



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Single Audit Update

State of Vermont

June 13, 2024



The information herein has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen LLP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgment. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters.

CliftonLarsonAllen LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftonLarsonAllen LLP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftonLarsonAllen LLP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein.

Learning Objectives

At the end of this session, you will be able to:

- *Identify the OMB updates and revised guidance for federal financial assistance to streamline interpretations and decrease administrative strain*
- *Identify the updates to thresholds, procurements, readability, and others to help the state comply with OMB requirements*
- *Distinguish key changes and actions needed for submitting a data collection form*
- *Identify the updates to the OMB Compliance Supplement for 2024*



Introductions

- Shannon Weiss, Engagement Director
- Brandon Glover, Senior
- Cory Schlee, Senior





Changes to the Uniform Guidance



New Term



Uniform Guidance

**Guidance for
Federal Financial
Assistance**



Effective Date



OMB released the pre-publication internet version on April 4, 2024 — however, changes are not effective until **October 1, 2024**.



Federal agencies may elect to apply the guidance to federal awards issued prior to that date, but they are not required to do so.

Why the Changes

- Strengthen and streamline administration of federal financial assistance
- Help recipients of federal funding “focus more on the people they serve and to deliver results for their communities”



Summary of the Changes



General changes:
improved
readability



Changes for non-
federal entities
(Sections 300 and
400 of 2 CFR 200)



Changes for
auditors of non-
federal entities
(Section 500 of 2
CFR 200)

General Changes



General Changes: Improved Readability

- Changes are focused on making the guidance easier to comprehend by enhancing the language to be more readable and specific. Changes will better align with other federal regulations and standards.

Change “grants and agreements” to **“Federal financial assistance.”**

Use the terms **“recipient,”** **“subrecipient,”** or both in place of “non-Federal entity” throughout part 200 (except for subpart F) to clarify which sections of guidance apply to which entities.

Clarification of which sections apply to the “Federal agency,” “pass-through entity,” or both.

Eliminate acronyms used infrequently and adding others (200.0).

Added and revised several definitions (200.1)

Provide additional flexibilities with regard to using a language other than English (e.g., reports, correspondence) (200.111)



General Changes : Improved Readability (cont.)

Mandatory disclosures will now more closely align with Federal Acquisition Regulation (FAR) 48 CFR 52.203-13.

Questioned costs definition will clarify what questioned costs represent in audit findings.

Specifically requiring pass-through entities to verify subrecipients are not excluded or disqualified (suspended or debarred) in accordance with 2 CFR § 180.300.

Added requirement for when recipients do not have a final indirect cost rate covering the period of performance.

A final financial report must still be submitted.
The recipient must submit a revised final financial report when all applicable indirect cost rates are finalized.



Changes for Non-Federal Entities



Changes for Non-Federal Entities

2 CFR 200.303 – Internal Controls

Added a requirement that recipient and sub-recipient internal controls include cybersecurity and other measures to safeguard information.

2 CFR 200.307 – Program Income

Clarified this requirement, allowing the use of program income for certain closeout costs.

2 CFR 200.309 – Period of Performance

Added additional clarification that when a federal agency decides not to continue an award with multiple budget periods, the period of performance should be amended to end at the completion of the currently authorized budget period.

2 CFR 200.313 – Equipment

Revised the threshold value for equipment from \$5,000 to \$10,000. When equipment is purchased at the cost of \$10,000 or under, it can be expensed instead of capitalized.



Changes for Non-Federal Entities (cont.)

2 CFR 200.314 - Supplies

Revised the threshold for unused supplies from \$5,000 to \$10,000. Title to supplies will vest in the non-federal entity upon acquisition. If a residual inventory of unused supplies exceeds \$10,000, the non-federal entity must compensate the federal government for its share.

2 CFR 200.332 – Requirements for Pass-Through Entities

Added a requirement for pass-through entities to confirm that potential subrecipients are not suspended, debarred or otherwise excluded from receiving federal funds.

