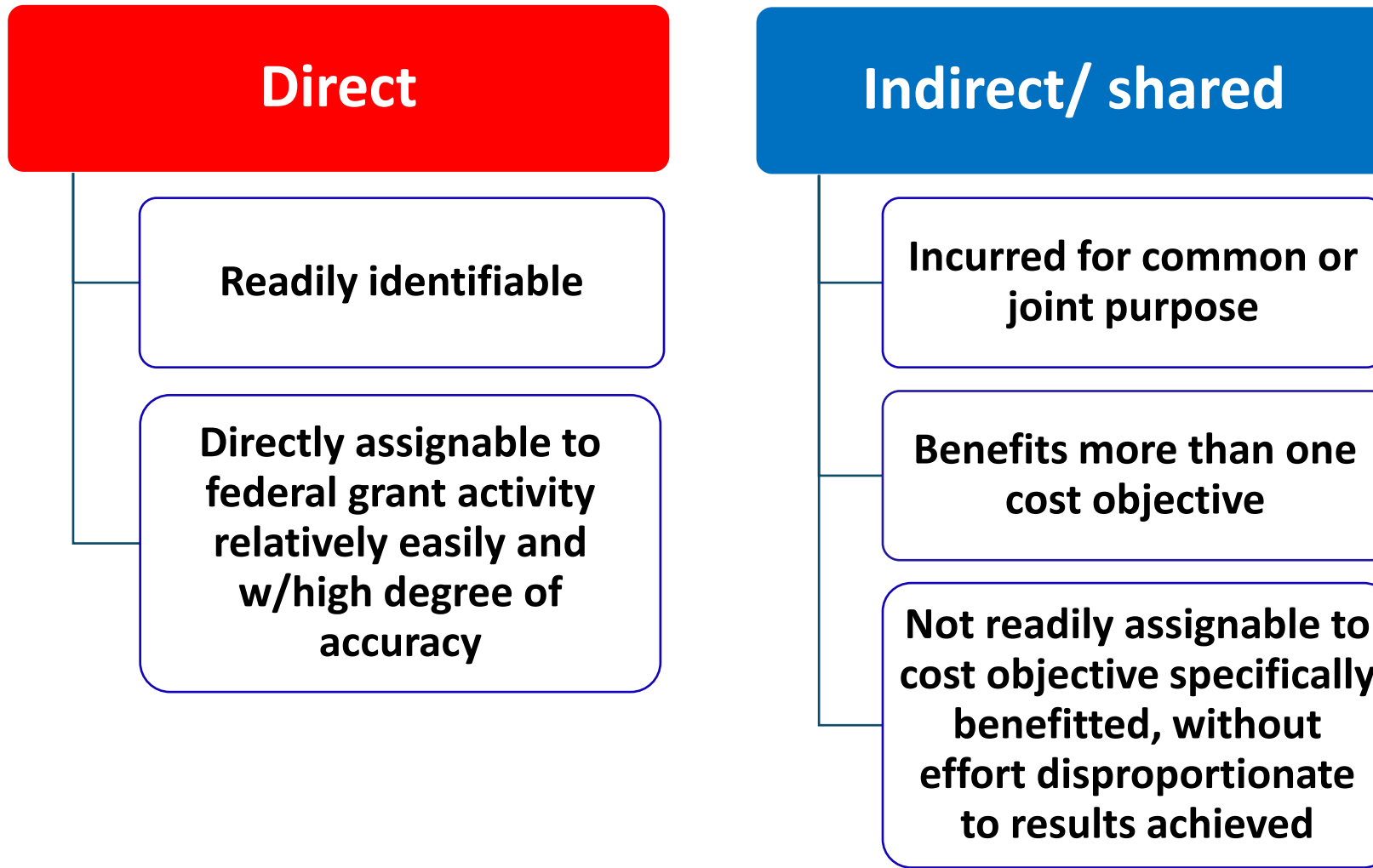
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session!**



Cost Allocation: Estimating Benefit Provided to Each Cost Objective

- Allocation method must be **reasonable** and **cost effective** to use
- May use **different approaches** to allocating **different types** of costs
- Must be **consistent** in use of an approach for similar types of costs

Types of Cost



Shared or Common Costs

- Costs which **benefit multiple cost objectives** – programs, functions, awards
- Includes but not limited to **Administrative** costs
- Impossible to track the exact benefit to each program or function – **benefit to each must be estimated**

