

OHIO AUDITOR OF STATE  
KEITH FABER

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**Federal Update**  
2023 Central Ohio AGA PDT Conference

Presented By:  
Teresa Hicks, MBA, Quality Assurance and Technical Specialist  
Amanda Stidham, CPA, CFE, Quality Assurance and Technical Specialist

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**Agenda**

- 2023 OMB Compliance Supplement Updates
- Updates to Single Audit Practice Aids
- SLFRF Alternative Compliance Examination (ACE) Engagements
- SLFRF 2023 Interim Final Rule
- Other Federal Updates
- Federal Reminders

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**2023 OMB Compliance Supplement Updates**

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### Compliance Supplement-wide Changes

- General spelling and grammatical edits
- Updates to guidance references
- Impact of the ending of the National Health Emergency of COVID-19 to waivers and flexibilities
- Build America, Buy America Act requirements
- Reporting requirement updates

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### Part 2 – 2023 OMB Compliance Supplement

#### Matrix of Compliance Requirements Changes

New Programs Added for Infrastructure Investment and Jobs Act (IIJA)	Updated Pick-6 Requirements for a Few Programs	Decoupled the Highway Planning and Construction Cluster
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### Part 3 – 2023 OMB Compliance Supplement

- C. Cash Management**
  - Updated Guidance for Reimbursement Payments
  - Modified Suggested Audit Procedures for both Advanced Payments and Reimbursement Payments
- I. Procurement and Suspension and Debarment**
  - Added Build America, Buy America (BABAA) Guidance
  - Added a Testing Step in the Suggested Audit Procedures for BABAA Requirements

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**Part 4 – 2023 OMB Compliance Supplement**

We have only included the programs that we feel will impact entities in Ohio and those that we felt were most significant.

This is NOT a comprehensive list of program changes in the 2023 Compliance Supplement.

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**Part 4 – 2023 OMB Compliance Supplement  
17.258, 17.259, 17.278 Workforce Investment and Opportunity Act (WIOA) Cluster**

Added – B. Allowable Costs and Cost Principles

Removed – L. Reporting – Performance Reporting

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**Part 4 – 2023 OMB Compliance Supplement  
Dept of Transportation – Added Programs**

20.327 Railroad Crossing Elimination (an IIJA program)

20.532 Passenger Ferry Grant Program, Electric or Low-Emitting Ferry Pilot Program and Ferry Service for Rural Communities Program (an IIJA program)

20.533 All Stations Accessibility Program (an IIJA program)

20.534 Community Project Funding Congressionally Directed Spending

20.708 National Gas Distribution Infrastructure Safety and Modernization Grant Program (an IIJA program)

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**Part 4 – 2023 OMB Compliance Supplement  
Dept of Transportation**

Decoupling of the Highway Planning and Construction Cluster:

20.205 Highway Planning and Construction (Federal-Aid Highway Program)	20.219 Recreational Trails Program (an IIJA Program)	20.224 Federal Lands Access Program (an IIJA Program)	23.003 Appalachian Development Highway System
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This will impact SEFA reporting, major program determinations, and Pick 6 compliance requirement testing!!!

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**Part 4 – 2023 OMB Compliance Supplement  
20.500, 20.507, 20.525, 20.526 Federal Transit Cluster**

Significant revisions to guidance outlining the 3 subprograms of the Buses & Bus Facilities Program

Buses and Bus Facilities Formula Program (5339(a))	Buses and Bus Facilities Competitive Program (5339(b))	Low or No Emissions Grant Program (5339(c))
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**Part 4 – 2023 OMB Compliance Supplement  
Treasury Department: Programs Added**

21.011 Community Dev Financial Institutions Capital Magnet Fund	21.012 Native Initiatives Program	21.024 Community Development Financial Institutions Rapid Response Program
21.025 Community Development Financial Institutions Small Dollar Loan Program	21.032 Local Assistance and Trial Consistency Fund	

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**Part 4 – 2023 OMB Compliance Supplement  
21.019 Coronavirus Relief Fund (CRF)**

Changes due to Consolidated Appropriations Act of 2023

Extended expenditure period for Tribals ONLY

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**Part 4 – 2023 OMB Compliance Supplement  
21.023 Emergency Rental Assistance (ERA)**

Added: • M. Subrecipient Monitoring

E. Eligibility • Eligibility for Individuals is the only applicable portion  
• Added guidance for after October 2022

L. Reporting: • Moved Special Reporting to Performance Reporting and added clarifications  
• Treasury clarified that FFATA is not subject to audit.

N. 1 & 2 Special Tests – • Revised to clarify the Suggested Audit Procedures

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**Part 4 – 2023 OMB Compliance Supplement  
21.027 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)**

Clarified: When the Interim Final Rule and Final Rule were applicable.	Not Included: Consolidated Appropriations Act of 2023 Amendment	Added: Final Rule Guidance, Compliance Reporting Guidance and FAQs
Added: G. Earmarking Compliance Requirement	Updated: L. Reporting – Significant Updates	Remain: ACE Engagements are still applicable for 2023 fiscal year ends.

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**Part 4 – 2023 OMB Compliance Supplement  
32.009 – Emergency Connectivity Fund**

The service delivery date was extended to June 30, 2023, for all first and second ECF filing window funding requests for equipment, non-recurring services, and recurring services.

Third application window April 28, 2022, and closed May 13, 2022, for eligible equipment and up to 12 months of recurring services. (between July 1, 2022, and December 31, 2023).

Funding invoicing must occur within 60 days of the date on the funding commitment decision letter (FCDL) or a revised funding commitment decision letter (RFCDL). 1<sup>st</sup> and 2<sup>nd</sup> round funding must be invoiced no later than August 29, 2023 and 3<sup>rd</sup> round funding must be invoiced no later than February 29, 2024.

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**Part 4 – 2023 OMB Compliance Supplement  
84 Ed Cross Cutting**

BABAA Waiver – Construction, remodeling, or broadband projects seeking waiver must submit the specific required form.

Removed L. Reporting  
- Special Reporting  
Requirements ONLY

Added reference to the DRAFT amendment to Title VIII, Part F of the Elementary and Secondary Education Act of 1965 (ESEA)

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**Part 4 – 2023 OMB Compliance Supplement  
84.010 – Title I**

N3. Annual Report Card

- Clarified the Suggested Audit Procedure for LEAs that have removed students from the adjusted cohort.

