



COVID-19 Relief Recipients: Know Your Year-End Reporting Requirements

Presented by



SANDY F. ROSS, CPA, CFE, MSNM

Sandy has a passion for helping the nonprofit community and advises clients from application to dissolution, providing services such as strategic planning, audits, compliance audits, and assistance with developing and improving internal controls.



JAMIE HANSEN, CPA, MSNM

Jamie helps clients with management consulting relating to internal controls, internal financial reporting, board governance and strategic planning. She also has a passion for volunteering with animals and serves as the treasurer of Animal Rescue Rhode Island.

Agenda



- How do you determine if your Company has a federal reporting requirement?
- How do you determine what type of federal reporting is required? (i.e. Single Audit or Program Specific)
- What should you look for in a firm to conduct your audit?
- What should you expect from your auditor related to a Single Audit or Program Specific Audit?

A photograph of the U.S. Capitol dome in Washington, D.C., taken from a low angle. The dome is illuminated by the warm, golden light of the setting or rising sun, creating a strong contrast with the deep blue sky. The architecture's details, including the columns and the statue on top, are clearly visible. A semi-transparent dark blue horizontal band is overlaid across the middle of the image, serving as a background for the title text.

Federal Reporting Requirements

The logo for KLR, consisting of the letters 'KLR' in a bold, serif font, with three horizontal lines underneath.

KLR



Federal Reporting Requirements

- When do you have federal reporting requirements?
- What is a Single Audit?
- What is a program-specific audit and when can it be elected?
- Which COVID-19 programs require a Single Audit or Program-Specific Audit?
- What if you received PPP funding as well?



What is a Single Audit?

A single audit is performed to ensure your company is in compliance with the rules and regulations of each federal award.


It consists of two main parts:

- an audit of the financial statements;
and
- an audit of compliance with the terms of the major federal award programs.



What is a program-specific audit and when can it be elected?

- A program-specific audit is an audit of compliance with major programs.
- If you are a for profit entity and expend more than \$750,000 in federal awards during the fiscal year and you only have one federal program or receive all funding from one Agency, you may be able to elect to have a program-specific audit.



Which COVID-19 programs require federal reporting?

Based on the latest guidance, which is subject to periodic changes, below are some of the federal programs that are subject to a single audit or program-specific audit under the Uniform Guidance:

- Provider Relief Fund (CFDA 93.498)
- Coronavirus Relief Fund (CFDA 21.019)
- Education Stabilization Fund (CFDA 84.425)



Which COVID-19 programs require federal reporting?

- Coronavirus Emergency Supplemental Funding Program (CFDA 16.034)
- COVID-19 Telehealth Program (CFDA 32.006)
- Disaster Assistance Loans (Economic Injury Disaster Loans) (CFDA 59.008)

The Paycheck Protection Program (PPP) (CFDA 59.073) is not subject to a single audit.



What if you received PPP funding as well?

If you received PPP funding you may already know that you can't use the same expense as support for multiple grants ("double dip").

It is critical that you allocate expenses to each source of funds. In addition, PPP limits the payroll cost for each employee to \$100,000 or less while some of the other funding available has higher payroll limits per employee. Be sure that you understand all of the limitations so you can get the maximum benefit from this funding.



Double-Dipping Not Permitted

Payroll costs paid with Paycheck Protection Program (PPP) loans or any other federal CARES Act programs must not be also charged to current federal awards as it would result in the federal government paying for the same expenditures twice.

How to Select an Audit Firm

How to Select an Audit Firm

- Due Diligence
- Industry Expertise
- Peer Review Report



A blurred background image of a business meeting. In the foreground, a person's hand with red nail polish points at a tablet displaying a colorful bar chart. Another person's hand is visible in the background, also pointing at a document. A laptop is open on the right side of the frame. The overall scene suggests a collaborative work environment focused on data analysis.

