Under the Microscope

**Single Audit Risk and the New Reality of Grants Management**

Arkansas HFMA Summer Conference 2026

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# Presenters

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## Legal Disclaimer

Forvis Mazars presenters are not providing legal advice. This presentation is meant to be a general overview of grants management and Single Audit requirements and should not be taken as legal guidance from Forvis Mazars. Attendees should consult the regulations, agency guidance, and award terms applicable to their own federal awards.






## Agenda

1. The New Reality of Grants Management
2. Compliance in Action
3. Single Audit & Internal Controls
4. Practical Takeaways & Best Practices

# 1
# The New Reality of Grants Management



## The New Reality of Grants Management
### Current State

### Federal Guidance
- **2 CFR 200 –** Uniform Administrative Requirements, Cost Principles, and Audit Requirements
- **2 CFR 300 –** HHS Supplements to Uniform Guidance
- **2 CFR 170 –** FFATA Reporting
- **2 CFR 180 –** Suspension and Debarment
- **HHS Grants Policy Statement**

# The New Reality of Grants Management

## Four Preparation Pillars

| | |
|---|---|
| Organizational Capacity | Financial System Capabilities & Practices |
| Internal Controls | Policies & Procedures |

"By failing to prepare, you are preparing to fail"

– Benjamin Franklin



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# The New Reality of Grants Management

## Pillar 1 – Organizational Capacity

- Do you have the capacity for compliance?
- Staffing is important:
  - Programmatic
  - Grant & Compliance
  - Contractors
- Policies & Procedures
- Tracking and Management Systems



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## The New Reality of Grants Management
### **Pillar 2 –** Financial System Capabilities & Practices

| | |
|---|---|
| Financial System Capabilities | An entity's financial system must be capable of performing the tasks required per 2 CFR 200.302. |
| Financial Practices | Entities must have financial practices in place that align with Uniform Guidance requirements & the generally accepted accounting principles (GAAP). |

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## The New Reality of Grants Management
### **Pillar 2 –** Financial System Capabilities & Practices

Uniform Guidance (2 CFR 200.302) requires recipients & subrecipients to have a financial management system that can:

- Identify all federal awards received & expended & the federal programs under which they were received.
  - Must include the following as applicable: assistance listing number title & number, Federal Award Identification Number, year the federal award was issues, & name of the federal agencies (or pass-through entity if you are a subrecipient).
- Accurate, current, & complete disclosure of the financial results of each federal award or program in accordance with Uniform Guidance.
- Effective control over & accountability for all funds, properties, & assets.

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# The New Reality of Grants Management
## **Pillar 2 –** Financial System Capabilities & Practices

Uniform Guidance (2 CFR 200.302) requires recipients & subrecipients to have a financial management system that can:

- Maintain records that identify the amount, source, & expenditure of federal funds.
  - Must contain information required to identify federal awards, authorization, obligations, unobligated balances, assets, expenditures, income, & interest.
  - Must also retain source documentation.
- Comparison of expenditures with budget amounts for each federal award.

Consider a comprehensive Grants Management System to help with tracking & managing federal awards.

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# The New Reality of Grants Management
## **Pillar 3 –** Internal Controls

**Why do we need them?**

- Protect an organization's assets, support accuracy & reliability of financial reporting, & promote compliance with laws & regulations.
- Required by Uniform Guidance (2 CFR 200.303).

**What do they do?**

- They help mitigate risks, prevent fraud, & improve operational efficiency by establishing clear processes & procedures.

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# The New Reality of Grants Management
## **Pillar 4 –** Policies & Procedures

| | | | |
|---|---|---|---|
| Financial | Internal Controls | Procurement | Conflict of Interest |
| Reporting | Fixed Assets & Inventory | Data Systems & Record Retention | Audit |
| Training | Time & Effort | Travel | Oversight Agency Requirements & Uniform Guidance |

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# The New Reality of Grants Management
## **Pillar 4 –** Policies & Procedures

### Financial Policies and Procedures

- Establish guidelines for managing an organization's financial resources responsibly, efficiently, & in compliance with grant requirements.
- Should contain at a minimum P&P about for the following:
  - Financial Management
  - Allowable Costs
  - Cost Sharing & Matching
  - Cash Management
  - Budgeting
  - Program Income
  - Indirect Costs

### Personnel Time and Effort

- Sets guidelines for tracking staff time & effort. This is particularly important in complying with Uniform Guidance & when staff are splitting their time between different grant programs.