N5. Oversight and Monitoring for Charter Schools

- Removed

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**Part 4 – 2023 OMB Compliance Supplement**  
**84.425 – ESSER**

Added guidance for the Consolidation of Administrative Funds	Added references to applicable ED crosscutting procedures
Added guidance for MOEquity – this is not tested at LEAs in Ohio	Added L. Reporting – Special Reporting for LEAs

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**Part 4 – 2023 OMB Compliance Supplement**  
**84.425 - HEERF**

- Added guidance for the Consolidation of Administrative Funds
- The performance period was extended to June 30, 2023, as of April 24, 2022, for all HEERF grant awards in an open status
- Added Procurement Guidance: Funds used for approved construction, renovation, or real property project under Assistance Listings 84.425J, 84.425K, 84.425L, or 84.425M, citing the national emergency due to the coronavirus as a rationale for sole sourcing under the public exigency exception is generally not permitted since it was first declared in March 2020
- Significantly revised L. Reporting – Special Reporting

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**Part 4 – 2023 OMB Compliance Supplement**  
**93.498 – Provider Relief Fund**

- L. Reporting – Special Reporting – Updated and clarified testing requirements
- SEFA Guidance - Added a reporting period #6 for payments received July 1, 2022 through December 31, 2022

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**Part 4 – 2023 OMB Compliance Supplement  
93.658 – Foster Care**

A. Activities Allowed or Unallowed  
Added allowable activities:

“...independent legal representation by an attorney for a title IV-E eligible child in foster care, a child who has been determined as a candidate for placement in title IV-E-Foster Care or for the parents of such a child...”	Comprehensive Child Welfare Information System (CCWIS) expenditures must be reported separately from other systems costs and are subject to certain limitations	Educational expense: - school supplies - reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement
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**Part 4 – 2023 OMB Compliance Supplement  
93.767 CHIP and 93.775, 93.777, 93.778 Medicaid Cluster**

**Unwinding Operational Plan**

Restore routine operations now that the public health emergency has ended; specifically, application and redetermination processes.

**Phased approach:**  
New Applications: within 4 mths  
Full Unwind Period: 12-14 mths

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**Part 4 – 2023 OMB Compliance Supplement  
93.767 CHIP and 93.775, 93.777, 93.778 Medicaid Cluster**

Continuous Eligibility During Pregnancy & Postpartum Coverage

- Pregnant adolescents eligible as “targeted low-income children” in CHIP and all pregnant Medicaid beneficiaries can receive prenatal and postpartum care.
- 12 month extension of these services
- Continuous eligibility during this period and may be extended to the unborn child

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**Part 4 – 2023 OMB Compliance Supplement  
93.775, 93.777, 93.778 Medicaid Cluster**

- N.1. Special Tests –Program Integrity moved from N.1. and rolled into N.6.
- N.8. Special Tests – Removed – Medicaid National Correct Coding Initiative (NCCI)
- N.8. Special Tests – Added – Medicaid Recovery Audit Contractors (RACs)

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**Part 5 – 2023 OMB Compliance Supplement  
Student Financial Assistance Cluster**

Cluster includes: 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.925

- Removed: A. Allowed/Unallowed Guidance for 84.033 and 84.007
- Revised: C. Cash Management requirements significantly revised to add clarification on various payment methods, including Heightened Cash Monitoring (HCM)
- Added: E. Eligibility additional guidance on calculation of benefits

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**Part 5 – 2023 OMB Compliance Supplement  
Student Financial Assistance Cluster – Continued**

N. Special Tests Updates:

- N1: Verification - significant revisions to streamline requirement testing
- N5: Enrollment Reporting – added guidance on the modernization of the National Student Loan Data System (NSLDS) website

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**Part 5 – 2023 OMB Compliance Supplement  
Student Financial Assistance Cluster – Continued  
Revised: N. Special Tests**

N. Special Tests: Added Compliance Requirement testing sections:

- N3: Using a Servicer or Financial Institution to Deliver Title IV Credit Balances to a Card or Other Access Device
- N8: Incentive Compensation
- N9: Satisfactory Academic Progress
- N10: Additional Locations

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**Part 5 – 2023 OMB Compliance Supplement  
Student Financial Assistance Cluster – Continued  
Revised: N. Special Tests**

N. Special Tests: Removed Compliance Requirement testing sections:

- Previously N7: Direct Loan Reconciliation
- Previously N8: Institutional Eligibility
- Previously N10: Short-Term Programs at Postsecondary Vocational Institutions
- Previously N11: General Program Eligibility
- Previously N12: Distance Education Program

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**Part 8 – 2023 OMB Compliance Supplement**

Appendix IV  
Updated the list of programs designated as “higher risk.”

Appendix V  
List of all changes from the 2022 to 2023 Compliance Supplement

Appendix VII  
Included FAC Transition Information    Included Single Audit Extensions

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**Part 8 – 2023 OMB Compliance Supplement  
2022 Single Audit Extensions Due to GSA Delay:**

DCF for the fiscal year 2022 audit submission was not available until October 6, 2022. Therefore, single audits with a fiscal period ending in 2022 could not be submitted before that date.

*Any 2022 submissions with fiscal periods ending between January 1, 2022, and October 31, 2022, the requirement stating that single audits are due to the FAC 30 days after receipt of the auditor's report(s), is waived.*

These audits will be considered on time if they are submitted within nine months after their fiscal period end date.

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**Build America, Buy America Act  
(BABAA)**

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**Build America, Buy America Act (BABAA)**

Federal financial assistance obligations for infrastructure made after May 14, 2022

Iron and Steel Items  
(from initial melting to application of coatings)

Manufactured Products  
(final manufacturing must occur in US and cost of components mined, produced, and manufactured in the US must be > 55%)

Construction Materials  
(all manufacturing must occur in US)

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**Build America, Buy America Act (BABAA) Waivers:**

Nonavailability  
Waiver

Unreasonable  
Cost Waiver

Public Interest  
Waiver

Federal agency waivers: <https://www.madeinamerica.gov/waivers/financial-assistance/>

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**Infrastructure Investment and Jobs Act (IIJA)**

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**IIJA – Resources and Programs**

[Infrastructure Investment and Jobs Act \(ohioauditor.gov\)](https://ohioauditor.gov)

**Infrastructure Funding**

The Infrastructure Investment and Jobs Act was signed into law in November 2021. This page will be updated as resources become available for Ohio governments navigating the new programs and expanded funding for existing programs provided by this law.

**Funding guidebook:** The White House has provided a guidebook to funding available under the Infrastructure Investment and Jobs Act. The guidebook offers a searchable format showing information for new programs as well as expanded funding for existing programs. For the searchable format and a downloadable Excel format, go to [www.whitehouse.gov/build](https://www.whitehouse.gov/build).

