



Grants & Single-Audit

James M. Nicholson

Finance Director

City of Pataskala, Ohio

April 24-25, 2019

ACCOUNTING FOR GRANTS

- Grant accounting can be cumbersome, but is easily managed if you don't wait until the middle or the end of the process to address it.
- Grant spending must be authorized (as appropriate for your jurisdiction), and appropriation authority given for the entire amount of the grant.
- Any grant proceeds paid directly to the vendor must also be booked on your ledger as grant revenue, and as offsetting expenditures too.

Grant Accounting Example

The City of Pataskala, Ohio was awarded a 95/5 grant (95% grant with 5% local match) by OPWC for a road project. Pay App #2 for \$23,012 has been approved and is ready for payment.

Step #1: City processes payment of \$1,151 (5% of \$23,012 pay application) to the vendor.

Step #2: City submits completed grant paperwork and invoice to OPWC for payment of \$21,861 to vendor.

Step #3: Once the city receives confirmation of ODOT payment sent to the vendor, the city makes the following entries to their ledger:

Revenue	State (or Federal) Grant Revenue	\$21,861
Expenditure	Capital Outlay	\$21,861



The Ohio Public Works Commission
85 East State Street, Suite 312, Columbus, Ohio 43215-4213

<i>Commission Chair</i>	Patrick Ginnett	<i>Director</i>	Michael Miller
<i>Commissioners</i>	Kimberly Marshall Sandra Tunnell	Randy Riley William Woodward	Dean C. Ringle

November 20, 2018

James M. Nicholson
Finance Director
621 West Broad Street
Suite 2B
Pataskala, OH 43062

Subject: Payment Confirmation

This letter is to notify you that a Payment (*Disbursement*) has been made to Law General Contracting Inc, as designated on a Disbursement Request Form *Appendix E* submitted by your office during the prior month. Please review the disbursement information provided below.

Project: CQ15U Columbia Road Culvert Replacement & Road Widening
Vendor: Law General Contracting Inc

OAKS Vendor ID: 000007599

Date: 10/09/2018

Voucher Number: 00043696

Amount: \$21,861.25

Federal versus State Grants

- It is important that you distinguish/segregate Federal from State grant spending/revenue on your general ledger.
- Do not assume that simply because the State of Ohio is providing the grant funding that it is a state grant. In many cases, the state serves as a 'pass-through' entity for federal grant funding.
- If the grantor (State of Ohio) indicates that the grant is a pass-through they should provide you with the Catalog of Federal Domestic Assistance (CFDA) number. This is important to have up front, as you'll need that information while preparing your year-end financial statements. ([OMB Circular A-89](#))
- State grants are subject to audit/review by the agency providing the grant (e.g., Dept of Admin Services, etc.). Federal grant spending may be subject to 'single-audit' provisions.



Grant Application Package

Opportunity Title:	COPS-Application-2011
Offering Agency:	Community Oriented Policing Services
CFDA Number:	16.710
CFDA Description:	Public Safety Partnership and Community Policing Grants
Opportunity Number:	COPS-APPLICATION-2011
Competition ID:	
Opportunity Open Date:	05/02/2011
Opportunity Close Date:	06/09/2011
Agency Contact:	COPS Office Response Center Phone: 800-421-6770 Email: askCopsRC@usdoj.gov

This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.

If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.

This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.

* Application Filing Name: City of Pataskala Police Department

Mandatory Documents

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Move Form to Complete

Mandatory Documents for Submission

Application for Federal Assistance (SF-424)
COPS Short Application Attachment to SF-424

History of the Single Audit

- First Single Audit Act became law in 1984. Prior to that time, all federal programs were audited separately. This resulted in many organizations being subject to numerous federal audits.
- In 1996, the Single Audit Act was revised, and in 2013 the Uniform Single Audit Guidance superseded eight OMB Circulars.



“Having audited your accounts, we can’t find anything at all suspicious. Which makes us very suspicious.”

What is the Single Audit?

- The single-audit, also known as the OMB Uniform Guidance, is a rigorous, organization-wide audit of an entity receiving Federal grant funds. The audit is typically performed annually, and its' objective is to provide assurance to the Feds that the organization receiving the funds are managing and spending them appropriately
- The current threshold is \$750,000 in spending of Federal grant funds in any single fiscal year.
- The results of the audit must be submitted to the Federal Audit Clearinghouse, along with a data collection form (Form SF-SAC).