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# The New Reality of Grants Management
## **Pillar 4 –** Policies & Procedures

### Procurement

- Policies and procedures should detail how equipment, supplies, and services are purchased.

| Procurement | | Entity (Example) | State of Arkansas | Federal |
|---|---|---|---|---|
| **Micro** | **Threshold** | **Below $5,000** | **Below $40,000** | **$10,000 or Less** |
| | Procurement Method | No bids or quotes | No bids or quotes | No bids or quotes |
| **Small** (Simplified Acquisition) | **Threshold** | **$5,000 - $24,999.99** | **$40,000 - $74,999.99** | **$10,000.01 - $250,000** |
| | Procurement Method | Informal quotes | No bids or quotes | Informal quotes |
| **Formal** | **Threshold** | **$50,000+** | **$75,000+** | **$250,000.01 +** |
| | Procurement Method | Sealed Bids or Request for Proposals | Sealed Bids or Request for Proposals | Sealed Bids or Request for Proposals |

Please note, Federal Guidance requires that the strictest procurement that governs & entity to be followed.




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# The New Reality of Grants Management
## **Pillar 4 –** Policies & Procedures

### Conflict of Interest

- Helps provide impartiality & transparency in decision-making, preventing personal interests from influencing organization actions

### Reporting

- Most grants have reporting requirements. Procedures can give your organization the foundation for completing reporting completely and on time.

### Fixed Assets and Inventory Management

- Helps support accurate tracking, reporting, & management of an organization’s physical assets, especially important for assets purchased with grant funds.
- Provides guidelines on inventory practices that support efficient tracking & management of equipment & supplies.




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# The New Reality of Grants Management
## **Pillar 4 –** Policies & Procedures

### Data Systems and Record Retention

- Establishes data & record retention guidelines for data & record handling, access, & storage & management
- 3-year retention period

### Training

- Sets guidelines for how staff are trained on the organization’s policies & procedures, employee functions, & continuing education requirements.

### Travel

- Sets guidelines for business travel so that it is conducted efficiently, cost-effectively, & safely by providing clear procedures for booking, expenses, & reimbursements with the constraints of the grantor.






The New Reality of Grants Management
Pillar 4 – Policies & Procedures

### Internal Controls

- Protect an organization’s assets, support accuracy & reliability of financial reporting, & promote compliance with laws & regulations.

### Audit

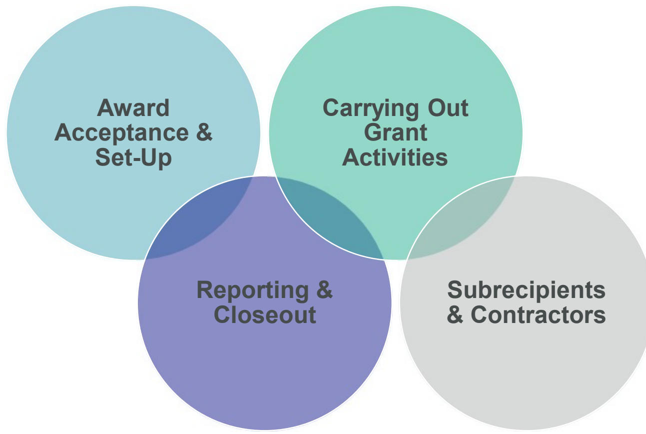
- Provides guidelines to support both internal auditing activities & external auditing activities (including Single Audits)

### Oversight Agency Requirements & Uniform Guidance

- Provides guidelines on how an organization will comply with applicable legal, federal, state, & agency requirements.

# The New Reality of Grants Management

## Grant Administration

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# The New Reality of Grants Management

## **Grant Administration –** Award Acceptance & Set-Up

**Setting Up Your Grants For Success includes:**

- Read the grant agreements and supplemental materials
- Setting up a unique grant cost center in your accounting system
- Preparing a Grants Management Compliance Matrix
- Training staff of any grant related activities
- Consider getting a grants management program

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# The New Reality of Grants Management

## Grant Administration – Carrying Out Grant Activities

**Period of Performance**

- All grant activities should occur during the period of performance
- Best practice is to monitor grant process through the period of performance to prevent expending grant funds too quickly or too slowly.
  - This can be completed through monthly or quarterly reconciliations between the grant budget & the actual expenditures.