**GFOA:** For GFOA implementation resources, go to [gfoa.org/the-infrastructure](https://gfoa.org/the-infrastructure).

**Funding tracker:** The Auditor of State's office has created a [Bipartisan Infrastructure Law/Infrastructure Investment and Jobs Act \(IIJA\) Funding Tracker \(xlsx\)](#) to assist users in identifying types of IIJA funding available and where to locate additional information.

[www.ohioauditor.gov](https://www.ohioauditor.gov)

Federal Program Resources

Infrastructure Law

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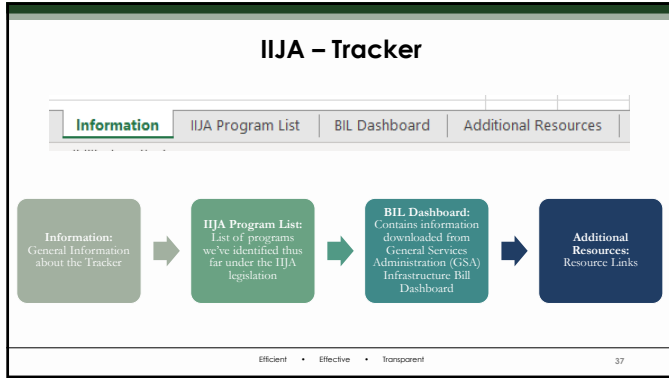
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### IIJA Programs - Commerce

4 New Programs to receive funding under IIJA

AL# 11.035 BEAD	AL# 11.032 DIGITAL EQUITY	Unknown TRIBAL	AL#11.033 MIDDLE MILE
<b>\$42.45B</b>	<b>\$2.75B</b>	<b>\$2.00B</b>	<b>\$1.00B</b>
<b>Broadband Equity, Access &amp; Deployment Program</b>	<b>Digital Equity Act</b>	<b>Tribal Connectivity Technical Amendments</b>	<b>Enabling Middle Mile Broadband Infrastructure Program</b>
A program to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where we need it and increase adoption of Internet service.	Three programs that provide funding to promote digital inclusion and advance equity for all. They aim to ensure that all communities can access and use affordable, reliable high-speed Internet service to meet their needs and improve their lives.	A program to help tribal communities expand high-speed Internet access and adoption on tribal lands.	A program to expand middle mile infrastructure, to reduce the cost of connecting unserved and underserved areas.

\*\* Not added to 2023 OMB Compliance Supplement

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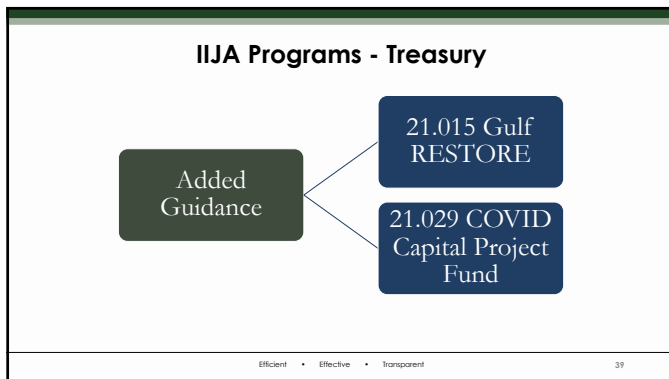
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### IIJA Programs - Transportation

Roads, Bridges, and Major Projects \$110 Billion	Transportation Safety \$11 Billion	<p><b>2023 Compliance Supplement:</b></p> <ul style="list-style-type: none"> <li>- Several new programs added</li> <li>- Guidance added to a few existing programs</li> </ul> <p><b>More to come in 2024-2026</b></p>
Public Transit \$89.9 Billion	Passenger and Freight Rail \$66 Billion	
Electric Vehicles and Buses \$15 Billion	Airports, Ports, and Waterways \$42 Billion	
Environmental Remediation and Power Infrastructure \$86 Billion	Other Areas of Investment \$121 Billion	

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### IIJA Programs – Environmental Protection Agency

2 Current AL#s to receive IIJA funding – Supplemental Funding and New Programs

Clean Water SRF

Supplemental Funding

Emerging Contaminants

Drinking Water SRF

Supplemental Funding

Emerging Contaminants

Lead

\*\* IIJA updates not added to 2023 OMB Compliance Supplement, however the original programs are available in the Compliance Supplement.

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### IIJA Programs – Environmental Protection Agency

IIJA Funding Program	Total Funding	State Match	Federal Subsidy	Eligible for Additional Subsidy
Clean Water SRF Supplemental	\$11,713,000,000	10% in 2022 & 2023 20% in 2024 - 2026	49%	Assistance recipients that meet the state's affordability criteria or project types as described in section 603(j) of the CWA.
Drinking Water SRF Supplemental	\$11,713,000,000	10% in 2022 & 2023 20% in 2024 - 2026	49%	Disadvantaged Communities
Clean Water Emerging Contaminants	\$1,000,000,000	0%	100%	No restriction
Drinking Water Emerging Contaminants	\$4,000,000,000	0%	100%	25% for Disadvantaged Communities or Public Water Systems Serving Fewer Than 25,000 Persons
Drinking Water Lead	\$15,000,000,000	0%	49%	Disadvantaged Communities

\*\* IIJA updates not added to 2023 OMB Compliance Supplement

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**IIJA Programs - Energy**  
60 New Programs to receive funding under IIJA

- Manufacturing and Supply Chain
- Grid Infrastructure
- State and Community Programs
- Research and Development

**\*\* Not added to 2023 OMB Compliance Supplement**

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**IIJA Programs – Federal Communication Commission**

New Program:  
32.011 Affordable Connectivity Program:  
Outreach Grants

**\*\* Not added to 2023 OMB Compliance Supplement**

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**IIJA Programs – Health and Human Services**

Additional funding for  
93.568 Low Income Home Energy Assistance Program (LIHEAP)

**\*\* Not added to 2023 OMB Compliance Supplement**

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**IIJA Programs – Agriculture**

Additional funding  
for 10.665 and  
10.666  
Secure Rural Schools

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**IIJA Programs - Homeland**

97.041 National Dam Safety Program – Added funding

97.041 Rehabilitation of High Hazard Potential Dams – Added funding

97.137 State and Local Cybersecurity Grant Program – NEW

**\*\* Not added to 2023 OMB Compliance Supplement**

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**IIJA Programs - Interior**

Added to 2023 Compliance Supplement:

- 15.252 Abandoned Mine Land Reclamation (AMLR) Grants

NOT Added:

- 15.018 Energy Community Revitalization Program

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**Updates to Single Audit Practice Aids**

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**Updates to Single Audit Practice Aids**



Ongoing Effort to Streamline and Clarify Practice Aids

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**Federal Award Compliance and Control Records (FACCR) Updates**



Cosmetic Updates

Guidance Updates

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### FACCR Updates: Highlighted Text

Reduced Use of Highlighted Text

**Additional Program Specific Information**

**Add program specific requirements from:**

- The individual grant application, agreement, and policies,
- The pass-through agency, and
- Federal agency guidance not included in the compliance supplement (such as federal agency grant manuals, references to CFR, etc.)