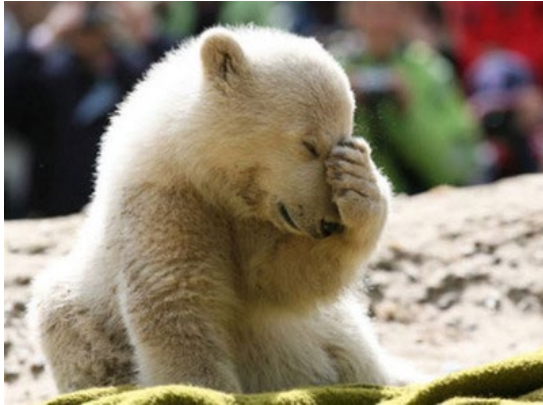
Admin or Management Costs

- May be recovered either through **direct charging through cost allocation** or as part of **indirect cost rate**
- Core Admin/Management Functions:
 - Executive Oversight
 - Board Support
 - Financial Management
 - HR Management IT Management

Administrative Costs Include

- **Personnel** performing admin functions
- Allocated share of **employer pd taxes and fringe benefits**
- **Allocated** facilities, supplies, and other **costs necessary for staff to perform admin functions**
- **Professional services** associated with administrative functions

Admin costs not identical to indirect costs



- Admin costs can be **direct** or **indirect**:
- Administrative functions that benefit **only one** or a **limited number** of **programs/awards** may be treated as **Direct Costs**
- Example of direct admin cost:
 - **Accountant performing only Head Start functions**

4 ways to Recover Admin & Indirect Costs

Uniform Grants Guidance

		Indirect Cost Rates	
Direct Charge Allocated Costs 2 CFR 200.405 (d)	10% de minimis	Federal NICR	Pass-through NICR

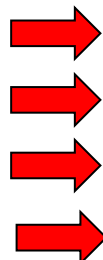
All 4 methods require distinguishing costs **directly attributable** to a **specific cost objective** from costs that benefit more than one cost objective

Direct Charging Shared Costs



	Prog 3	Prog 2	Prog 1	Shared	Total
Total Direct Costs	2 Million	1 Million	100,000		3.1 Million
Rent				60,000	60,000
Audit				20,000	20,000
Maintenance Staff				60,000	60,000
Utilities				10,000	10,000
TOTAL	2 Million	1 Million	500,000	150,000	3,250,000

	Prog 3	Prog 2	Prog 1	Shared	Total
Total Direct Costs	2 Million	1 Million	100,000		3.1 Million
Rent	39,000	19,200	1,800	0	60,000
Audit	13,000	6,400	600	0	20,000
Maintenance staff	39,000	19,200	1,800	0	60,000
Utilities	6,500	3,200	300	0	10,000
TOTAL	2,097,500	1,048,000	10,500	0	3,250,000



Key Differences

Direct Charge- Cost Allocation

- Allocates **individual cost items** based on estimated benefit provided to each cost center
- May use **different estimating methods** for different types of costs
- Must justify methods
- Requires **cost allocation plan**
- Results in **direct charging** of **allocated costs**

Indirect Cost Rate

- Distinguishes **indirect** from **direct** costs
- Computes **%** that indirect costs comprise of a **base** of direct costs
- **Applies that %** to the base of direct costs in **each cost objective**

Direct Charge through Cost Allocation: Challenges

- Finding defensible **allocation method**
- Constant **flux** in allocated costs as programs expand and contract
- **Difficult to explain** why shared costs are charged as direct
- Under Uniform Guidance, **certain costs* may only be charged as indirect** (i.e., using NICR or 10% rate)

* *Preparation of grant applications*

Common Cost Allocation Mistakes

- Determining the **allocation** of a cost benefiting more than one objective **based on the amount included in an award budget**
- **Failing to allocate** a cost to **all the cost objectives** which benefit from it

Cost Allocation Plans

- **Comprehensive** description of agency's treatment of direct and shared costs
- Includes CAA's **definition of cost objective**
- Identifies **types of shared costs & methods used** to allocate each type
- **Defines** agency-wide **administrative costs**
- Identifies **method used to allocate administrative costs**
- Identifies **effective dates**

Cost Allocation Plan Challenges

- Must clarify whether concept of “**indirect cost pool**” is used
- Must clarify which, if any, **non-administrative costs** are treated as part of “**indirect pool**”
- Plan must comply with 2 CFR 200
- Many pass-through entities **refuse to “approve”** cost allocation plans
- Independent auditors may or may not examine plans carefully
- Some auditors & monitors require the plan to include a **certification statement**