# The New Reality of Grants Management

## Grant Administration – Carrying Out Grant Activities

**Allowable Activities & Costs**

- When carrying out grant activities, it is important that grant funds are only spent on allowable activities & costs consistent with the:
- Grant agreement
- Agency guidance
- Federal guidance (2 CFR Part 200 Subpart E)

# The New Reality of Grants Management
## Grant Administration – Carrying Out Grant Activities

**Measuring Progress & Outcomes**

- Progress is demonstrated through measurable data on plans, timelines, milestones, and outcomes
- Quarterly and annual progress reports document performance against the agency approved plan/project
- Track projected outcomes tied to program goals
- Maintain documentation that demonstrates measurable progress and financial transparency






# The New Reality of Grants Management
## Grant Administration – Subrecipients and Contractors

**Why does it Matter?**

- This determination is crucial – it drives which compliance requirements apply
- Subrecipient – subject to additional 2 CFR requirements
- Contractor – not subject to 2 CFR, but must follow the agreement, procurement, payment, and federal requirements

# The New Reality of Grants Management
## Grant Administration – Subrecipients and Contractors

| Consideration | Subrecipient | Contractor |
|---|---|---|
| **Purpose of the agreement** | Carries out a portion of the federal program | Provides goods or services for the program's own operations |
| **Decision making** | Determines eligibility and makes programmatic decisions | Makes no programmatic decisions |
| **Performance measured against** | Whether program objectives are met | Contract terms and deliverables |
| **Program compliance** | Must comply with federal program requirements | Not subject to program compliance requirements |
| **Marketplace** | Work is specific to the federal program | Provides similar goods or services to many purchasers |
| **Your responsibility** | Risk assessment and monitoring (2 CFR 200.332) | Procurement standards and required clauses (2 CFR 200.317–327) |







# The New Reality of Grants Management
## Grant Administration – Subrecipients and Contractors


### Contractors – What You Need to Know

- **Substance over form –** the working relationship determines the classification, not what the agreement is called (2 CFR 200.331).
- **Procurement rules still apply –** written procedures and full and open competition are required (2 CFR 200.319); noncompetitive awards only when a 2 CFR 200.320 condition is met.
- **Required contract provisions –** contracts must include the applicable federal clauses covering remedies, termination, debarment, anti-lobbying, and domestic preference (2 CFR 200.327 & Appendix II).
- **Suspension & debarment –** verify the contractor is not excluded before award and retain the SAM.gov screenshot in the file (2 CFR Part 180).
- **No RA or monitoring –** contractors are not subject to subrecipient risk assessment or monitoring, but the costs remain yours: allowable, reasonable, supported, and reported on your SEFA.

# The New Reality of Grants Management
## **Grant Administration –** Subrecipients and Contractors

**Subrecipients – What You Need to Know**

- **You stay accountable –** passing funds down does not pass down responsibility; you answer to the federal agency for how the subrecipient spends the award, and the subaward is reported on your SEFA.
- **Check eligibility before you award –** confirm an active SAM.gov registration and Unique Entity Identifier, and verify the entity is not suspended or debarred (2 CFR Part 25 and Part 180).
- **Include the required subaward terms –** every subaward must carry the federal award identification, period of performance, budget, and all applicable compliance requirements (2 CFR 200.332(a)).
- **Address indirect costs up front –** honor the subrecipient's federally negotiated rate; if they have none, negotiate a rate or apply the de minimis rate (2 CFR 200.332(a)).
- **Requirements flow down –** subrecipients are subject to Uniform Guidance themselves, including financial systems, procurement, and their own Single Audit when they expend $1,000,000 or more.






# The New Reality of Grants Management
## **Grant Administration –** Subrecipients and Contractors

**Subrecipients – Risk Assessments (RA's)**

- RAs establish a baseline risk of noncompliance for subrecipients.
- RAs must be done before Federal agency's grant awards to recipients, but recipients/pass-through entities can complete RAs for their subrecipients at any time prior to subrecipient close out.
- RAs should be based on a set on common factors & kept the same for each recipient/subrecipient.
  - Previous experience with grants/federal funds
  - Changes in personnel
  - Changes in management systems (accounting)
  - Audit/Single Audit reports & findings
  - Previous subrecipient monitoring experience
  - Award amount compared to existing entity expenditures

# The New Reality of Grants Management
## Grant Administration – Subrecipients and Contractors

**Subrecipients – Monitoring**

**Monitoring must include:**

- Reviewing subrecipient financial & performance reports; &
- Follow-up to require the subrecipient take action on identified deficiencies.

