ATTENTION!!!

- The information in this slide show may be subject to change.
- Additional COVID guidance is being provided by Federal and State Agencies every day in an attempt to clarify requirements and provide implementation guidance to prime recipients and subrecipients.

Agenda

- Funding Overview
- Specific Programs
- Single Audit Basics
- Resources
**ACTS**

Coronavirus Aid, Relief, and Economic Security Act (CARES) H.R. 748

Families First Coronavirus Response Act—H.R. 6201

Coronavirus Preparedness and Response Supplemental Appropriations Act—H.R. 6074

Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139)

---

**IMPACT OF ACTS**

Approximately $139 billion being allocated to state governments through CARES

More than 90 federal programs (and counting) that this impacts

Supplemental Funding, New Programs, Waivers/Flexibilities

COVID-19 spreadsheet can be a helpful tool for both entities and auditors

---

**Significant New Programs**

---
Coronavirus Relief Fund

Federal granting agency: U.S. Department of Treasury

- 6 entities in Ohio who received funding directly and can choose how to distribute those funds
- State of Ohio received funds and is distributing through multiple streams
- House Bills 481 & 614 distributed to all eligible entities (counties, cities, townships, villages)
- Department of Education received an allocation
- Separate Broadband Ohio program
- Department of Higher Education received an allocation
- Provider Relief Program
- Libraries and Ag Societies have received allocations
- Safety Funds to Veterans Posts

House Bill 481

Passed June 19, 2020

Subgrantees include counties, municipalities, and townships.

- Excludes the six local governments receiving direct Coronavirus Relief Fund payments
- These entities are permitted to further subgrant these funds (e.g., a city can give funds to a school district, NFP, etc.)

Subgrantees should report expenditures on their SEFA.

Note: Counties only report their distribution on the SEFA.
House Bill 614

Passed September 23, 2020

$650 million distribution based on per capita basis

Included amendments to HB 481

Ohio Office of Budget and Management (OBM) is the grant administrator

House Bill 614

Local governments do not need to adopt resolution to participate if one has already been adopted pursuant to HB 481

Unencumbered funds now returned Nov 20th

Redistribution now by Nov 25th

Utilizes OSDA census estimates for distribution

County funds redistribution percentage increased to 50%

Return of unspent funds to the state now 2/1/21. Costs must still be incurred no later than 12/30/20

CRF—What can it be used for?

Payments from this fund can only be used for expenses that:

• Are necessary expenditures incurred due to the public health emergency (COVID 19)
• Were NOT accounted for in the budget most recently approved as of March 27, 2020
• Were incurred during the period that begins March 1, 2020 and ends on December 30, 2020

US Treasury has issued several FAQs (most recent Sept. 2nd)
CRF Takeaways

Who is the funding coming from?
How did you meet the three prongs?
How was substantially dedicated determined and what records do you have to support it?
Governing Board and/or legal documentation
What funds are paying what expenditures?
Not a grant program—other financial assistance

Provider Relief Funds

CFDA #93.498
CARES Act funding
Administered & distributed by HHS
$175 billion total funding
Relief funds to hospitals and other healthcare providers on the front lines of the coronavirus pandemic

Testing Considerations

Crucial to make sure you have a complete and accurate SEFA

• Auditors will discuss with you what funding you have received and what expenses you are planning on charging
• Remember that expenditures are reported on the SEFA based on when the expenses occurred, NOT when the funds were received
• Could have new funding streams or supplement funds to existing streams
• Make auditors aware if you are also acting as a Pass-through entity (2 CFR 200.331)


Crucial to make sure you have a complete and accurate SEFA
**Separate Accountability**

- New Funds must be created for new COVID-19 programs.
- COVID-19 funding in an existing federal program must be tracked separately (e.g., Special Cost Centers / Codes).
- Different sources of CRF funding should also be tracked separately.
- Funds have also been set up within UAN to account for COVID funds. Recently, the range of funds has been expanded to account for multiple funding streams that could be occurring. https://uanlink.ohioauditor.gov/communications/pdf/Version%202020.3%20Overview.pdf

**Accounting Issues**

For those accounting systems that accommodate it, AOS prefers governments utilize a Reduction of an Expenditure or Reduction of Prior Year Expenditure line-item to move the eligible expenditure out of the fund that originally paid for it and into the appropriate federal fund.

- However, some accounting systems do not include these options. Therefore, alternatively, governments may use the transfer line-items to remit eligible expenditures made in state and local funds with an allowable federal fund.
- Governments should work with their legal counsel to determine whether interfund reimbursements related to federal COVID-19 funding constitute reimbursement of allowable expenditures under the applicable COVID-19 federal program. If so, see AOS Bulletin 06-013 and page 50 of the Ohio Compliance Supplement Implementation Guide (“Interfund Reimbursements”) for guidance.

**Reporting**

- Entity Reporting is going to vary upon the funding they have received and who they received it from.
- CARES Act has specific reporting requirements (Section 1031) which applies to any entity receiving more than $150,000 direct from feds.
- State agencies also will have to comply with this requirement and may ask entities to supply information to help with submission.