Exhibits Supporting the Cost Allocation Plan

- **Agency-wide budget** illustrating application of cost allocation policies to all line-items
- If % of square footage is used for allocation of facilities and related costs, **floor plan** measurements used to derive allocation %s
- Detailed **personnel schedule** illustrating positions treated as direct costs and positions treated as allocated costs

Cost Allocation Plan Pitfalls

- **Costs must be allocated to all cost objectives they benefit – regardless of funding limitations**
- **In most cases, administrative or indirect costs may not be allocated based on % of total direct costs dollars attributed to each cost objective**
- **Use of such percentages is generally limited to calculation of indirect cost rates not in cost allocation plan to justify direct charging of allocated costs**

4 ways to Recover Admin & Indirect Costs

Uniform Grants Guidance

		Indirect Cost Rates	
Direct Charge Allocated Costs 2 CFR 200.405 (d)	10% de minimis	Federal NICR	Pass-through NICR

All 4 methods require distinguishing costs **directly attributable** to a **specific cost objective** from costs that benefit more than one cost objective

Indirect Cost Rates

- Distinguish **indirect** from **direct** costs
- Compute **%** that indirect costs comprise of a **base** of direct costs
- **Applies that %** to the base of direct costs in **each cost objective**

Remember Fractions????



Numerator (Top)



Denominator (Bottom)

Numerator Divided by Denominator = Percentage

Examples: $\frac{1}{4} = 25\%$ $\frac{1}{2} = 50\%$ $\frac{3}{4} = 75\%$

The Numerator (top of fraction)

What's in the Indirect Cost Pool

- **Indirect costs = costs for which benefit cannot be determined directly**
- **May Include:**
 - All **agency-wide management costs**
 - or
 - All **agency-wide management** costs **plus** other common costs like **facilities, telephone, internet**

Only Allowable Indirect Costs in Numerator

- All methods of computing the Indirect Cost numerator require **excluding unallowable indirect costs**
- Example:
 - Alcohol served at Board functions is excluded as unallowable

Denominator (bottom of fraction) = Direct Cost Base

- **De Minimis Rate** – must use **Modified Total Direct Costs** as base
- **Negotiated Indirect Cost Rate** – may use one of three bases:
 - **Modified Total Direct Costs**
 - **Total Direct Salaries and Wages**
 - **Total Personnel Costs** – including taxes and benefits

Calculating the Indirect Rate

Allowable Indirect Costs

÷

Direct Cost Base

=

Indirect Cost Rate %

10% de Minimis Rate

- Available to all nonprofits that don't have a federally negotiated indirect rate (**2020 revisions to UGG**) *
- **No negotiation** required
- **Modified Total Direct Costs** must be used as the base for the calculation & application of rate

* Caution: HHS did not adopt 2020 revisions

Direct Charge-Cost Allocate	10% de minimis	Federal NICR	Pass-thru NICR
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Modified Total Direct Cost

§ 200.68

- **Indirect costs** expressed as a % of **modified total direct costs**
- **Total direct costs include all direct costs whether or not they are funded with Federal \$\$**
- **Total Direct costs includes unallowable direct costs**

10% means 10% of MTDC

... SO

first determine MTDC


				MTDC	Prog 1 Direct	Prog 2 Direct	Prog 3 Direct	Non-Federal Direct Costs
				4 Million	1 Million	2.1 Million	700,000	200,000

4 million x 10% = 400,000

MTDC Direct Cost Base excludes:

- Equipment & capital expenditures
- Rental costs
- Participant support costs
- Charges for patient care
- Tuition remission
- Portion of each **sub-award** in excess of **\$25,000**
- Other **costs** that would **distort** distribution of indirect costs

Note that the **10% de minimus rate** is
10% of MTDC
not 10% of total costs



				MTDC	Prog 1 Direct	Prog 2 Direct	Prog 3 Direct	Non-Federal Direct Costs
				4 Million	1 Million	2.1 Million	700,000	200,000

Applying the 10% MTDC Rate

Total Expenses	Unallow Indirect Costs	Allowable indirect Costs	Excluded Direct Costs	MTDC	Prog 1 Direct	Prog 2 Direct	Prog 3 Direct	Non-Federal Direct Cost
4,450,000	10,000	400,000	40,000	4,000,000	1,000,000	2,100,000	700,000	200,000
Indirect Rate .10		(400,000)		400,000	100,000	210,000	70,000	20,000
Excluded Costs			(40,000)				40,000	
Unallow Indirect	(10,000)							10,000
Total Costs					1,100,000	2,310,000	810,000	230,000

