



# Federal Awards

## What you need to know

# Federal Award Definition

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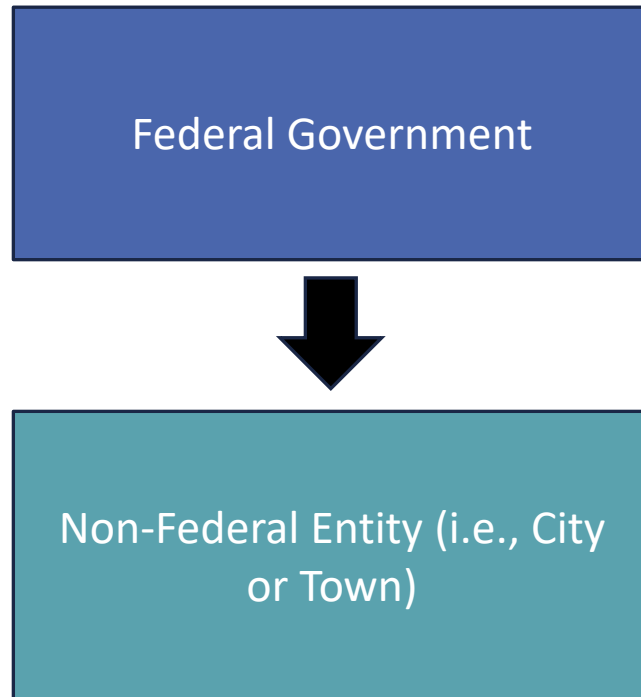
Financial assistance that a non-federal entity receives directly from a federal agency or from a pass-through entity.

- ❖ Non-federal entity – Any entity that is not the Federal government
- ❖ Pass-through entity – Any entity that receives money from a federal agency and awards that money to another entity (subrecipient) to carry out the objectives of the grant.

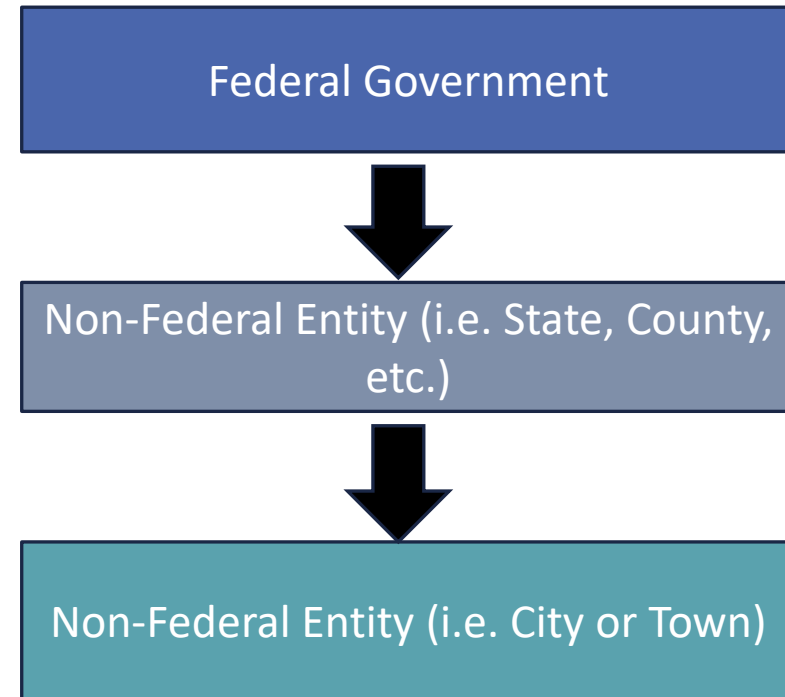
# Federal Award Relationships

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## Direct Grant



## Pass-through Grant



# Federal Award Forms

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GRANTS



LOANS



NON-CASH  
ASSISTANCE

# Types of Financial Assistance from State

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There are two types of assistance from the State of Indiana:

1. Federal assistance that is passing through the State, and
2. State assistance

## How to tell the difference?

If the assistance provided by the State is federal assistance the State must identify it as a federal award. Required information includes, but is not limited to:

- ❖ Subrecipient name and unique entity identifier;
- ❖ Federal award identification number;
- ❖ Federal award date;
- ❖ Period of Performance and budget start and end dates;
- ❖ Amount of funds obligated;
- ❖ Assistance Listings number and title.

Why it's important to know the  
difference

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# Why it's important to know the difference

All federal assistance received must be reported on the Schedule of Expenditures of Federal Awards (SEFA)



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii OCRA Cares Act Grant	Indiana Office of Community and Rural Affairs	14.228	B-20-DW-18-0001	\$ -	\$ 30,780
Total - Department of Housing and Urban Development				-	30,780
<u>Department of the Interior</u>					
Historic Preservation Fund Grants-In-Aid DNR Park Grant	Indiana Department of Natural Resources	15.904	FFY20-02	-	33,184
Total - Department of the Interior				-	33,184
<u>Department of Justice</u>					
Bulletproof Vest Partnership Program Bullet Proof Vest Program	Direct	16.607	CY2021	-	1,980
Total - Department of Justice				-	1,980



# Why it's important to know the difference

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Federal assistance has many requirements related to how the money can be spent.

- ❖ ALL requirements must be complied with
- ❖ It is the award recipient's responsibility to know and follow the requirements in all situations.

# Why it's important to know the difference

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State assistance will also have requirements related to how the money can be spent.

- ❖ This assistance is NOT reported on the SEFA
- ❖ It maybe monitored by the State awarding agency.

If questions remain.....

