

Business User Group

November 7, 2013
9:00 AM



Agenda Items

Announcements
LB429 - Contracts
Internal Control
Grant Management
Address Book



Announcements

Kay Mencl:
Project status updates – Archive & 9.1 Upgrade
E1 application integration interfaces
Unknown social security number

Curt Youngman:
Access to State Accounting Manual
Sub-recipient or Contractor? Grant Webinar
PO Close process
WIKI access



Announcements

State Accounting Manual

- From Link <http://www.link.nebraska.gov/>:
Administrative Services – Accounting (at bottom of page) (E)
- Administrative Services Accounting Division page <http://das.nebraska.gov/accounting/> click on State Accounting Manual

Manual is organized by 'Table of Contents' but can be changed to "Grouped Format"



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Announcements

BUG WIKI

- Located at:
<https://portal.nebraska.gov/sites/nis/BUG/Wiki%20Pages/Home.aspx>

Documents – link to:
Subrecipient or Contractor (grants webinar)
Purchase Order guides (containing links to procurement training guides)



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Contract Database -LB 429

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Contract Database LB429

Contract Database – LB429

Important dates to remember

- Dec. 1, 2013
- May 31, 2014
- Jan. 1, 2014
- July 1, 2014

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Internal Control

Curt Youngman

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Internal Control

Internal Control

- Staff changes and Mail List Updates
- Memorandum of Understanding (MOU)
- Internal Control Plan

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Internal Control

Batch/Integrity Report

Located at: State of Nebraska/Accounting/Manage Journal Entry/IE Review/Approve/Post/Batch/User Integrity

Elements to modify: Agency Number (nnn); replace Batch Number with Ledger Types (AA); Batch Type = (V,Q); GL Post (P); and Document Type = (AE)

Process Options: select date range – should be more than one month; Show Exceptions Only (2)



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To Close a Grant in E-1

- Run all reports needed to provide documentation required by your agency or Federal agency.
- Run the 'BU Check Before Inactivation', attach a copy to your close request.
Path: Accounting > Inquiries & Reports > Accounting Reports >
 - BU Check Before Inactivation**
 - Option A – run by business unit(s)
 - Option B- run by grant number



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The 'BU Check Before Inactivation' report takes the place of the following actions which were included in the Inactivating Business Units Check List at <http://das.nebraska.gov/accounting/nis/inactivate%20BU%20checklist.htm>

- Check for unposted batches
- See if the BU is used as an Interest Business Unit
- See if the BU is a Fixed Asset Responsible Business Unit
- Check for open purchase orders (includes contracts & requisitions)

You will still need to notify your payroll personnel that the business units are being inactivated!



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3. Attach a copy of your Final Report to the Feds to your master grant business unit.
4. When the BU Check Before Inactivation Report is clean ask State Accounting to Inactivate your business units or grant as appropriate.



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Key Changes Made in the 2013 Supplement



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2013 COMPLIANCE SUPPLEMENT

// Effective for audits of fiscal years beginning after June 30, 2012, & supersedes 2012 Supplement

// Appendix V, *List of Changes for the 2013 Compliance Supplement*, identifies all changes at high level

// Important road map



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PART 2 – CHANGES, MATRIX OF COMPLIANCE REQUIREMENTS

// Added & removed programs

// Modified to eliminate some compliance requirements previously identified with a “Y”

- o Prior “Y” criterion “more than remote”; revised criterion “more likely than not”

// Requirements primarily affected

- o Equipment & Real Property
- o Procurement & Suspension & Debarment
- o Program Income



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PART 3 – COMPLIANCE REQUIREMENTS, I. PROCUREMENT & SUSPENSION & DEBARMENT

// Added/Revised Suggested Audit Procedures

// **New step 6.** Review the non-Federal entity’s procedures for verifying that an entity with which it plans to enter into covered transaction & any of its principals are not debarred, suspended or otherwise excluded

// **Revised step 7.** Select sample of procurements & subawards &

// Test whether the non-Federal entity followed its procedures before entering into a covered transaction