Federally Negotiated Indirect Cost Rate

- Must have **direct federal award** to negotiate
- Negotiate with federal agency providing largest portion of direct federal funding
- **Submit proposed rate** following 2 CFR 200 requirements
- Federal agency **determines rate & time period** it will cover

Direct Charge- Cost Allocate	10% de minimis	Federal NICR	Pass- thru NICR
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Steps to Obtain a NICR Federally Negotiated Indirect Cost Rate



Must have direct federal award

1. Find your **cognizant** agency and its negotiating office
2. Prepare comprehensive **cost-centered annual budget**
3. Identify **direct** and **indirect** costs
4. Deal with **unallowable** direct and indirect costs
5. **Choose which method** to use to compute the rate
6. **Allocate shared costs not included in the rate**
7. **Propose and negotiate rate**

Direct Charge-Cost Allocate	10% de minimis	Federal NICR	Pass-thru NICR
------------------------------------	-----------------------	---------------------	-----------------------

Admin Cost Caps

- Specific federal programs may impose **statutory caps** on administrative costs
- Caps generally placed on Administrative **not Indirect costs**
- Check regs to **clarify base** to use to compute the admin cap
- Admin caps typically **combine allocated and direct admin costs**
- 10% Admin Cap computed on total direct costs may result in higher number than 32% indirect rate based on Direct Salaries
- Negotiated Indirect Cost Rate **may include costs that are not administrative**

Monitoring Cost Allocation

- Review **NICR effective dates**
- Review **Cost Allocation Plan**
 - Completeness (*see cost allocation plan elements*)
 - Allowable allocation methods
 - Effective dates
- Review **allocation practices**
- Check **compliance with administrative cost caps** for various awards
- Review ***Sample Cost Allocation Plan Checklist***

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Pass-through Entity Challenges

State Agencies function as Pass-through Entities for CSBG and other Federal \$\$\$

- State agencies are **recipients** of federal dollars
- Recipients may function as **pass-through entities** making awards to **sub-recipients**
- Both **recipients** and **sub-recipients** are required to follow all federal funds management requirements
- **Recipients are responsible for sub-recipient compliance**
- CAAs, other nonprofits, and local governments may function as **recipients, sub-recipients** and **as pass-through entities**

When Pass-throughs award federal funds

Need to determine whether other entity is a **contractor** or **subrecipient**

- **Subrecipient**: Don't use procurement process, but must conduct pre-award risk assessment
- **Contractor**: Must use procurement process to select, but generally don't need to comply with program rules

The recipient (**pass-through entity**) is always solely responsible to the federal government for the execution of the award

Sub-recipient versus Contractor Relationships

- **Not all awards of federal funds are “grants” subject to UGG**
- **UGG applies** to grants, awards, & cooperative agreements between federal agencies and **recipients & sub-recipients**
- **UGG does not apply to exchange-type transactions with “contractors”** - subject to FARS – Federal Acquisition Regulation System

Subrecipient vs Contractor

Subrecipient (<i>Subaward</i>)	Contractor (<i>Procurement contract</i>)
Purpose is to carry out a portion of the Federal award	Purpose is to obtain goods and services for the non-Federal entity's own use
Determines eligibility for assistance	Provides goods and services within normal business operations
Performance measured according to Federal program objectives	Provides similar goods and services to many different purchasers
Responsible for program decision-making	Normally operates in a competitive environment
Must comply with Federal program requirements	Is not subject to compliance requirements of the Federal program as a result of the agreement
Funds used to carry out the Federal program, rather than providing goods or services	Provides goods or services that are ancillary to the operation of the Federal program

Sub-recipient Agreements Must -

- Identify CAA or other entity as a **sub-recipient**
- Explicitly state the requirement to comply with **§ 2 CFR 200**
- Include **ALN # *** for specific federal program providing the funds

*ALN -Assistance Listing Number - new term for CFDA #

Common Sub-Recipient Agreement Challenges

- Agreements are **silent** as to sub-recipient vs contractor vs beneficiary
- Sub-recipient agreement is labeled **“contract”**
- Sub-recipient agreement fails to identify **ALN#**
- **SLFRF** (State & Local Fiscal Recovery Funds) **does not permit sub-awards** – many pass-throughs realized they needed to amend subrecipient agreements
- Agreement originally states that entity is subrecipient but **later amends** to clarify that entity is beneficiary or contractor