**Be sure to indicate the source of your information. If no additional requirements are noted, indicate as such.**

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### FACCR Updates: CFAE Guidance

**Reporting**

Additional SEFA and Footnote resources available for AOS Staff on the Intranet and on the [IPA Resource Internet Page](#):

- Examples SEFA and Footnote shells
- Additional SEFA Guidance in the "Single Audit SEFA 2022 Completeness Guide"

**Source: CFAE**

**Reporting**

Example SEFA and Footnote shells, the "Single Audit SEFA 2023 Completeness Guide" and additional resources are available for AOS Staff on the Intranet and for IPAs on the [IPA Resource Internet Page](#).

Now In Blue, Italic Font

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### FACCR Updates: Section B Allowable Costs/Cost Principles

Allowable Costs / Cost Principles

- Cost Principles for States, Local Governments, and Indian Tribes
- De Minimis Indirect Cost Rate
- State/Local Government-wide Central Service Costs
- State Public Assistance Agency Costs
- Cost Principles for Nonprofit Organizations

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## FACCR Updates: Section B Allowable Costs/Cost Principles

Auditors **must** evaluate if additional section(s) are applicable to their Entity, including sources reviewed to verify applicability. For additional sections, auditors must pull the testing section(s) into their working papers and test accordingly.

Additional testing sections are located [here](#) for AOS auditors and [here](#) for IPA auditors.

2. De Minimis Indirect Cost Rate
  - a. This section must be tested if the Entity utilizes the de minimis indirect cost rate to charge indirect costs to the grant, whether as a recipient or subrecipient.
  - b. **Applicability Determination: Auditors must specify here if this section is applicable to the Entity and identify which sources were reviewed to make the determination.**
  - c. If applicable, testing documents: [Link to testing documents](#)
3. Allowable Costs – State/Local Government-wide Central Service Costs
  - a. This section must be tested if the Entity allocated costs to the grant using central service cost allocation plans (CAPs).
  - b. **Applicability Determination: Auditors must specify here if this section is applicable to the Entity and identify which sources were reviewed to make the determination.**
  - c. If applicable, testing documents: [Link to testing documents](#)

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## FACCR Updates: Guidance Clarifications

CFAE  
Guidance  
Clarified and  
Updated

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## FACCR Updates: Guidance Clarifications

**Compliance Requirement Matrix**

Footnotes 1-7 below the matrix provide further explanation; review note 6 which discusses failings the matrix assessments.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Applicable per Compliance Supplement (Yes/No)	Direct & Material to Program / Entity (Yes/No)	Monetary or Nonmonetary (Yes/No)	Population Subject to Requirement (If Monetary)	Inherent Risk (from IRAF)	Final Control Risk	Detection Risk of Noncompt.	Overall Audit Risk of Noncompt.	Federal Materiality by Compliance Requirement (usually 5%)
Compliance Requirement									
A Activities Allowed or Unallowed			M	In B	(High/Low)	(High/Low)	(High/Low)	(High/Low)	5%
B Allowable Cost/ Cost Principles			M						5%
C Cash Management			N						5%
D Allowance – Not Used			M/N						5%
E Eligibility			M/N						5%
F Equipment & Real Property Mgmt			M						5%
G Matching, Level of Effort, Earmark			M						5%
H Period of Performance			M						5%
I Procurement & Sub. & Debarment			N						5%
J Program Income			M						5%
K Allowance – Not Used			M/N						5%
L Reporting			N						5%
M Subrecipient Monitoring			N						5%
N Special Tests & Provisions (Provide an assessment for each)			N						5%

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### FACCR Updates: Guidance Clarifications

(4) Refer to the AICPA Single Audit Guide, chapter 9, Consideration of Internal Control over Compliance for Major Programs, for considerations relating to assessing control risk of noncompliance for each direct and material type of compliance requirement. To determine the control risk assessment, the auditor is to document the five internal control components of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (that is, control environment, risk assessment, control activities, information and communication, and monitoring) for each direct and material type of compliance requirement. Keep in mind that the auditor is expected to perform procedures to obtain an understanding of internal control over compliance for federal programs that is sufficient to plan the audit to support a low assessed level of control risk. If internal control over compliance for a type of compliance requirement is likely to be ineffective in preventing or detecting noncompliance, then the auditor is not required to plan and perform tests of internal control over compliance. Rather, the auditor must assess control risk at maximum, determine whether additional compliance tests are required, and report a significant deficiency (or material weakness) as part of the audit findings. The control risk assessment is based upon the auditor's understanding of controls, which would be documented outside of this template. Auditors may use the practice aid, Controls Overview Document, to support their control assessment. The Controls Overview Document assists the auditor in documenting the elements of COSO, identifying key controls, testing of those controls, and concluding on control risk. The practice aid is available in either a checklist or narrative format.



(4) See guidance on the following page for considerations relating to assessing control risk of noncompliance for each direct and material type of compliance requirement. **Planned control risk must be assessed at low per 2 CFR § 200.514; therefore, only final control risk is shown in the matrix.** Additionally, auditors must document final control risk in each compliance requirement section's Audit Implications Summary in this FACCR. See AICPA Single Audit Guide, Chapter 9, Consideration of Internal Control over Compliance for Major Programs.

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### FACCR Updates: Guidance Clarifications

**A. ACTIVITIES ALLOWED OR UNALLOWED**

Federal awarding agencies adopted/implemented the Uniform Guidance in 2 CFR Part 200. The OMB guidance is directed to federal agencies and, by itself, does not establish regulatory requirements binding on non-federal entities. Throughout the FACCR 2 CFR Part 200 has been referenced, however in determining compliance auditors need to refer the applicable agency codification of 2 CFR Part 200. Auditors should review this [link](#) for a full discussion of agency adoption of the UG and how to cite non-compliance exceptions. **Auditors will need to start with the agency codification of the UG when citing exceptions.**



**Audit Implications Summary**

Consider the adequacy of the system and controls, and the effect on sample size, significant deficiencies/material weaknesses, material non-compliance and management letter comments.