What to Expect

How to Prepare for a Single Audit or Program-Specific Audit

- Retain a copy of the grant application and any information used to support the funding request.
- Review the contract and any referenced regulations provided by the funding agency.
- Review and/or implement internal controls over compliance with the federal awards.



How to Prepare for a Single Audit or Program-Specific Audit

- Put processes in place to track expenditures and retain adequate supporting documentation related to these expenditures.
- Contact the federal funding agency directly if clarification is needed to ensure compliance related to COVID-19 funding.
- Document and Identify Sources of Funding by completing the Schedule of Expenditures of Federal Awards (SEFA).



How to Prepare for a Single Audit or Program-Specific Audit

- Have available documentation for all expenditures included in the SEFA.
- Show allocation of payroll and related expenses applicable to each funding source.
- Show that excess salary amounts were not claimed.



What is the single audit deadline?

Single audits are due the earlier of 30 days after receiving the auditor's report on the financial statements or nine months after the fiscal year-end. The following extensions due to COVID-19 have been provided:

- 6-month ext. for years ended June 30, 2019 through September 30, 2019
- 3-month ext. for years ended October 31, 2019 through December 31, 2019

An extension is no longer available for years ending after December 31, 2019.



Changes to Submission Extensions

Year End	Original Due Date	Extended Due Date
June 30, 2019	March 31, 2020	September 30, 2020
September 30, 2019	June 30, 2020	December 31, 2020
December 31, 2019	September 30, 2020	December 31, 2020
March 31, 2020	December 31, 2020	N/A
June 30, 2020	March 31, 2021	N/A
September 31, 2020	June 30, 2021	N/A
December 31, 2020	September 31, 2021	N/A

Exhausting Other Funding Sources

Awarding agencies must inform recipients to exhaust other available funding sources to sustain their workforces and implement necessary steps to save overall operational costs (such as rent renegotiations) during the pandemic period. This ensures that federal funds will be preserved for the ramp-up effort.

It also instructs federal agencies that recipients should retain documentation of their efforts to exhaust other funding sources and reduce overall operational



Separate SEFA Identification

In order to provide adequate oversight of the COVID-19 Emergency Acts funding and programs, recipients and subrecipients must separately identify the "COVID-19 Emergency Acts expenditures" on the SEFA and in audit report findings.





Medicaid Pediatric Primary Care Rate Supplement Notice of Subaward

Example of Coronavirus Relief Fund Contract / Award

Subrecipient Contacts	Applicant
Practice Site	[REDACTED]
Contact Name	[REDACTED]
Contact Phone	[REDACTED]
Contact Email	[REDACTED]

Subrecipient DUNS	[REDACTED]	Agreement Type	Grant
Subaward Start Date	March 1, 2020	Subaward End Date	December 30, 2020
Amount Obligated this Action ("Award")	\$537,803.87	Total Amount Obligated to Subrecipient	\$537,803.87
Indirect Rate	Not applicable	Match/Cost Share	Not applicable
Project Description	On June 4, 2020, Governor Raimondo announced that the state would be providing financial relief payments to pediatric primary care providers. These one-time grant payments are meant to support system resiliency and response to public health concerns brought on by COVID-19 related disruptions in primary care (e.g., drastic reductions in immunization rates), as well as to offset costs of business interruption and expenses incurred due to the COVID-19 public health emergency.		
Federal Awarding Agency	U.S. Department of Treasury	Federal Award Identification Number	Not applicable
Federal Award Date	Not applicable	Total Federal Award Amount	\$1,250,000,000
Indirect Rate	Not applicable	CFDA Number	21.019
R&D	No		
Project Description	Coronavirus Relief Fund ("CRF") for necessary expenditures incurred due to the public health emergency with respect to COVID-19		

Does the Assistance Listing indicate that the single audit requirements in Subpart F of the UG (Single Audit Requirements) apply?

<i>Subrecipient DUNS</i>		<i>Agreement Type</i>	Grant
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Look up the CFDA to determine if contract should be included in federal expenditures.