**Recipient or pass-through entity responsibilities:**

- Issue management decisions for applicable audits findings, & resolve the findings specifically related to the subaward;
- Verify subrecipients are audited as required;
- Consider whether the results of a subrecipient's monitoring would necessitate changes to the recipient or pass-through entity's records; &
- Consider whether action needs to be taken against subrecipients found noncompliant.






# The New Reality of Grants Management
## Grant Administration – Reporting & Closeout

- Each grant will have reporting requirements.
- Most often they will require multiple different reports
- Grant agreements will detail the reporting requirements & due dates.
- It is critical that grant reports are submitted correctly & on time to limit the risk of non-compliance.

# The New Reality of Grants Management
## Grant Administration – Reporting & Closeout

**Quarterly & Annual Progress Reports**
- Submit updates on plans, timelines, outcomes, and milestones
- Use measurable data to show progress

**Financial Reports**
- Typically submitted annually or semi-annually
- Federal form is the SF 424

**FFATA Compliance**
- Report details on your organization and first-tier subawards ($40k or more)
- Additional reporting required when:
  - 80% of prior-year revenue is from federal awards
  - $25M+ of annual federal revenue
  - Executive compensation information is not publicly available

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# The New Reality of Grants Management
## Grant Administration – Reporting & Closeout

**Financial Reporting**
- Direct recipients of Federal funds will complete the SF 424
  - This is typically due quarterly.
- For Federal grants that pass through another organization, or for funds that are not federal, the granting agency will inform what financial reporting is due & what format they want it provided in.
- It is important that grant financial records are meticulously kept so that it is easy to gather the information needed to complete financial reporting when it is due.

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# The New Reality of Grants Management
## Grant Administration – Reporting & Closeout

**Programmatic Reporting**

- Grants will have different programmatic reporting requirements, & a different cadence of when they are due.
- Granting agencies will provide instructions on what is required for programmatic reporting & when it is due.
- It is important that programmatic data is retained in an organized & efficient manner to help streamline the programmatic reporting process

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# The New Reality of Grants Management
## Grant Administration – Reporting & Closeout

**Closeout**

- The purpose of the closeout process is to confirm that final reports are received & evaluated, allowable costs are determined, & payments are finalized.
- Best practice is to compile necessary close out documents 30 days prior to the end of the award.

**What is required?**

2 CFR 200.344

- According to Uniform Guidance, the following are required for closeout:
  - Financial & Performance Reports
  - Liquidation of all financial obligations
  - Agency must make final payments
  - Refund any unobligated/unspent cash balances
  - Awarding agency settles any adjustments to the federal share of costs
  - Accounting for real & personal property
  - Promptly complete closeout actions

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# Compliance In Action

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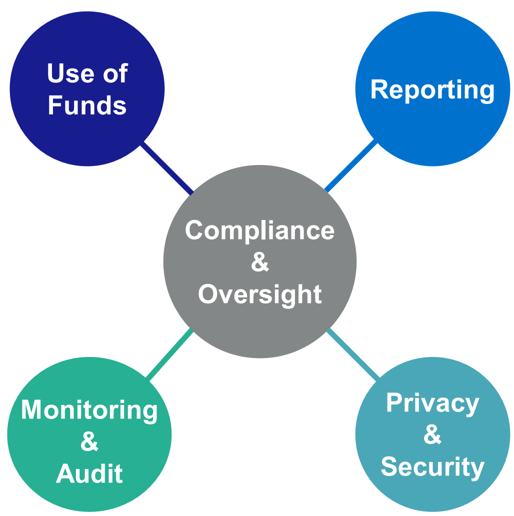
## Compliance in Action

### Grant Compliance Overview



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# Compliance in Action
## Compliance & Oversight

| Federal Guidance | State Guidance | Award Guidance |
|---|---|---|
| • 2 CFR 200<br>• 2 CFR 300<br>• 2 CFR 170<br>• 2 CFR 180 | • State Codes and Laws<br>• Often point back to federal terms | • Awarding Agency Guidance<br>• Grant Agreement Terms |