Auditors should review this [link](#) for a discussion on how to cite non-compliance exceptions based on agency adoption of the UG.

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### FACCR Updates: Guidance Clarifications

#### Additional Clarifications for Specific Suggested Audit Procedures

Time and Effort Requirements

Federal Acquisition Regulations (FAR)

Applicability of Equipment Steps

Procurement Testing with Co-Ops, Intergov. Arrangements, Etc.

Reporting: Performance and Special Reports

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## SEFA Completeness Guide Updates

Single Audit Practice Aids & Audit Report Shells

Single Audit Practice Aids

- Federal Award Compliance Control Records (FACCR)
- Record of Single Audit Risk & Major Program Determination (RSAR) (For 2022 Audits)
- Record of Single Audit Risk & Major Program Determination (RSAR) (For June 30, 2023 – June 29, 2024, Year End Audits)
- School SEFA Transaction Presentations (ppt)
- 2023 SEFA Completeness Guide – Rev., Aug 2023 (pdf) ←

Documents > Audit\_Resources > Federal > Reporting Practice Aids

Name
Federal_Program_Clusters_2022_OMB_CS_Part5.pdf
Federal_Program_Clusters_2023_OMB_CS_Part5.pdf
School SEFA Transaction Presentations_Final_12.2021.pdf
SEFA_2022_Completeness_Guide_Final_Aug2023.pdf
SEFA_2023_Completeness_Guide_Final_Aug2023.pdf ←

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## SEFA Completeness Guide Updates: CFAE Guidance



Now In  
Blue,  
Italic Font

**Important Information**

- Blue italicized text indicates guidance from CFAE.
- Bookmarks in this document have been replaced by a Table of Contents which can be found on the following page.
- This document does not include all Federal programs an entity might report. Revisions to this document are made as FACCRs are released and/or updated.
- Program-specific guidance is in addition to the General Guidance for Grants on page 3.

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## SEFA Completeness Guide Updates: Table of Contents

Table of Contents

<b>General Guidance for Grants</b> .....	3
Reporting in the Schedule of Expenditures of Federal Awards.....	3
Grants Passed through the Ohio Department of Health (ODH).....	3
Grants Passed through the Ohio Department of Education (ODE).....	4
COVID Federal Expenditures.....	4
#10.553, #10.555, #10.556, #10.559, #10.582 Child Nutrition Cluster.....	5
#10.760 Water and Waste Disposal Systems for Rural Communities.....	8
#14.218, #14.225 CDBG Entitlement Grants Cluster.....	9

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### SEFA Completeness Guide: General Reminders

General Guidance for Grants    Guidance for Individual Pass-Through Entities    Guidance for Individual Grant Programs

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### Record of Single Audit Risk and Major Program Determination (RSAR) Updates

Content Updates for 2023    Minor Clarifications

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### RSAR Updates: Entity Info and Notes Tab

**Date Applicability Clarification**

- Fiscal year-ends June 30, 2023 through June 29, 2024

**Reminders Added:**

- Higher Risk Program Designations
- SLFRF Alternative Compliance Examination (ACE) Engagements

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### RSAR Updates: Higher Risk Designated Programs

*Education Stabilization Fund (AL #84.425)	*Provider Relief Fund and ARP Rural Distribution (AL #93.498)	Medicaid Cluster (AL #93.778 / 93.777 / 93.775)	*Emergency Rental Assistance (AL #21.023)
*Homeowner Assistance Fund (AL #21.026)	*Coronavirus State and Local Fiscal Recovery Funds (AL #21.027)	*Coronavirus Capital Projects Fund (AL #21.029)	Abandoned Mine Land Reclamation (AL #15.252)
<div style="border: 1px solid black; padding: 5px; display: inline-block;">           Disability Insurance/ SSI (AL #96.001/96.006)         </div>			

\* Funded Entirely with COVID-19 Funding

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### RSAR Updates: Higher Risk Designated Programs

Program is automatically considered **not-low risk** if:

COVID-19 or IIJA funding is material to the program or cluster.

AND

Program is type-A and designated as higher-risk.

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### RSAR Updates: Loan Programs

Community Facilities Loans and Grants Cluster (AL #10.766 / 10.780) has continuing compliance requirements.

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### RSAR Updates: Loan Programs

Table 1-A: Calculating Federal Expenditures for loan programs <b>WITHOUT</b> significant continuing compliance requirements [see footnote 1] on balances of loans from previous years: [200.502(b)]
+ Value of new loans issued by the auditee to other recipients [200.502(b)(1)]
+ Interest subsidy (if any) [See footnote 3] [200.502(b)(3)]
+ Cash balance on hand in the loan fund at fiscal year end [200.502(b)(3)]
+ Administrative costs expended by the auditee for administration of the loan program [200.502(b)(3)]
+ Expenditure of proceeds of new loans obtained by the auditee (which the auditee must repay) [200.502(b)(1)]
<b>= Loan Program Expenditures for #5 below</b>
+ Regular programmatic expenditures administered through the program (non-loan programs using the same AL #)
<b>= Federal expenditures reported on Schedule of Expenditures of Federal Awards</b>

Table 1-B: Calculating Federal Expenditures for loan programs <b>WITH</b> significant continuing compliance requirements [see footnote 1] on balances of loans from previous years: [200.502(b)]
+ Beginning of the fiscal period balance of loans receivable from previous years [200.502(b)(2)]
<b>= Loan Program Expenditures for #5 below</b>

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### RSAR Updates: Loan Programs

- Value of new loans issued by the auditee to other recipients
- Interest subsidy (if any)
- Cash balance on hand in the loan fund at fiscal year end
- Administrative costs expended by the auditee for administration of the loan program

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### RSAR Updates: Loan Programs

- Expenditure of proceeds of new loans obtained by the auditee (which the auditee must repay)
- If program has significant continuing compliance requirements: beginning of the fiscal period balance of loans receivable from previous years
- Regular programmatic expenditures administered through the program (non-loan programs using the same AL #)

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**RSAR Updates: Other Clarifications**

Minor Language Clarifications: Testing SEFA Completeness

- Entity Info and Notes Step

Explanation of Impact of Cluster Changes

- Steps 3 and 4 (Program Risk Analysis Steps)

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**State and Local Fiscal Recovery Fund (SLFRF):  
Alternative Compliance Examination (ACE)  
Engagements**

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**Alternative Compliance Examination Engagement**