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Single Audit Challenges & Opportunities

UGG Audit Requirements

Single Audit

Funds from multiple federal programs

- Required when non-federal entity expends **\$750,000** or more of federal awards (either direct or indirect) in their fiscal year
- Required when **funds received from** multiple federal programs- have multiple Assistance Listing

Program-Specific Audit

Funds from a single federal program

- Required when non-federal entity expends **\$750,000** or more of federal awards (either direct or indirect) in their fiscal year
- Funds must be from a **single federal program** – have single CFDA # (Assistance Listing)

Related but Not the Same

Independent Audit

- Determine whether the org's **financial statements fairly present financial condition & activity**
- Audience: **Board, funders, donors**

Single Audit

- Determine whether the org has complied with direct & material **compliance requirements**
- Audience: **Governmental agencies providing federal funds**

What to look for:

Independent Audit

- Time period audited
- Auditor opinion
 - Unmodified
 - Modified
 - Disclaimer of opinion
 - Adverse
- Financial health
 - Cash position
 - Net Assets

Single Audit

- Auditor opinion on internal control over financial reporting & compliance
- Report on compliance in major programs
- SEFA – Schedule of Expenditures of Federal Awards
- Findings

Audit Basics

- Entity **selects & engages** an independent CPA to conduct an audit
- All state licensed CPAs may conduct independent audits
- Only CPAs with **required continued professional education** may perform Single Audits
- Auditor issues **written report with multiple opinions and reports**

Independent Audit Opinion Letter

Unmodified Opinion

Report on the Financial Statements

We have **audited** the accompanying financial statements of XYZ Community Action Agency, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years, then ended and the related notes to the financial statements.

Auditor's Opinion

Modified Opinion

Modified Opinion

In our opinion, **except for** the effects of not including the accounts of xxx Community Development Corporation in the accompanying financial statements as explained in the Basis for Qualified Opinion paragraph, **the financial statements** referred to above **present fairly, in all material respects, the financial position** as of December 31, 2019 and 2018, and **the changes in its net assets and its cash flows** for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Standards for Single Audits & Program Specific Audits

- **Yellow Book** – Government Accountability Office (GAO)
<https://www.gao.gov/yellowbook>
- **Uniform Grants Guidance** 2 CFR 200 Sub-part F <https://www.ecfr.gov/cgi-bin/text-idx?node=sp2.1.200.f>
- **OMB Annual Compliance Supplement** <https://www.whitehouse.gov/omb/office-federal-financial-management/>
- Specific requirements of individual federal programs

Single Audit Reports

Independent Auditor’s Report on **Internal Control** over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with **Government Auditing Standards**
..... 1

Independent Auditor’s Report on **Compliance** for Each Major Federal Program; Report on **Internal Control Over Compliance**; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
..... 3

Schedule of Expenditures of Federal Awards
..... 6

Notes to the Schedule of Expenditures of Federal Awards
..... 8

Schedule of Findings and Questioned Costs
..... 9

Red Flags

- **Material Weaknesses**
- **Significant Deficiencies**
- **Qualified opinion on SEFA – not fairly stated**
- **Financial Management Findings –especially repeat findings**
- **Questioned costs**
- **Weak cash or net asset position**

Material Weakness

- “A **material weakness** is a deficiency, or a combination of deficiencies, in internal control, such that there is a **reasonable possibility** that a **material misstatement** of the entity’s financial statements will **not be prevented or detected and corrected** on a timely basis”
- “We consider the **deficiencies** described in the accompanying **Schedule of Findings and Questioned Costs** as 2019-001 and 2019-002 to be **material weaknesses**”

Significant Deficiency

- “a **deficiency, or combination of deficiencies**, in internal control that is **less severe** than a material weakness, yet **important enough to merit attention** by those charged with governance.
- “ We consider the **deficiency described** in the accompanying **Schedule of Findings and Questioned Costs** as 2019-003 to be a **significant deficiency.**”