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Quick reference use [GAQC Summary of Uniform Guidance \(UG\) Applicability](#) for New COVID-19-Related Federal Programs



NOTE: This document is non-authoritative. The GAQC will update this document on a periodic basis. If you print this document, be sure to check the GAQC Web site regularly to check the "as of" date. If it has changed, you will know there has been an update (items with changes are noted below with a date). Auditees and auditors should refer to the final 2020 OMB *Compliance Supplement*, once issued, for authoritative guidance on new COVID-19 programs.

GAQC Summary of Uniform Guidance (UG) Applicability for New COVID-19-Related Federal Programs (as of September 4, 2020)

The GAQC has prepared the following summary of information about federal programs that have been established as a result of the Novel Coronavirus (COVID-19) pandemic. Much of the information has been developed based on public information in <https://beta.sam.gov/> (referred to as Assistance Listing). However, the Assistance Listing has been changing on a periodic basis, so you are encouraged to check directly by clicking on the hyperlinked program titles below. The Notes column includes any other pertinent information the GAQC is aware of regarding the program. We are providing this summary to assist members with gathering initial information to help in the audit planning process and for purposes of discussions with clients.

Assistance Listing number (also referred to as CFDA#) and federal agency name	Assistance Listing title or description and link to https://beta.sam.gov/ section	Does the Assistance Listing indicate that UG applies?	If yes, which UG Subparts are stated to apply from a compliance perspective?*	Does the Assistance Listing indicate that the single audit requirements in Subpart F of the UG apply?	Links to relevant agency information	Notes
Largest New Programs (presented in order of total size of program)						
59.073 (Small Business Administration (SBA))	Paycheck Protection Loan Program (PPP)	No	N/A	N/A	<p>SBA PPP Web page (https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program)</p> <p>FAQ document for faith-based organizations https://www.sba.gov/sites/default/files/2020-06/SBA%20Faith-Based%20FAQ%20Final-508.pdf</p> <p>ADDED 9-4-20: FAQs for Lenders and Borrowers (08/11/2020) (https://www.sba.gov/document/support-faq-lenders-borrowers)</p> <p>ADDED 9-4-20: AICPA PPP Resources: https://future.aicpa.org/resources/toolkit/paycheck-protection-program-resources-for-cpas</p>	<p>Some not-for-profits may have received these loans. However, as noted, they are not subject to single audit. See also GAQC Alert #404.</p> <p>ADDED 9-4-20: Some have asked that even though PPP is NOT subject to single audit whether it needs to be included on the schedule of expenditures of federal awards (SEFA) because it has an Assistance Listing number. The answer to this question is no. Only federal programs that are subject to single audit are included on the SEFA.</p>
93.498 (Health and Human Services (HHS))	Provider Relief Fund	Yes	Subparts B, D, and E	Yes	https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html	UPDATED 7-21-20: Beta.sam.gov indicates subparts B, D, and E of the UG apply to non-federal entities (i.e., states, local governments, not-for-profits) receiving these funds and that the program will be subject to single audit. While HHS had been deliberating that conclusion internally, HHS has