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# Compliance in Action
## Use of Funds

| Use of Funds Consideration | | Example - RHTP |
|---|---|---|
| Costs must be necessary, reasonable, allocable, and adequately documented, and align with funding initiative | > | • Do the costs align with CMS and State of Arkansas RHTP goals?<br>• Are the allowable under the specific initiative, for example: THRIVE? |
| Supplanting and Duplication Prohibited | > | • Cannot use funds on services that are usually paid by Medicaid or insurance. |
| Unallowable Costs | > | • Lobbying, major renovations, pre-award costs, etc. |
| Cost Caps – Are there any? | > | • 10% Administration<br>• 15% Provider Payments<br>• 20% Capital and Renovation |
| Indirect Costs – Are they allowed? | > | • Allowed depending on the State funding opportunity |



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# Compliance in Action
## Reporting

**Treat reporting like a cycle, not just a task with a deadline.**

1. **Track** — Capture outcome and expenditure data as the work happens, not at the deadline.
2. **Reconcile** — Tie expenditures to the general ledger and progress to the approved plan.
3. **Review** — A second set of eyes checks accuracy and completeness before anything is filed.
4. **Submit** — File on time, in the required format, every reporting period.
5. **Retain** — Keep the submitted report and the records that support it.

**Where it breaks down**

- The report is assembled from scratch the week it is due
- The progress narrative and the reported expenditures tell two different stories
- Nothing documents that the report was reviewed before it was submitted



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# Compliance in Action
## Monitoring & Audit

| Monitoring | VS | Audit |
|---|---|---|
| • Conducted by an oversight agency or awarding agency<br>• Award specific | | • Conducted by auditors<br>• Subject to 2 CFR 200 Subpart F<br>• Not usually program specific |



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# Compliance in Action
## Privacy & Security

- Recipients must take reasonable measures to safeguard protected personally identifiable information (PII) (2 CFR 200.303)
- Safeguarding PII is part of the recipient's internal control responsibilities
- Establish and maintain effective internal control over the federal award
- Evaluate and monitor compliance with the terms and conditions of the award
- Take reasonable action to address instances of noncompliance



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# Compliance in Action
## Key Compliance Considerations for Subrecipients

- Subrecipients are subject to all applicable federal statutes, regulations, and award terms passed down by the State.
- SAM.gov registration must remain active and be updated annually.
- Prior agency approval may be required for changes to scope, key personnel, or budgets.
- Funds may be used only for allowable costs under federal rules and applicable program restrictions.
- Program-specific funding caps and limitations imposed on the State also apply to subrecipients.
- Subrecipients may be required to participate in agency activities and are subject to corrective action for noncompliance.
- Reporting requirements are anticipated



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# Single Audit & Internal Controls

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## Single Audit & Internal Controls
### Internal Controls

**What Are the Requirements of Internal Controls?**

Per 2 CFR 200.303 A non-federal entity must:

- Establish & maintain effective internal control over federal awards.
- Comply with laws & terms & conditions of award.
- Evaluate (risk assessment) & monitor compliance.
- Take actions when there are instances of non-compliance.
- Make reasonable efforts to safeguard Personally Identifiable Information (PII).

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# Single Audit & Internal Controls
## Internal Controls

- Should align with the guidance in the Standards for Internal Control in the Federal Government, "Green Book" or the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework.

| Policy & Procedure Sections | |
|---|---|
| ▪ Authority & Responsibility<br>▪ Control Activities<br>  ▪ Segregation of Duties<br>  ▪ Authorization & Recording Financial Functions<br>  ▪ Levels of Review<br>  ▪ Personnel Qualification Requirements | ▪ Evaluating Risk<br>▪ Managing Compliance<br>▪ Protecting Personally Identifiable Information |

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# Single Audit & Internal Controls
## The Current Single Audit Environment

- **Governance** – Heightened scrutiny of how federal dollars are governed, documented, and controlled.
- **Political Volatility & Uncertainty** – Shifting priorities, executive orders, and funding actions create a moving compliance target.
- **Audit Timing Pressure** – Tighter reporting windows and earlier deadlines compress the audit calendar.
- **Resource Constraints** – Limited staff and specialized expertise strain the ability to keep pace with requirements.
- **Impact of AI** – Emerging tools are changing both how organizations operate and how auditors test.