SEFA

Schedule of Expenditures of Federal Awards December 31, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures	Amounts Passed-Through to Subrecipients
U.S. Department of Energy				
Passed through North Dakota Department of Commerce				
Weatherization Assistance for Low-income Persons	81.042	4322-DOE18-50	\$ 144,940	-
Weatherization Assistance for Low-income Persons	81.042	4478-DOE19-50	426,362	-
Total for U.S. Department of Energy			571,302	-
U.S. Department of Health and Human Services				
Direct Award				
Head Start				
PA 22	93.600	08CH104006	4,323	-
PA 25	93.600	08CH104006	5,585	-
PA 22	93.600	08CH010729	2,508,383	-
PA 21	93.600	08CH010729	21,483	-
PA 25	93.600	08CH010729	840,457	-
PA 20	93.600	08CH010729	30,871	-
Subtotal for 93.600			3,411,102	-
Passed through the North Dakota Department of Commerce				
Low-income Home Energy Assistance				
Emergency Furnace Repair and Replacement Program	93.568	4103-LIHEAPEF-16-50	216,677	-
Emergency Furnace Repair and Replacement Program	93.568	4242-LIHEAPEF17-50	17,024	-
Emergency Furnace Repair and Replacement Program	93.568	4391-LIHEAPEF18-50	233,737	-
Emergency Furnace Repair and Replacement Program	93.568	4579-LIHEAPEF19-50	94,739	-
Weatherization Program	93.568	4091-LIHEAP16-50	211,372	-
Weatherization Program	93.568	4235-LIHEAP17-50	84,082	-
Weatherization Program	93.568	4384-LIHEAP18-50	93,829	-
Weatherization Program	93.568	4572-LIHEAP19-50	13,160	-
Weatherization Program	93.568	4084-LIHEAP15-50	150,920	-
Subtotal for 93.568			1,115,540	-
Community Services Block Grant	93.569	4424-CSBG19-50	667,174	-
Passed through Red River Valley Community Action				
Assets for Independence Demonstration Program	93.602	90EI0852-01-00	23,207	-
Passed through North Dakota Department of Health				
HIV Care Formula Grant	93.917	G17.619	17,189	-
HIV Care Formula Grant	93.917	G17.1202	59,533	-
Subtotal for 93.917			76,722	-
Total for U.S. Department of Health and Human Services			5,293,745	-
North Dakota Community Action Partnership and North Dakota Coalition for Homeless People, Inc.				
Supportive Services for Veteran Families Program	64.033	VA-SSVF-120516	184,660	-
Total for U.S. Department of Veterans Affairs			184,660	-
Total Expenditures of Federal Awards			\$ 8,557,646	\$ -

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

- In our opinion, the **schedule of expenditures of federal awards** is **fairly stated** in all material respects in relation to the financial statements as a whole.

Format for Findings

- **Criteria**
- **Condition**
- **Cause**
- **Effect**
- **Questioned Costs**
- **Context/Sampling**
- **Report of Finding from Prior Year**
- **Recommendation**
- **Views of Responsible Officials**

Corrective Action Plan

- **Prepared by auditee**
- **Restates each finding in current audit**
- **Identifies person responsible**
- **Describes what auditee will do**
- **Identifies anticipated completion date**
- **Identifies findings from earlier years which have not been resolved**

Monitoring response to Single Audit findings

- Identify findings **specific to funding your agency provides**
- Structure your monitoring visits & requirements to **test whether auditee is implementing Corrective Action Plan**
- Identify **control and compliance findings** that relate to overall systems
- Inquire about improvements & observe evidence of changes
- Evaluate whether failures or delays in implementation of Corrective Action Plan pose **substantial risk** to management of funds provided by your agency

Impact of Single Audit Findings on Risk Assessment

- Review material weaknesses and significant deficiency
- Identify system-wide issues – especially those not resolved after initial finding
- Consider potential impact of insufficient cash and/or net assets on future capacity to meet service and financial management requirements
- Establish policy regarding impact of identified risks on future funding decisions

Tools & Tips for Monitoring CSBG Compliance

- Identify programs/services utilizing CSBG \$
- Clarify rationale for use of CSBG \$
- Review current organization-wide budget
- Review cost allocation plan and procedures to determine how costs charged being charged to CSBG have been allocated & documented
- Review most recent Single Audit report and findings
- Review compliance with CSBG Organizational Standards including Board governance & oversight

Resources & Links

- **Cost Allocation Plan Elements**
- **Cost Allocation Plan Checklist**
- **CAPLAW Cost Allocation Toolkit** <https://caplaw.org/resources/cost-allocation-toolkit>
- **CAPLAW CSBG Training** <https://caplaw.org/resources/caplaw-csbg-training-module>
- **2 CFR 200 Uniform Grants Guidance** <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>
- **CAPLAW FAQ on Indirect Cost**
https://www.caplaw.org/resources/faqs/Financial/CAPLAW_FAQ_RecoveringSharedandIndirectCosts_Sep2019.pdf

**Please scan
here to
complete the
evaluation
for this
session!**