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PART 3 – COMPLIANCE REQUIREMENTS, I. PROCUREMENT & SUSPENSION & DEBARMENT

- // Procurement – added that procurement is subject to OMB Circular A-110 (2 CFR Part 215), as applicable
- // Clarified what is included as a covered transaction
- // Suggested Audit Procedure Step 4e – Federal Agency Approval – clarified procurement thresholds
 - // \$100,000 threshold for procurement under grants will be changed to \$150,000 when the Council on Financial Assistance Reform’s efforts to consolidate OMB guidance are completed
 - // In the interim, the \$100,000 threshold continues to apply unless an agency/program has issued guidance raising the threshold or the increased threshold is specified in the terms & conditions of award



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PART 3 – COMPLIANCE REQUIREMENTS, L. REPORTING

// What is Federal Funding Accountability and Transparency (FFATA)?

- // Federal award reporting requirements for **direct recipients of non-Recovery Act** Federal awards
- // Required to report certain **first-tier subawards**
- // Also applies to contractors that award first-tier contracts
- // Public view website: www.USASpending.gov
- // Input version of website: www.fhrs.gov
- // Some similarities to section 1512 reporting for Recovery Act awards, but also several differences
- // If a subaward is made using both Recovery Act & non-Recovery Act funding sources:
 - // Section 1512 reporting applies to Recovery Act portion
 - // FFATA reporting applies to non-Recovery Act funds



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PART 3 – COMPLIANCE REQUIREMENTS, L. REPORTING – FFATA – WHEN DOES IT APPLY?

<p>State makes subawards of Federal funds to local governments</p>	<p>Local government expends direct Federal funds but makes no subawards</p>	<p>Not-for-profit expends Federal funds received from local government & makes no subawards</p>
<p>↓</p>	<p>↓</p>	<p>↓</p>
<p>FFATA may apply to state (but not to local governments, unless they receive other direct awards & make subawards)</p>	<p>FFATA does not apply to local government (makes no subawards)</p>	<p>FFATA does not apply to not-for-profit (not a direct recipient)</p>



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PART 3 – COMPLIANCE REQUIREMENTS, L. REPORTING – FFATA

- // Draft 2013 Supplement did not include FFATA – original intent was to remove it
- // During clearance process FFATA was added back
- // Final Supplement includes revised audit procedures to attempt to alleviate some of the issues in addressing FFATA
 - // Verification of awards through fsrs.gov instead of USASpending.gov
 - // Auditors will have to coordinate review with auditees since auditors do not have access to FSRS
- // Retained Good Faith Effort for Submission Process
 - // Clarified that the good faith effort relates only to the submission process; that is, findings would still be reported related to the accuracy of the information submitted

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APPENDIX VII – OTHER OMB CIRCULAR A-133 ADVISORIES – REFRESHER

- // Exception for Type A Recovery Act programs slightly revised in 2012 *Compliance Supplement* & remains the same in 2013 Supplement
- // Auditor may consider Type A program or cluster to be low-risk if **ALL** of the following conditions exist:
 - // Program or cluster had Recovery Act expenditures in the prior audit period
 - // Program or cluster was audited as major program in **either of the two prior audit periods**
 - // Recovery Act expenditures in current audit period are less than 20% of the total program or cluster expenditures &
 - // Auditor has followed Section 520(c) & 525 of OMB Circular A-133 & determined that the program or cluster is otherwise low-risk

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PART 5 – CLUSTERS OF PROGRAMS

- // Many ARRA programs removed from clusters
- // OMB issued guidance in the Supplement to address major program determination when an entity has expended Federal awards in the audit year for these deleted programs
 - // Program would not be considered as part of cluster for periods covered by 2013 Supplement, as 2013 Supplement doesn't include the program in cluster
 - // If the program was part of cluster that was audited as major program in prior year, it would be considered as audited in that prior year for purposes of major program determination, including consideration of any audit findings
 - // In determining major programs, the Appendix VII provisions titled "Effect of Expenditures of ARRA Awards on Major Program Determination" would apply