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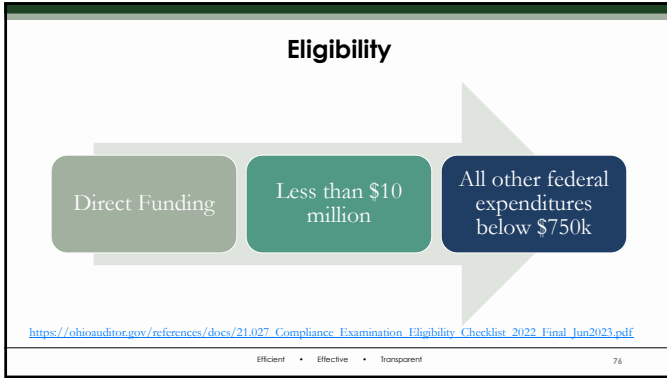
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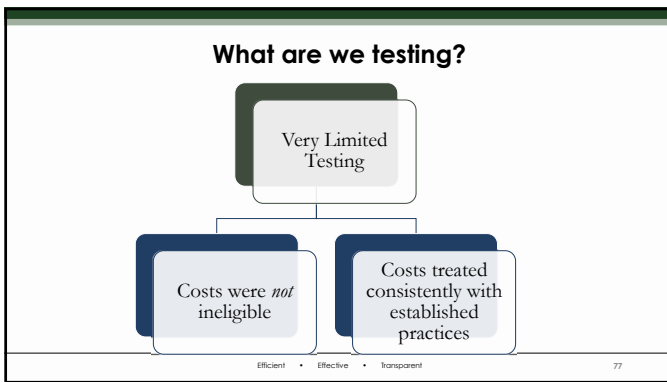
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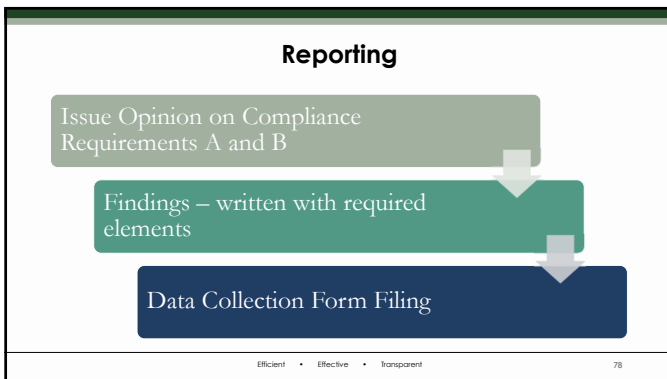
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### FAC Report Filing

- Unlocked report file minus the cover and blank page
- <https://facweb.census.gov/uploadpdf.aspx>

**PDF Validator**  
To check whether your audit report will pass the upload requirements, enter your Audit Year and click Browse to select your Audit Report. Then, click Validate to test it. (PDF file size is limited to 30MB)

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### State and Local Fiscal Recovery Fund (SLFRF): 2023 Interim Final Rule

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### SLFRF 2023 Interim Final Rule

December 29, 2022: 2023 Consolidated Appropriations Act Passed, Expands SLFRF Eligible Use Categories

August 2023: Interim Final Rule Issued

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**SLFRF 2023 Interim Final Rule**

**No Change to Existing Eligible Uses**

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**SLFRF 2023 Interim Final Rule**

- Emergency Relief from Natural Disasters
- Surface Transportation Projects
- Title I Projects

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**SLFRF 2023 Interim Final Rule**

Costs Incurred Starting December 29, 2022

Title I / Surface Transportation: Expended by September 30, 2026

Obligated by December 31, 2024

All Other Categories: Expended by December 31, 2026

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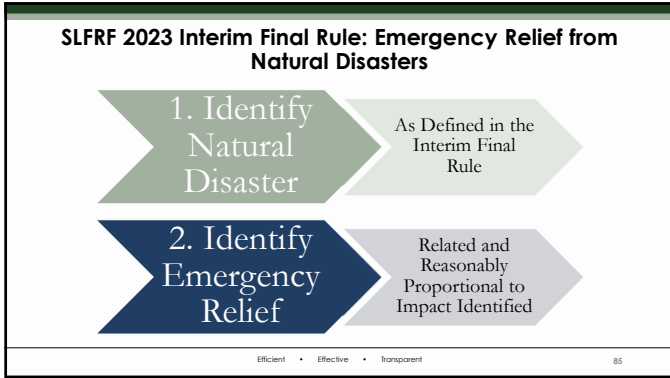
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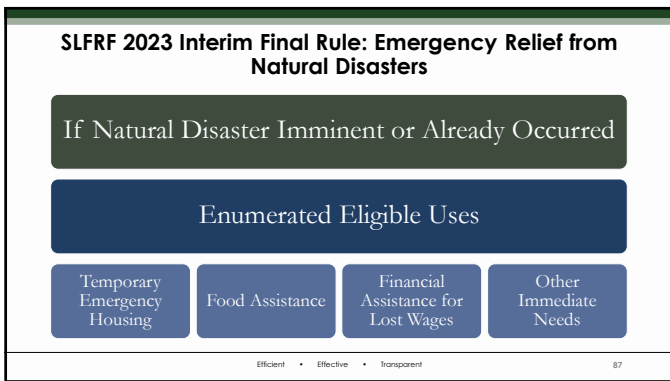
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**SLFRF 2023 Interim Final Rule: Emergency Relief from Natural Disasters**

If Lessening or Averting Threat of Future Natural Disaster

Document Evidence of Historical Patterns or Predictions	Use Evidence to Support Mitigation Measures	Written Justification for Capital Expenditures Over \$1 Million
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**SLFRF 2023 Interim Final Rule: Emergency Relief from Natural Disasters**

If Lessening or Averting Threat of Future Natural Disaster: Enumerated Eligible Uses

Structure Elevation	Mitigation Reconstruction	Dry Flood Proofing	Etc.
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**SLFRF 2023 Interim Final Rule: Title I and Surface Transportation Projects**

Cap on Use of Funds	Requirements of Other Laws
Supplement, Not Supplant	Obligation and Expenditure Deadline

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**SLFRF 2023 Interim Final Rule: Title I and Surface Transportation Projects**

## Cap on Use of Funds

Cannot exceed greater of \$10 million or 30% of SLFRF allocation

Cap applies to combined total of Title I and Surface Transportation

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**SLFRF 2023 Interim Final Rule: Title I and Surface Transportation Projects**

## Requirements of Other Laws

Titles 23 (Transportation), 40 (Environmental Protection), and 49 (Transportation Safety) of the US Code

