



COVID-19 RELIEF FUNDS

UNIFORM GUIDANCE PROVISIONS

SINGLE AUDIT

Under the Uniform Guidance at 2 CFR §200.501, entities that expend \$750,000 or more of federal assistance in a given year are, with limited exception, required to have a single audit. Since all state and local Coronavirus Relief Fund recipients were awarded more than \$750,000 in federal assistance to be expended within the specified period of the grant, all must have a single audit.

INTERNAL CONTROLS

In addition to the single audit requirement, the Uniform Guidance requires federal financial assistance recipients to have internal controls.

Having “internal controls” means the funding recipient has a process designed to reasonably assure it will achieve objectives related to:

1. Effectiveness and efficiency of operations;
2. Reliability of reporting for internal and external use; and
3. Compliance with applicable laws and regulations.

(2 CFR §200.61)

As noted in 2 CFR §200.303, this includes controls to safeguard protected personally identifiable information and other sensitive information consistent with applicable privacy and confidentiality laws.

The Vander Weele Group helps agencies meet the Uniform Guidance requirements – demonstrating both fiscal **and** programmatic compliance – through time-tested monitoring and management techniques.

Fiscal compliance means the recipient:

- has the financial management systems necessary to properly manage the funding;
- has implemented effective internal controls to protect against fraud and mismanagement; and
- is spending the funds only for “allowable” purposes, as defined by governing laws, regulations, and guidance.

Programmatic compliance means the federal fund or program is operating as proposed and producing the intended results.

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SUBRECIPIENT MONITORING & MANAGEMENT

Governments are using Coronavirus Relief Fund moneys for a variety of expenditures deemed necessary due to the pandemic. Most of the funding recipients--such as state agencies--passed-through Coronavirus Relief Fund moneys to grantees who could best use and distribute the funds according to where they were most needed. **The Uniform Guidance explicitly makes prime recipients accountable for monitoring and managing all funds passed-through to subrecipients.**

2 CFR §200.93 defines a “sub-recipient” as “a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program...[and a] subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency”.

Early guidance on the emergency Coronavirus Relief Fund created potential confusion over the Uniform Guidance’s subrecipient monitoring requirements. The Fund’s statutory language mandated prime recipients to report *specific* data on *certain* subrecipients. The U.S. Treasury’s Office of the Inspector General (OIG) has since clarified that a sub-recipient for purposes of Coronavirus Relief Fund reporting in GrantSolutions was distinct from the broader monitoring requirements under the Uniform Guidance. **For reporting purposes only**, a sub-recipient meant “any entity to which a prime recipient issues a contract, grant, loan, direct payment, or transfer to another government entity of \$50,000 or more. Each of these issuances must be reported separately in GrantSolutions” (OIG, 2020, p. 2). **This reporting requirement did not relieve prime recipients of their obligation to monitor all subrecipients’ uses of the funding.**

RECORDS

Coronavirus Relief Fund recipients – including their subrecipients – must keep and retain thorough and accurate records documenting their uses of the federal funds (see inset). The law requires prime recipients to ensure they and their subrecipients maintain all records documenting their Coronavirus Relief Fund uses for a period of five (5) years after final payment is made using the Coronavirus Relief Fund monies (Delmar, 2020).

Examples of Acceptable Records per Treasury Department Guidance:

- General and subsidiary ledgers used to track receipt and disbursements
- Budget records for 2019 and beyond
- Payroll and time records for payroll-related expenses
- Purchase receipts
- Contracts or subcontracts and related docs
- Grant and subaward agreements
- Monitoring reports and audit reports
- Documentation supporting performance outcomes of contracts, subcontracts, and grant or subgrant awards
- Email communications related to fund use
- Investigative files or inquiry reports

(Delmar, 2020, p. 4).

Fiscal monitoring providers such as the Vander Weele Group can help agencies establish and maintain recordkeeping systems to both meet legal requirements and reduce paper burden.