2 CFR 200.414 – Indirect Costs

Raised the de minimis rate non-federal entities can use for indirect costs from 10% to 15% allowing for a more reasonable and realistic recovery of indirect costs.



Changes for Non-Federal Entities (cont.)

Procurement Standards

- Include “veteran-owned businesses” in contract provisions (§ 200.321).
- Updated “affirmative steps must be taken” to “when possible, the recipient or subrecipient should ensure” in relation to using small businesses, minority businesses, women’s business enterprises, veteran-owned businesses, and labor surplus area firms (§ 200.321).
- Change “small purchases” terminology to “simplified acquisitions” (§ 200.320(2)).
- Remove restrictions related to geographic preference requirements and allow for scoring mechanisms to evaluate bidders committing to U.S. jobs and certain compensation and benefits (§ 200.319).
- Prioritize environmentally sustainable products and services (§ 200.323(b)). This includes consideration of reused, refurbished, and recycled products; biobased or energy and water efficient acquisitions; and purchasing compostable items.



Changes for Auditors of Non-Federal Entities



Changes Affecting Auditors

2 CFR 200.501 – Audit Requirements

Increased the Single Audit threshold from \$750,000 to \$1,000,000. Organizations expending less than \$1,000,000 of federal financial assistance during their fiscal year will not be subject to a single audit.

2 CFR 200.518 – Major Program Determination

Increased the threshold for determining Type A programs from \$750,000 to \$1,000,000 if the total annual expenditures of all federal programs for a non-federal entity are \$34 million or less (previously \$25 million or less). Programs with expenditures of over \$1,000,000 will be considered a Type A for major program determination.



Next Steps



Next Steps

- Recipient organizations should consider these slides to be generally helpful as they streamline interpretations and decrease administrative strain.
 - *Prepare for key changes in the intervening months.*
- Organizations should review the applicable changes to the Uniform Guidance and begin revising/ implementing their policies, procedures, and internal controls accordingly.



2024 Compliance Supplement

Released May 30, 2024



Appendix IV – Higher Risk Designation

May 2024

Higher Risk Designation

Agency	Assistance Listing Number (ALN)	Title
HHS**	93.778/93.777/93.775	Medicaid Cluster
Treasury*	21.023	Emergency Rental Assistance
Treasury*	21.027	Coronavirus State and Local Fiscal Recovery Funds
Interior**	15.252	Abandoned Mine Land Reclamation (AMLR)

Note:

* These programs were created by one of the laws cited at the beginning of this section and are thus considered 100% COVID-19 funding.

** These programs were existing programs that received additional IIJA or COVID-19 funding from one or more of the laws cited at the beginning of this section.



Other Notable Changes

Minor changes to Part 2 – Matrix of Compliance Requirements

Several changes to Part 4 – Agency Program Requirements

Part 5 – Clusters of Programs

- Removed the Community Facilities Loans and Grants Cluster, the Clean Water State Revolving Fund Cluster, the Drinking Water State Revolving Fund, and the Hurricane Sandy Relief Cluster.
- Removed program 14.182 from Section 8 Project-Based Cluster, and program 20.611 from the Highway Safety Cluster.
- Added the Tribal Self-Governance and Determination Cluster.





Federal Audit Clearinghouse - Data Collection Form



Data Collection Form (DCF) Changes

Administered by the General Services Administration:

- www.fac.gov
- IDES system no longer available
- Prior year audits have been transferred to GSA

GSA released the Federal Audit Clearinghouse as a Minimal Viable Product (MVP)

- Frequent updates to add functionality and address issues experienced by users
- Description of current and prior updates found at www.fac.gov/updates/



Login

- Requires a login.gov user ID
 - Create account at login.gov/create-an-account
- Login Page
 - Lists all in progress and prior audit submissions for your User ID
 - Create a new audit
 - Unique Entity ID (UEI) is validated
 - **DUNS no longer entered**