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About whether the award is federal assistance or state assistance;

About any requirements of the award and how to comply with them

\*Contact the awarding agency\*

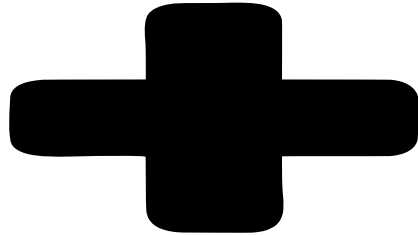


# Single Audits

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# Single Audits - Definition

A single audit is an audit that includes both an audit of the financial statements and an audit of the federal awards received.



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2022

	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
<b>I.S. DEPARTMENT OF THE TREASURY</b>				
Direct Award:				
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds	21.027		\$ 1,060,000	
<b>I.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed through Indiana Criminal Justice Institute:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	69A3752030000402INO	55,861	\$ 41,656
<b>I.S. DEPARTMENT OF JUSTICE</b>				
Direct Award:				
Bulletproof Vest Partnership Program	16.607		1,915	
<b>I.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Direct Award:				
COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distributions	93.498		6,740	
<b>I.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Awards:				
COBG - Entitlement Grants Cluster:				
COVID-19 - Community Development Block Grants/Entitlement Grants/Special Purpose	14.225		52,070	52,070
Grants/Insular Areas	14.218		448,302	115,612
Community Development Block Grants/Entitlement Grants			500,372	167,682
			\$ 1,024,888	\$ 209,238

# Single Audits – Federal Awards Audit

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## Audit of the SEFA:

- ❖ Internal controls over the preparation of the SEFA
- ❖ SEFA Testing
  - ❖ Information derived from or relates directly to accounting records
  - ❖ Mathematically accurate
  - ❖ ALN, program name, and awarding agency are correct
  - ❖ Federal awards expended is correct
  - ❖ Amounts passed to subrecipients, if any, are correct

# Single Audits – Major Program Determination

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Once the SEFA has been audited, a risk-based approach is used to determine which of the federal assistance programs will be audited as a major program.

- ❖ Major program: a program that is determined by the auditor to be of higher risk.

# Single Audits – Major Program Testing

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- ❖ Not all requirements of the federal award will be audited during the Single Audit.
- ❖ Auditors are instructed on which requirements to audit.
- ❖ Regardless of which requirements are audited, ALL requirements must be complied with.



# Single Audit - Opinion

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At the conclusion of the audit of federal awards, an opinion will be given as to whether the requirements audited were complied with.

- ❖ Material instances of noncompliance with federal award requirements are reported.
- ❖ Significant deficiencies and material weaknesses in internal control related to compliance with federal award requirements will be reported.

# Single Audit – Auditee Documents

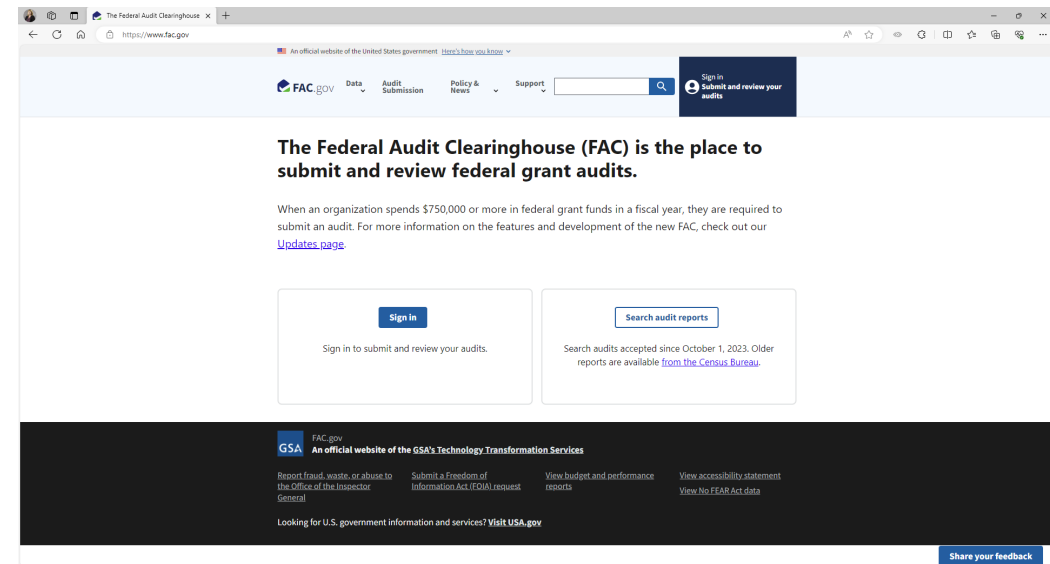
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Summary  
Schedule of Prior  
Audit Findings  
(SSPAF)

Corrective Action  
Plan (CAP)

# Single Audit – Federal Audit Clearinghouse

- ❖ Once the audit is complete, all information will be entered on the Federal Audit Clearinghouse.
- ❖ Information entered must be certified by both the auditee and auditor
- ❖ Instructions on how to complete this will be sent to the official when the report is ready to be released to the public.



# Records to Maintain

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# Records to Maintain

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Records to maintain include but are not limited to:

- ❖ Grant agreements
- ❖ Other contracts or agreements related to the award
- ❖ All claims and supporting documentation related to expending the federal funds



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# Records to Maintain

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Records to maintain include but are not limited to:

- ❖ All reports submitted to the federal agency or pass-through entity
- ❖ Ledgers recording the financial activity of the federal award
- ❖ Record of equipment purchased with federal award

# Records to Maintain

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Records to maintain include but are not limited to:

- ❖ Documentation on the method of procurement of goods or services purchased with the federal award.
- ❖ Any monitoring reports provided by the federal awarding agency or pass-through entity
- ❖ Any other documentation that is related to the activity of the federal award.

Questions????

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