Title I of the Housing and Community Development Act of 1974

National Environmental Policy Act of 1969

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**SLFRF 2023 Interim Final Rule: Title I and Surface Transportation Projects**

## Supplement, Not Supplant

May not de-obligate funds obligated for eligible projects and replace with SLFRF

May not use SLFRF to replace funds identified in a federal commitment

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**SLFRF 2023 Interim Final Rule: Title I and Surface Transportation Projects**

**Obligation and Expenditure Deadline**

Funds Must be Obligated by December 31, 2024, and Liquidated by September 30, 2026

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**SLFRF 2023 Interim Final Rule: Surface Transportation Projects**

**Pathway 1**

- Supplement surface transportation projects receiving funding from DOT

**Pathway 2**

- Fund surface transportation projects *not* receiving funding from DOT

**Pathway 3**

- Satisfy non-Federal share requirements for certain surface transportation projects, or repay TIFIA loan

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**SLFRF 2023 Interim Final Rule: Surface Transportation Projects**

**Pathway One: Project Receiving Funding from DOT**

- Project must be subject to DOT's oversight during period that SLFRF funds are used.
- Recipients **MUST** consult with DOT before using funds under pathway one.
- May only use SLFRF for projects under the 26 programs specified in the Interim Final Rule.

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**SLFRF 2023 Interim Final Rule: Surface Transportation Projects**

**Pathway One: Project Receiving Funding from DOT**

- Expand existing project.
- Cover unexpected costs of existing project.
- Supplement DOT funding for projects that have not yet, but will, receive DOT funding.

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**SLFRF 2023 Interim Final Rule: Surface Transportation Projects**

Pathway Two: Project Not Receiving Funding from DOT

Streamlined Framework

Non-Streamlined Framework

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**SLFRF 2023 Interim Final Rule: Surface Transportation Projects**

Pathway Two: Streamlined Framework

- Project would be eligible under RAISE grant program.
- Contributes no more than \$10 million in SLFRF funds.
- Limited to actions that typically do not have significant environmental impact.

See RAISE Grants NoFo: <https://www.transportation.gov/RAISEgrants/raise-nofo>

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**SLFRF 2023 Interim Final Rule: Surface Transportation Projects**

Pathway Two: Non-Streamlined Framework

- Must submit Notice of Intent to Treasury.
- Due 30 calendar days after the end of the Interim Final Rule comment period (60 days after issuance).

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**SLFRF 2023 Interim Final Rule: Surface Transportation Projects**

Pathway Three: Satisfy Non-Federal Share Requirements for Certain Projects

Repay TIFIA Loan

Satisfy non-federal share requirements for projects under:

- INFRA Grants
- Fixed Guideway Capital Investment Grants
- Mega Grants
- Projects eligible for credit assistance under TIFIA program

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**SLFRF 2023 Interim Final Rule: Surface Transportation Projects**

Pathway Three: Satisfy Non-Federal Share Requirements for Certain Projects

Recipients must consult with DOT.

Requirements associated with the project, as administered by DOT, continue to apply.

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**SLFRF 2023 Interim Final Rule: Title I**

Activities eligible under the CDBG and ICDBG programs, subject to certain requirements and limitations.

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**SLFRF 2023 Interim Final Rule: Title I**

See Interim Final Rule for Illustrative List of Eligible Projects, Including:

- Homeownership Assistance
- Disposition of Certain Property
- Acquisition of Certain Real Property for Public Purpose

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**SLFRF 2023 Interim Final Rule: Title I**

Ineligible Activities Under Title I

- Buildings, or Portions Thereof, for General Government Conduct
- General Government Expenses
- Political Activities
- Equipment
- Operating and Maintenance Expenses
- New Housing Construction
- Income Payments

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**SLFRF 2023 Interim Final Rule: Title I**

**Compliance Requirements for Title I Projects**

- Primary Objective: At least 70% of SLFRF funds for Title I used to principally benefit low- and moderate-income persons.
- Public Services Cap: No more than 15% spent under “public services” category.
- Planning and Administrative Costs Cap: No more than 20% spent on planning and administrative costs.

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**SLFRF 2023 Interim Final Rule: Title I**

**Compliance Requirements for Title I Projects**

- Broadband Equity, Access, and Deployment (BEAD) Program Requirements: Apply as outlined in section 60102 of IIJA.
- CDBG National Objectives: Project must satisfy at least one CDBG National Objective.
- Labor Standards Requirements: Prevailing wage requirements and other labor standards applied by HUD apply.

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**SLFRF 2023 Interim Final Rule: Title I**

**Pre-Approval Requirements**

- Must comply with environmental review requirements in HUD statutes and regulations, submit project-level certification to Treasury, and receive Treasury approval prior to starting Title I project using SLFRF.
- Certain exemptions apply.

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**SLFRF 2023 Interim Final Rule**

Updated AOS  
Guidance  
Coming  
Soon!

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**SLFRF 2023 Interim Final Rule**

Interim Final Rule and Overview of the Interim Final Rule

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

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**Other Federal Updates**

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### AL# 32.004 Universal Service Fund – Schools and Libraries – E-rate

FCG intentions to subject E-Rate to Single Audit Requirements (2 CFR 200, Subpart F) in the future, but for fiscal year 2023 the E-Rate program should not be reported on the SEFA or subject to single audit.

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### AL# 12.XXX Army Corp of Engineer Projects

SEFA Reporting and Single Audit

Read your agreement!

- Agreements do not contain an AL#.
- Some do contain an audit requirement.
- On-behalf of payments

Consult CFAE

- Questions?
- Consult with the Center (email on last slide)
- Include your agreement

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### Data Collection Form (DCF)

Census	GSA
<ul style="list-style-type: none"> <li>• Accepting submissions for fiscal periods ending 2022 and prior through 10/2/2023 ONLY</li> <li>• Will NOT accept 2023 fiscal period submissions</li> <li>• Single Audits 2022 and prior available for search until 12/2023</li> </ul>	<ul style="list-style-type: none"> <li>• Effective 10/2/2023 will accept submissions for fiscal periods 2023 and prior</li> <li>• Rejected Census submissions needing revision after 10/2/2023 must be resubmitted in GSA.</li> <li>• Effective 12/2023 historical Single Audits available for search</li> </ul>

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### DCF Moves to GSA – Be ready!

Website: [www.fac.gov](http://www.fac.gov)

Must have a Login.gov Account

Must have a Unique Entity Identifier (UEI)

Report uploads must contain searchable text

Submit 2022 early to allow for corrections if needed before transition.