The screenshot shows the FAC.gov website interface. At the top, there is a navigation bar with 'FAC.gov', 'News', 'Resources & Policy', 'FAQs', and 'Contact'. A 'Sign out' button is also present. The main content area is titled 'Single audit submissions' and includes a sub-header 'Audits in progress'. Below this, there is a table with columns for Status, Entity name, Report ID, Auditee UEI, and Fiscal period end date. The table contains one row with the status 'Needs certification' for 'CENTRAL KITCHEN, INC. (THE)'. Below this, there is a section for 'Completed audits' with a similar table containing one row with the status 'Submitted'. At the bottom, there is a 'Create a new audit' section with a checkbox for 'I agree to the terms and conditions.' and a 'Start a new submission' button. The footer includes the GSA logo and various links for Freedom of Information, budget and performance reports, accessibility statement, and NLFAR Act data.

Data Entry

- All data entry is via web forms or spreadsheet uploads
- Spreadsheet templates are required for uploading each section.
 - Templates can be downloaded from the Submission Checklist page of the DCF submission, or from the SF-SAC Workbooks page at **fac.gov/audit-resources/sf-sac**
- Can download all at once
- **No longer required to download worksheet templates one-by-one in order of completion**

SF-SAC workbooks

Complete your single audit submission by completing the SF-SAC workbooks below and uploading them to the FAC. You can download each workbook and find instructions for completing it on the individual pages.

- [SF-SAC Section 1: Federal Awards](#)
- [SF-SAC Section 2: Notes to SEFA](#)
- [SF-SAC Section 3: Federal awards findings](#)
- [SF-SAC Section 4: Federal awards findings text](#)
- [SF-SAC Section 5: Corrective action plan](#)
- [SF-SAC Section 6: Additional UELs \(optional\)](#)
- [SF-SAC Section 7: Secondary auditors \(optional\)](#)
- [SF-SAC Section 8: Additional EHS \(optional\)](#)



Data Entry

No pre-populated data on template worksheets:

- UEI must be **manually entered** on each worksheet's coversheet
- Award reference number – Created on *Federal Awards* (SEFA) worksheet:
 - Must be **manually entered** on worksheets:
 - Federal Awards Findings
 - Federal Awards Findings Text
 - Initial upload edit will not flag mis-match between Federal Awards worksheet and either Findings worksheet.