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2013 FORM SF-SAC



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FEDERAL AUDIT CLEARINGHOUSE UPDATE – 2013 FORM SF-SAC

- // Commonly referred to as the data collection form
- // Final form is required to be used for 2013 single audits
- // Form is not yet available
 - // Late October/Early November
- // FAC has approved extensions for 2013 filings only
 - // Automatically extended to December 31, 2013
- // More significant changes this time



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FAC UPDATE – PDF REQUIREMENT

SUCCESSFULLY UPLOADED

However, the system was unable to determine the encryption status of the file.
Starting in 2014, files with unknown encryption will be rejected.
All audit reports must be UNENCRYPTED (PRINTING and CONTENT COPYING allowed).

- ✓ **Text Searchable PDF**
Searchable Percent: 100.00 %
Image Only Page numbers:
- ✗ **Unencrypted PDF**
Printing Allowed: Unknown
Content Copying Allowed: Unknown



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FAC UPDATE – CHANGES TO FAC WEBSITE COMING SOON

- // New log-in page
- // New personal accounts
- // New submission report format
- // New spreadsheet templates and uploads
- // GAQC Web event on this topic in Fall 2013

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Proposed OMB Uniform Guidance:
Cost Principles, Audit and
Administrative Requirements for
Federal Awards

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BACKGROUND

- // 2012 OMB Advance Notice Discussing Reforms to Circular A-133
- // New *Federal Register* notice of proposed changes
 - // OMB Circular A-133
 - // Cost principles and administrative requirements
 - // Affects over \$600 billion in annual federal grants provided
- // Overarching purposes and impact
 - // Increase efficiency and effectiveness
 - // Eliminate unnecessary and duplicative requirements
 - // Focus audit efforts
- // No proposed effective date
- // No changes to the due date (because set in law)

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SUMMARY OF PROPOSAL

- // **Proposed OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards** Proposed Guidance
- // Other documents available on OMB Web site that should be helpful to you as follows:
 - // Crosswalks between existing and proposed guidance
 - // Administrative Requirements Text Comparison
 - // Cost Principles Text Comparison
 - // Audit Requirements Text Comparison
 - // Definitions Text Comparison

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SUMMARY OF PROPOSAL

- // **Streamlining of Related Circulars and Guidance**
 - // A-21, Cost Principles for Educational Institutions
 - // A-50, Audit Follow-Up, related to Single Audit
 - // A-87, Cost Principles for State, Local, and Indian Tribal Governments
 - // A-89, Federal Domestic Assistance Program Information
 - // A-102, Awards and Cooperative Agreements with State and Local Governments
 - // A-110, Uniform Administrative Requirements for Awards and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
 - // A-122, Cost Principles for Non-Profit Organizations
 - // A-133, Audits of States, Local Governments and Non-Profit Organizations

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LOW-RISK AUDITEE

<p>Current (must meet all) :</p> <ul style="list-style-type: none"> // Single audits performed on annual basis // Auditor's opinions on financial statements and SEFA unqualified // No Material Weakness under requirements of GAGAS // In either of preceding two years, none of Type A programs had: <ul style="list-style-type: none"> // Material Weakness // Noncompliance with material effect // Known or likely questioned costs that exceed 5% of total federal awards expended for a Type A program 	<p>Proposed:</p> <ul style="list-style-type: none"> // "Full" single audits performed on annual basis // Auditor's opinions on financial statements and SEFA unqualified // No going concern opinion // No Material Weakness under requirements of GAGAS // In either of preceding two audit periods, none of Type A programs had: <ul style="list-style-type: none"> // Material Weakness // Other than an unqualified opinion on compliance // Known or likely questioned costs that exceed 5% of total federal awards expended for a Type A program
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STREAMLINING COMPLIANCE REQUIREMENTS