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# Single Audit & Internal Controls
## Single Audit – 2026 Regulatory Watchlist

**Uniform Guidance Revisions**

- 2024 revisions to 2 CFR 200 are now in effect.
- Effective 2026, the Uniform Guidance is renamed the Uniform Grants Regulation (UGR).
- Three objectives: reduce burden, improve clarity, and strengthen accountability.

**Regulatory Changes to Watch**

- H.R.1 (One Big Beautiful Bill Act)
- Rescissions Act of 2025
- Executive Order 14332
- Executive Order 14395
- Proposed changes to SAM.gov
- Indirect cost rate actions





# Single Audit & Internal Controls
## RHTP in the 2026 Compliance Supplement

- 93.798 – Rural Health Transformation Program is added as a new program.
- Deleted programs may still be audited under Part 7 of the Compliance Supplement.
- A maximum of six compliance requirements apply (Activities Allowed and Allowable Costs count as one).

# Single Audit & Internal Controls
## Single Audit

- Specific Audit for Federal Grants under Uniform Guidance.
- Required for entities that expend $1,000,000 or more in Federal awards in a single fiscal year.
- Considers financial statements, internal controls, and compliance with laws and regulations surrounding the federal award.
- Materiality is evaluated at the major program level rather than solely at the entity financial statement level.
- Single Audits focus on compliance with grant requirements, laws, and regulations.

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# Single Audit & Internal Controls
## Single Audit – Schedule of Expenditures of Federal Awards (SEFA)

- The SEFA is the key report required by Uniform Guidance for entities who undergo a Single Audit.
- It is a supplemental schedule to an entity's financial statements that recaps expenditures of Federal funds for the fiscal year.
- Expenditures, receipts, & revenue must all be tied out & reconciled to match what is reported on the SEFA.
- What is it for?
  - Used to determine which programs will be audited as part of the Single Audit
  - Informs agencies that award federal assistance that their grants are included in the Single Audit.

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# Single Audit & Internal Controls
## Single Audit – Schedule of Expenditures of Federal Awards (SEFA)

SEFA Requirements – 2 CFR 200 Subpart F

**List individual programs by Federal Agency**
- If award is received as a Subrecipient, the name and ID number assisted by the pass-through entity must be listed.

**Provide total amount expended and the Assistance Listing Number for each Federal Award**

**List expenditures for loan programs**
- In the notes, identify any balances outstanding at the end of the period.

**Identify accounting policies used to prepare the SEFA**

**Identify the Federal Agency approved indirect cost rate, if used**

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# Single Audit & Internal Controls
## Single Audit – Major Program Determination

- The SEFA is used as the starting point for major program determination.
- Auditors evaluate programs using Type A and Type B classifications.
- Risk assessments help determine which programs will be tested.
- Program clusters must be properly identified.
- Low-risk auditee status can impact required audit coverage.

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# Single Audit & Internal Controls
## **Single Audit –** Recipient & Subrecipient Responsibilities

- Confirm that the Single Audit is properly performed & submitted.
- Procure the Single Audit using the procurement standards found in the 2 CFR 200.
- Prepare appropriate financial statements, including the SEFA.
- Provide the auditor with appropriate documents to review.
- Promptly follow up & take corrective action on audit findings.

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# Single Audit & Internal Controls
## **Single Audit –** Federal Audit Clearinghouse Submission

- Submit the Single Audit reporting package to the Federal Audit Clearinghouse (FAC).
- Complete and submit the Data Collection Form (SF-SAC).
- Verify consistency between the audit report, SEFA, and Data Collection Form before submission.
- Plan the submission process well in advance of filing deadlines.

*Audit packages are generally due the earlier of 30 days after issuance of the auditor's reports or 9 months after fiscal year-end.*

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# Single Audit & Internal Controls
## Single Audit – Preparation

**Have Ready**
- Financial Statements
- SEFA & Supporting Schedules
- General Ledgers
- Supporting Documentation
- Policies & Procedures
- Other Requested Documents
- Staff available to answer questions during the audit

**Before the Audit Begins**
- Review prior-year findings and the status of corrective actions.
- Verify information in reports and FAC submissions is accurate and complete.
- Determine whether low-risk auditee status may apply.