Federal Awards worksheet must be entered first



Worksheet Edits and Final Validation

System performs minimal edits on worksheets as they are uploaded

- Required fields completed
- Data in correct format

Pre-submission data validation

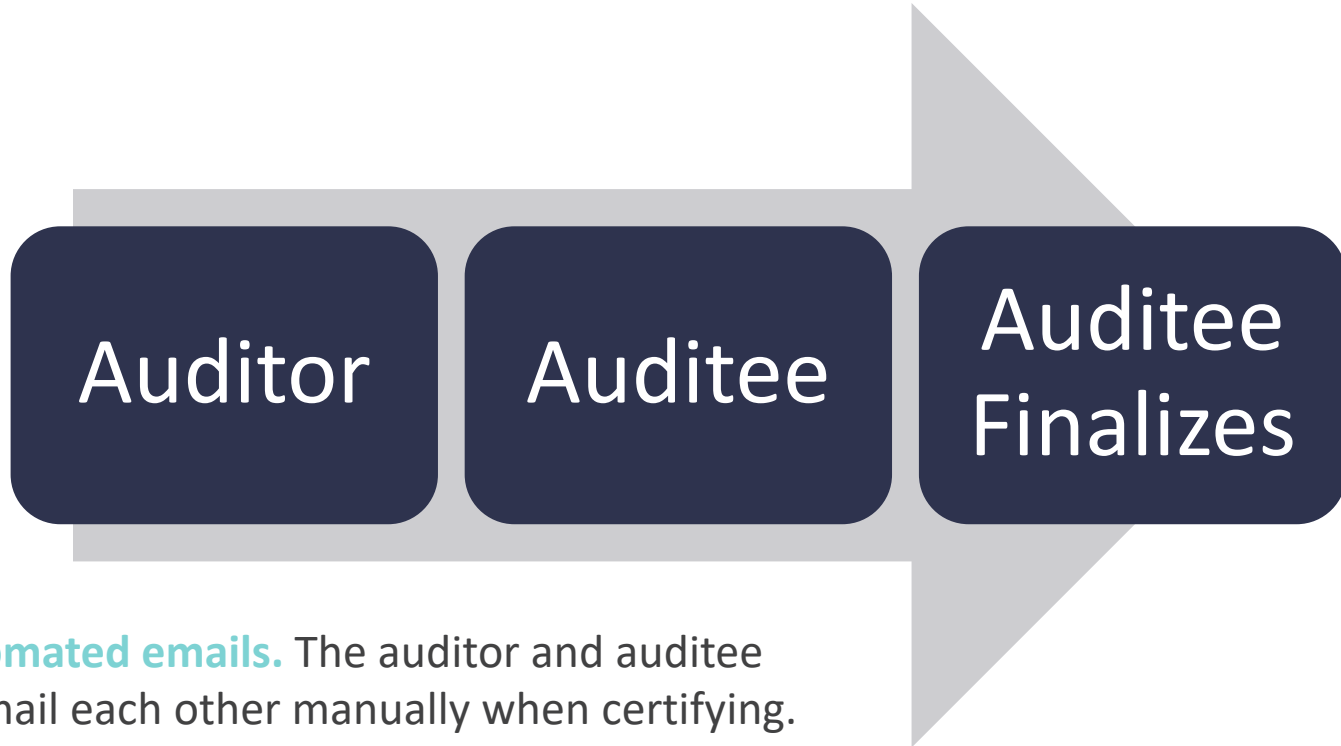
- Validates that all required worksheets and the audit report PDF have been uploaded
- Performs final validation of all worksheets
- For example, if there is a mismatch between award references for findings as compared to SEFA, they will be flagged during this validation step.

Cannot print draft DCF

- Review individual worksheets



Final Submission

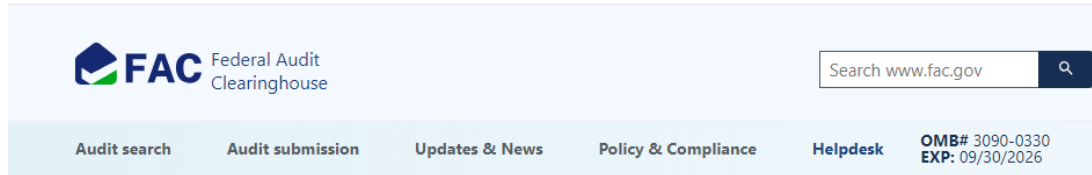


No automated emails. The auditor and auditee must email each other manually when certifying.



Final Submission (cont.)

- Once submitted by auditee, DCF cannot be modified
- Resubmissions not currently possible
 - **Error in submission requires creation of new report**
- To download or print reporting package
 - Use Audit Search from header



- Search by year, UEI, name, etc.
- Audit years back to 2016 are available



Resources

Uniform Guidance

- [Federal Register :: Guidance for Federal Financial Assistance](#)

Implementation Memo

- [M-24-11-Revisions-to-2-CFR.pdf \(whitehouse.gov\)](#)

Reference Guide

- [Uniform Guidance Reference Guides FINAL 4-2024.pdf \(cfo.gov\)](#)

FAC Audit Submission Guide

- [https://www.fac.gov/audit-resources/how-to/](#)



Questions? Please contact:

Shannon Weiss

Engagement Director

shannon.weiss@CLAconnect.com



CLAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

©2024 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.