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### Time and Effort

Policy Based

May not apply to all programs

May not look the same at all entities

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### ODOT Confirmations

Submitted by the local government to ODOT

Should be sent as early as possible to provide ODOT with sufficient lead time

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**ODOT Confirmations**

*Section III: Documents to Submit for Office of External Audits' Verification of an LPA's Draft SEFA*  
 section of [ODOT SEFA Guidance for LPAs](#)

See also [SEFA Completeness Guide](#)

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**Federal Reminders**

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**Controls Testing**

**Basis for the Control**  
 Reports, resources, etc. necessary to perform the control.

**Control Procedure**  
 How the auditee uses the basis to prevent, and identify and correct, or detect errors.

**Person(s) Responsible**  
 Individual(s) using the basis and performing the control.

**Evidence**  
 Reference to testing of the control.

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### Controls Testing

• What process is in place to prevent or detect and correct errors?

Perform a Walkthrough

• Does the control exist as the client explained it? Is it able to be tested?

Talk to the Client

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### Federal Acquisition Regulation (FAR) Applicability

- FAR defines cost-reimbursement contracts in 48 CFR Subpart 16.3.
- Cost-reimbursement contracts establish an estimate of total costs (i.e. 'ceiling') which a contractor may only exceed at its own risk.
- Only allowable when circumstances at 48 CFR 16.301-3 have been met.

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### Federal Prevailing Wages

When do prevailing wage requirements apply to ESSER expenditures?

- Minor remodeling, renovation or construction contracts that are over \$2,000 and use laborers and mechanics.

Is a purchase order a contract?

- In some cases, yes.
- Discuss with an attorney.

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### Monetary versus Nonmonetary Compliance Requirements

**Compliance Requirement Matrix**

Footnotes 1-7 below the matrix provide further explanation; review note 6 which discusses tailoring the matrix assessments.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Compliance Requirement	Applicable per Compliance Supplement (Yes/No)	Direct & Material to Program / Entity (Yes/No)	Monetary or Nonmonetary (Set by CIAE) (M/N)	Population Subject to Inspection (in \$)	Inherent Risk (from RCAF) (High/Low)	Final Control Risk (High/Low)	Federal Materiality by Compliance Requirement (usually 5%)
A Activities Allowed or Unallowed			M				5%
B Allowable Costs/ Cost Principles			M				5%
C Cash Management			N				5%
D Reservation - Not Used			M				5%
E Eligibility			M				5%
F Equipment & Real Property Mgmt			M				5%
G Matching, Level of Effort, Earmark			M				5%
H Period of Performance			N				5%
I Procurement & Sub. & Debarment			M				5%
J Program Income			M				5%
K Reservation - Not Used			N				5%
L Reporting			N				5%
M Subrecipient Monitoring			N				5%
N Special Tests & Provisions (Provide an assessment for each)			N				2%

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### Monetary versus Nonmonetary Compliance Requirements

Nonmonetary Compliance Attribute

- Exception Rate = Observed Exceptions / Sample Size

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### Monetary versus Nonmonetary Compliance Requirements

Monetary Compliance Attribute

Consider questioned costs.

Entire Sampling Unit Noncompliant, Population of Similar Sized Transactions: Exception Rate = Observed Exceptions / Sample Size

Sampling Unit Partially Incorrect: Projected Questioned Costs = Known Questioned Costs / Dollar Amount Sampled

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### Monetary versus Nonmonetary Compliance Requirements

Monetary and nonmonetary compliance requirements must be separately sampled.

For nonmonetary requirements, auditors must use exception calculation in prior slide.

2 CFR 200.516: Audit Findings

- Known or Likely Questioned Costs Over \$25,000

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### Use of Co-Ops and Similar Organizations

Does not negate the need to test compliance requirements.

Auditors may need to test records from the co-op to ensure compliance.

Remember: State and Federal requirements differ. The more stringent restriction applies.

Commonly used by Schools

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### Pass-Through Entity Requirements Vs. Uniform Guidance

Pass-through entities can impose more stringent requirements than Uniform Guidance.

Pass-through entity guidance cannot be contrary to Uniform Guidance.

Read grant manuals and/or agreements to identify guidance contrary to Uniform Guidance.

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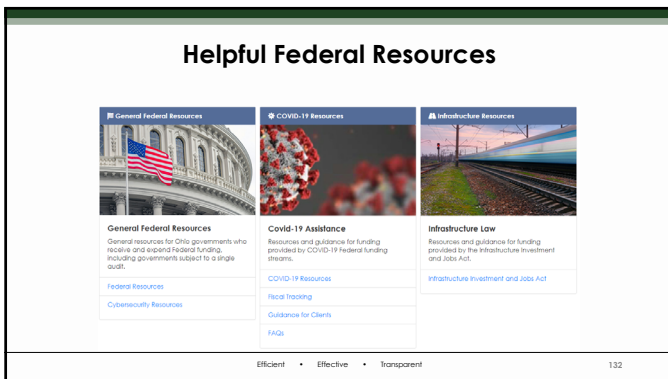
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### Helpful Federal Resources

The screenshot shows the Ohio Auditor of State website with a search bar and navigation menu. A prominent article titled "Finding for recovery issued against former school superintendent over unlawful" is highlighted with a red arrow. The article text states: "The finding for \$543,478 involved an improper contract for semi-annual business controlled by the superintendent." Below the article, there is a "Since January 2019:" section with icons for various services.

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### Helpful Federal Resources

Reference Materials

- Clients & IPA Firms
- GASB 94
- GASB FAQs
- Library FAQs and Program Codes
- Other Accounting FAQs
- Ohio Compliance Manuals
- Financial Statement Shells & Footnotes
  - GASB 44 – Tables
  - OCBOA
  - Regulatory
  - Specialized Footnotes
- Single Audit Practice Aids & Report Shells
- Federal Award Compliance Control Records (FACCR)

Single Audit Practice Aids & Audit Report Shells

Single Audit Practice Aids

- Federal Award Compliance Control Records (FACCR)
- Record of Single Audit Risk & Major Program Determination (RSAR) (xlsx) (For 2022 Audits)
- Record of Single Audit Risk & Major Program Determination (RSAR) (xlsx) (For June 30, 2023 – June 29, 2024, Year End Audits)
- School SEFA Transaction Presentations (pdf)
- 2023 SEFA Completeness Guide – Rev. Aug 2023 (pdf)
- 2022 SEFA Completeness Guide – Rev. Aug 2023 (pdf)
- Federal Frequently Asked Questions (pdf)

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### Helpful Federal Resources

- eCFR
  - www.ecfr.gov
- Treasury SLFRF Website
  - https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds
- AOS Intranet

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