May have had extended deadlines/waivers on reporting due to exceptional circumstances.
Single Audit

• 2 CFR 200 (Uniform Guidance)

• When is a single audit required?
  • 2 CFR 200.501(b)

• Expenditure threshold? 2 CFR 200.501(a)
  • Usually $750,000 Federal Expenditures
  • 2 CFR 200.502 & 518

Uniform Guidance

2 CFR §200

Subpart A (.00 - .99) Acronyms and Definitions
Subpart B (.100 - .113) General Provisions
Subpart C (.200 - .313) Pre-Federal Award Requirements and Contents of Federal Awards
Subpart D (.300 - .345) Post Federal Award Requirements
Subpart E (.400 - .475) Cost Principals
Subpart F (.500 - .521) Audit Requirements
Appendices

Upcoming UG Changes

• Generally effective on November 13, 2020
• New awards issued on or after the effective date

• Updates:
  • Procurement requirements
  • 10% de minimis indirect cost rate
  • Definition and terminology changes
  • Pass-through entity requirements
  • CFDA – Assistance Listing Program Title
What are the auditors looking at?

SEFA – auditors will list and determine the major federal programs that will need to be tested (2 CRF 200.518)

Office of Budget and Management (OMB) annually puts out a Compliance Supplement that provides guidance and suggested audit procedures for federal compliance. 2020 being issued in 2 parts.

In addition, requirements may be outlined by pass-through entities, grant awards and agreements, and federal statutes and regulations.

Schedule of Federal Expenditure Requirements (SEFA)

- Prepared by Auditee
- List individual federal programs by Federal agency
- Name pass-through entity and identifying number assigned by them
- Provide total federal awards expended for each individual program and the CFDA number
- Include total amount provided to subrecipients
- Separately identify COVID-19 expenditures
- Notes to the SEFA

OMB Compliance Requirements

<table>
<thead>
<tr>
<th>Activities Allowed and Unallowed</th>
<th>Allowable Costs/Cost Principles</th>
<th>Cash Management</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment &amp; Real Property Management</td>
<td>Matching, Level of Effort, and Earmarking</td>
<td>Period of Performance</td>
<td>Procurement &amp; Suspension and Debarment</td>
</tr>
</tbody>
</table>
2020 Compliance Supplement

• OMB Compliance Supplement being issued in 2 parts:
  1. Annual Compliance Supplement
     • Issued in August
  2. COVID-19 Specific Addendum
     • Expected now by end of November

Auditors’ Reports

• SEFA Opinion
• Single Audit Federal Compliance & Internal Control Letter
  • Will include an opinion for each major program
• Schedule of Findings
• Management Letter

Schedule of Findings
2 CFR 200.516
Auditee Reports

In addition to the SEFA, auditees prepare:

• Corrective Action Plan
  • 2 CFR 200.511

• Schedule of Prior Audit Findings
  • 2 CFR 200.511

Data Collection Form (DCF)

• On-line form submitted to the Federal Audit Clearinghouse

• Both Auditees and Auditors have parts to complete.

Resources

www.ohioauditor.gov
AOS Resources
COVID-19 Resources for Local Government

The Auditor of State (AOS) is working to help local governments manage the financial impact of COVID-19. The resources on this page are a response to the questions and concerns Auditor Faber has heard from our local partners, and we hope they will help our clients better understand and use available resources.

Federal Financial Assistance
- CARES Act and Federal Assistance
- Governmental焯綬uens
- Small Business Administration
- Federal Reserve Banks
- State of Ohio

Federal and State FAQs
- General FAQs
- CARES Act
- Local Government
- Small Business Administration
- Ohio Department of Health

Guidance for AOS Clients
- Administration of Federal Funds
- CARES Act
- Federal and State Funds
- Local Government

OSA Efforts to Assist Clients
- Shared Work
- Telework
- Expert Volunteer
- OHSA
- CARES Act Resources

Track the Money
- The O.S. Auditor Program: Accountability Program

Contacts
- 800-328-6642
- info@ohioauditor.gov


Ohio Auditor of State
Keith Faber, Auditor of State

Subgrant Example

Model 1 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 2 – Local Government Subgrantees/Individual Beneficiary Structure Model

Model 3 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 4 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 5 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 6 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 7 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 8 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 9 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 10 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 11 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 12 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 13 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 14 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 15 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 16 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 17 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 18 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 19 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 20 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 21 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 22 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 23 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 24 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 25 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 26 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 27 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 28 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 29 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 30 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 31 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example

Model 32 – Local Government Subgrantees/Small Business or Individual Beneficiary Structure Model

Model 33 – Local Government Subgrantees/Individual Beneficiary Structure Model

Subgrant Example
Subgrant Example

Other Resources

- AICPA Government Audit Quality Center--
  https://www.aicpa.org/interestareas/governmentauditquality.html
- Ohio Grants Partnership (OBM)--
  https://grants.ohio.gov/
- GASB Technical Bulletin 2020-1--

Grants & Funds Related to COVID-19

88 E. Broad St.
Columbus, Ohio 43215
Presenter phone: (800) 282-0370
FACCR@ohioauditor.gov