# Single Audit & Internal Controls
## Single Audit – Low-Risk Auditee Status

**Low-risk auditee status can reduce the required audit coverage of federal expenditures.**

**Criteria – all must be met for both preceding audit periods (2 CFR 200.520)**
- Single Audits performed annually and submitted to the FAC by the deadline.
- Unmodified opinions on the financial statements and on the SEFA.
- No substantial doubt about the entity's ability to continue as a going concern.
- No material weaknesses in internal control over financial reporting.
- No Type A program with a material weakness in internal control over compliance, a modified compliance opinion, or known or likely questioned costs above 5% of program expenditures.
- Determination errors are a common Single Audit peer review finding.

# Single Audit & Internal Controls
## Single Audit – Common Findings

| Allowable Costs/Cost Principles | Cash Management | Period of Performance | Procurement, Suspension & Debarment |
|---|---|---|---|
| • Lack of appropriate supporting documentation for payroll<br>• Charging unallowable costs to a grant<br>• Cost allocation issues<br>• Use of budgeted costs rather than actual costs | • Funds drawn in advance of expenditures being incurred<br>• Improper internal controls over compliance (management review of support prior to request and/or inadequate internal policies) | • Failure to identify the period of performance.<br>• Allocating costs outside the period of performance, resulting in questioned costs. | • Inadequate procurement policies or missing procurement documentation.<br>• Failure to verify vendors and subrecipients are not suspended or debarred (SAM.gov). |



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# Single Audit & Internal Controls
## Single Audit – Common Findings

| Equipment & Real Property | Matching, Level of Effort & Earmarking | Subrecipient Monitoring | Reporting |
|---|---|---|---|
| • Failure to identify capital assets purchased with federal funds by funding source.<br>• Failure to complete the required physical inventory (every two years) or maintain supporting records. | • Inadequate support that matching requirements were met.<br>• Expenditures must account for both the federal share and the matching share. | • Failure to monitor subrecipients.<br>• Subaward missing required elements (e.g., the federal Assistance Listing Number).<br>• Failure to obtain subrecipient Single Audit reports or provide timely follow-up. | • Late or inaccurate reports<br>• Data Collection Form errors<br>• Missing required reporting elements.<br>• Inconsistent information across reports<br>• Inadequate supporting documentation |



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# Single Audit & Internal Controls
## Single Audit – Findings Follow-Up & Resolution

- Findings should contain all required elements.
- Questioned costs must be disclosed or an explanation provided if an amount cannot be determined.
- Corrective Action Plans should be developed and implemented timely.
- Prior-year findings must be followed up on, even if the program is not a major program in the current year.
- Organizations should track remediation efforts and monitor implementation progress.
- The auditee must prepare a Summary Schedule of Prior Audit Findings reporting the status of all prior-period findings.
- Known questioned costs greater than $25,000 must be reported as an audit finding, whether or not the program was audited as a major program.






# Single Audit & Internal Controls
## Single Audit – Program-Specific Audit Option

- In limited situations, an entity receiving funding from only one federal program may qualify for a Program-Specific Audit rather than a Single Audit.
- Eligibility depends on program requirements and applicable Uniform Guidance provisions.
- Organizations should consult with their auditor when determining audit requirements.

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# Practical Takeaways & Best Practices

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## Practical Takeaways & Best Practices
### Where to Start as a Provider

- Review the regulations, agency guidance, and award agreements that govern your funding.
- Develop a Grants Compliance Matrix to track requirements and deadlines.
- Update grants management policies and procedures.
- Maintain accurate records and develop strong internal controls.
- Focus on measurable outcomes and financial transparency.
- Stay informed on regulatory updates and changes.

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# Practical Takeaways & Best Practices
## Tone at the Top

- The leadership of an organization should put an emphasis on internal controls & compliance over all programs & practices.
- If an organization is used to being held by leadership to high standards of internal controls & compliance, the staff will already have the tools & skills they need to maintain compliance with grants.

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# Practical Takeaways & Best Practices
## Lessons Learned

- Having a comprehensive grants management program can make the grant administration process more streamlined & easier.
- It is very important that people who work on a grant have read & understand the grant agreement & agency requirements.
- Regular self-monitoring for compliance can help reduce the risk of noncompliance.
- Regularly reviewing & updating practices incorporates lessons learned & improves efficiency.
- Document, document, document. This helps provide accountability & transparency to awarding agencies.

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## Policies & Procedures – Best Practices

- Involve stakeholders across programs and finance when developing policies
- Review and revise annually, and assign an owner to each policy
- Write in the consequences of non-compliance
- Train staff on the policies and procedures
- Keep policies accessible to everyone who needs them
- Use plain, clear language






## Contact

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