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21.019 (Treasury)	Coronavirus Relief Fund (CRF)	Yes	Subpart D Sections 200.303 on internal controls and 200.330 - 200.332 on subrecipient monitoring	Yes	<p>Treasury CRF Web page (https://home.treasury.gov/policy-issues/cares/state-and-local-governments)</p> <p>Treasury CRF FAQs (https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf)</p> <p>ADDED 9/4/20: Treasury CRF Guidance document (https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf)</p> <p>ADDED 9/4/20: Frequently Asked Questions Related to Reporting and Recordkeeping (https://www.oversight.gov/sites/default/files/oig-reports/OIG-CA-20-028.pdf)</p> <p>ADDED 7/21/20: Guidance for State, Territorial, Local, and Tribal Governments (https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf)</p> <p>ADDED 7/21/20: Recipient Reporting and Record Retention Requirements https://home.treasury.gov/system/files/136/IG-Coronavirus-Relief-Fund-Recipient-Reporting-Record-Keeping-Requirements.pdf</p> <p>Treasury Summary of Funds Disbursed to State and Local Governments (https://home.treasury.gov/system/files/136/Payments-to-States-and-Units-of-Local-Government.pdf)</p>	<p>While beta.sam.gov and the Treasury FAQs indicate that the UG single audit rules apply, the GAQC has inquired with OMB about its intent since only 2 individual sections of the UG are identified as being applicable in beta.sam.gov (i.e., internal control and subrecipient monitoring). We will communicate more information when we have it from OMB and/or Treasury. However, it may be that we will not have an answer to this question until a <i>Compliance Supplement</i> section is developed for this program.</p> <p>Separately, while CRF funds were directly provided to states and certain larger local governments, many of the direct recipients have already or will be passing down some of the CRF proceeds to other non-federal entities that did not receive the funding directly. So, even if your client did not receive CRF funds directly, they may still receive these funds indirectly.</p> <p>Finally, per the Treasury FAQs, the funds are not considered to be grants but are "other financial assistance" under Section 200.40 of the UG.</p> <p>UPDATED 9/4/20: This program is expected to be included in OMB's expected Fall addendum to the 2020 <i>Compliance Supplement</i>. See the GAQC nonauthoritative listing, Federal Programs Expected to be Included in the 2020 OMB Compliance Supplement Addendum, for a full list of programs expected in the Addendum.</p>

What amount do we use for the schedule of expenditures of federal awards?

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<i>Indirect Rate</i>	Not applicable	<i>Match/Cost Share</i>	Not applicable
<i>Project Description</i>	<p>On June 4, 2020, Governor Raimondo announced that the state would be providing relief payments to pediatric primary care providers. These payments are meant to support system resiliency and address health concerns brought on by COVID-19 related disruptions in primary care (e.g., drastic reductions in immunization rates), as well as to offset costs of business interruption and expenses incurred due to the COVID-19 public health emergency.</p>		
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<i>R&D</i>	No	<i>CFDA Number</i>	21.019
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Total Amount for this contract/modification.

What amount do we use for the schedule of expenditures of federal awards?

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If multi-year or multiple modifications exist, the amount will be higher than the Amount Obligated and Client should maintain schedule or reconciliation showing the amounts used each year the contract is active.

<i>Agency</i>	Treasury	<i>Identification Number</i>	
<i>Federal Award Date</i>	Not applicable	<i>Total Federal Award Amount</i>	\$1,250,000,000
<i>Indirect Rate</i>	Not applicable		
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<i>Indirect Rate</i>	Not applicable	<i>Match/Cost Share</i>	Not applicable
<i>Project Description</i>	Total Federal Award is related to the Grantor and not the client.		
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Pay Attention to the Contract / Subaward End Date

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If all of the funds have not been expended during the client's fiscal year and can be used in subsequent years, only the amount that has been expended should be included on the SEFA. Some grantors allow for no cost extensions but client should get approval of this in writing.

If this is the only contract, would the client have to meet the Single Audit Requirement?

Subrecipient DUNS		Agreement Type	Grant
Subaward Start Date	March 1, 2020	Subaward End Date	December 30, 2020
Amount Obligated	<div>NO</div> <div>Single Audit Requirements Apply to Total Federal Expenditures of \$750,000 or more</div>		
Action ("Award")			
Indirect Rate			
Project Description			
Federal Awarding Agency			
Federal Award Date			
Indirect Rate			
R&D			
Project Description	Coronavirus Relief Fund (CRF) for necessary expenditures incurred due to the public health emergency of COVID-19		

We're Here.



Sandy Ross, CPA
sross@KahnLitwin.com



Jamie Hansen, CPA
jhansen@KahnLitwin.com



888-KLR-8557

Kahnlitwin.com



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