Compliance Requirements	Current	Proposed
A. Activities Allowed or Unallowed	✓	✓
B. Allowable Costs/Cost Principles	✓	Incorporated into A.
C. Cash Management	✓	✓
D. Davis – Bacon Act	✓	Agency could request to be part of N.
E. Eligibility	✓	✓
F. Equipment	✓	Agency could request to be part of N.
G. Matching, Level of Effort, Earmarking	✓	Matching incorporated in A. Agency could request the remainder be part of N.
H. Period of Availability of Federal Funds	✓	Incorporated into A.
I. Procurement, Suspension, Debarment	✓	Agency could request to be part of N.
J. Program Income	✓	Agency could request to be part of N.
K. Real Property	✓	Agency could request to be part of N.
L. Reporting	✓	✓
M. Subrecipient Monitoring	✓	✓
N. Special Tests and Provisions	✓	✓

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FINDING ELEMENTS



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OMB COST PRINCIPLES – CONSOLIDATION

// Consolidate cost principles into single document with:

- OMB Circular A-21 – Educational Institutions
- OMB Circular A-87 – Governments
- OMB Circular A-122 – Nonprofit Organizations

// Health and Human Services at 45 CFR Part 74 Appendix E – Hospitals was not incorporated in the proposal

// OMB will conduct further review of the cost principles for hospitals and make a future determination about the extent to which they should be added to this guidance

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ADMINISTRATIVE REQUIREMENTS FOR RECIPIENTS

- // Proposal consolidates administrative requirements of OMB Circulars A-102 and A-110 into a uniform set of administrative requirements for all grant recipients
 - // Basis appears to be A-110 except for procurement which aligns with A-102
- // Proposal clarifies federal expectations for pass-through entities
 - // Consolidates and clarifies subrecipient monitoring
 - // Indicates that all subawards shall include a provision for indirect costs
 - Either negotiated or a de minimis rate of 10%

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PROPOSED FEDERAL AGENCY REQUIREMENTS

- // Make all solicitations available for application for at least 30 days unless required by statute or unless exigent circumstances dictate otherwise
- // Consider risk (financial stability, management systems and history of performance) associated with each applicant prior to making award
 - // Risk assessment may impact terms and conditions
- // Designate "single audit accountable official" to oversee single audit process
 - // Separate from single audit coordinator

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Address Book Enhancements – Sneak Peek

Ron Carlson & Alyssa Morrow

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Address Book Enhancements

Current Request Application Screen

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Address Book Enhancements

Enhanced Request Application Screen

The General Instructions will show every time the application is opened.

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Address Book Enhancements

Current Requester Information Tab

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Address Book Enhancements

Enhanced Address Information Tab

4 Sections have been designated for similar types of data entry fields.

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Address Book Enhancements

New! Bank Account Tab

You now have the ability to enter the information received on the ACH Enrollment form, the Direct Deposit form, etc. The Address Book Team still requires the documentation to be attached to the request for data verification.
 Note: The ACH E-mail address has been relocated to this tab.

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Address Book Enhancements

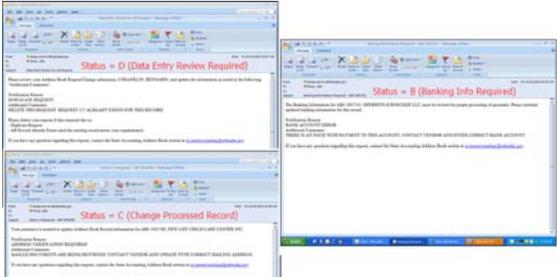
New! EnterpriseOne (E1) Menu

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Address Book Enhancements

New! Work With AB Requests

Examples of E-mail Notification Received for Returned Request:



The image shows three screenshots of email notifications from the Nebraska Statewide Address Book system. The first screenshot is titled "Status = D (Data Entry Review Required)" and contains text about a returned request for a change of address. The second screenshot is titled "Status = B (Banking Info Required)" and contains text about a returned request for banking information. The third screenshot is titled "Status = C (Change Processed Record)" and contains text about a returned request for a change of record. Each screenshot includes a subject line, a body of text, and a footer with the Nebraska Statewide Address Book logo and contact information.

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Questions & Answers

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