Uniform Guidance

- The Uniform Guidance was drafted by the Council on Financial Assistance Reform (COFAR) in 2011.
- Combines eight previously separate sets of OMB guidance into one comprehensive document.
- Focuses on performance instead of compliance.
- Improves the integrity of financial management.
- Reduces audit burden for approximately 5,000 entities while maintaining coverage of more than 99% of Federal dollars awarded.

Where to Find Uniform Guidance

- The OMB provides online access to the Uniform Guidance. Here's the hyperlink:

<https://www.grants.gov/learn-grants/grant-policies/omb-uniform-guidance-2014.html>

Preparing for a Single Audit

1. **Make Yourself Available** – When scheduling your single audit (both preliminary and final fieldwork), be sure to communicate the schedule to all affected staff. The most efficient and effective audits are those where the auditor has full access to the appropriate program and fiscal staff.

Preparing for a Single Audit

- 2. Read your Client Assistance Letter** – Your auditor should provide some type of client assistance letter well in advance of your fiscal year end. The letter is designed to assist the organization in gathering the appropriate information for the audit.

Preparing for a Single Audit

- 3. Prepare your Schedule of Expenditures of Federal Awards** – The Schedule of Expenditures of Federal Awards (SEFA) must be included in your federal reporting package. It is the organization's responsibility to prepare the SEFA, and the auditor's responsibility to provide an opinion on whether the SEFA is fairly presented in all material respects. This Excel spreadsheet has eight (8) worksheets, although you'll most likely only use 3-4 at most.

**Data Collection Form for Reporting on
Audits of States, Local Governments, Indian Tribes, Institutions of Higher Education and Nonprofit
For Fiscal Periods Beginning on or after December 26, 2014**

PART I: GENERAL INFORMATION

REPORTID: 726214 VERSION:1

1. Fiscal Period End Date 12/31/2016	2. Type of Uniform Guidance Audit Single Audit
3. Audit Period Covered Annual	12
4. Auditee Identification Numbers	
a. Auditee Employer Identification Number (EIN) 31-6400834	d. Auditee Data Universal Numbering System (DUNS) Number 05-565-2762
b. Are multiple EINS covered in this report? No	e. Are multiple DUNS covered in this report? No
5. Auditee Information	6. Primary Auditor Information
a. Auditee name CITY OF PATASKALA	a. Audit Firm/Organization Name JULIAN & GRUBE, INC
b. Auditee address (Number and street) 621 WEST BROAD STREET, SUITE 2B	b. Audit Firm/Organization EIN 34-1440367
	c. Audit Firm/Organization address (Number and street) 333 COUNTY LINE ROAD WEST
Auditee City PATASKALA	Audit Firm/Organization City WESTERVILLE
Auditee State OH	Audit Firm/Organization State OH
Auditee ZIP Code 43062	Audit Firm/Organization ZIP Code 43082
c. Auditee Contact Name JAMIE NICHOLSON	d. Primary Auditor Contact Name MARK A. GRUBE, CPA
Auditee Contact Title FINANCE DIRECTOR	Primary Auditor Contact Title PARTNER
d. Auditee Contact Telephone (740)964-6274	e. Primary Auditor Contact Telephone (614)404-8148
e. Auditee Contact E-mail JNICHOLSON@CI.PATASKALA.OH.US	f. Primary Auditor Contact E-mail MGRUBE@JGINC.BIZ
	7. Was a secondary auditor used? No

Preparing for a Single Audit

4. **Understand and Identify Applicable Compliance Requirements** – It is critical for program and fiscal staff to understand all applicable compliance requirements. This can be ensured by reading and understanding your grant agreement, and reviewing the current OMB A-133 compliance supplement.

<https://singleaudit.org/supplement/>

Preparing for a Single Audit

5. **Be Familiar with Applicable Cost Circulars** – A compliance requirement that is applicable in most (if not all) cases is whether or not an expenditure is an allowable cost. It is, therefore, imperative for program and fiscal staff to understand the cost principles applicable to your type of organization.
- Circular A-21: Educational Institutions
 - Circular A-87: State & Local Governments
 - Circular A-122: Non-Profits



Questions ?