



STATE OF CONNECTICUT

DEPARTMENT OF EDUCATION



TO: Nonprofit Organizations
Institutions of Higher Education
Other Grant Recipients

FROM: Nora Chapman *mc*
Supervising Accounts Examiner, Office of Internal Audit

DATE: August 29, 2019

SUBJECT: Audit Requirements – 2018-2019 Audits of Federal Awards
and State Financial Assistance

The purpose of this letter is to advise grantees of the Connecticut State Department of Education (CSDE) of the audit requirements associated with Federal Awards and State Financial Assistance. A copy of this letter and the attachments should be provided to your auditor.

Please note that every entity which has received funding from the CSDE must submit the following:

- **A Federal Single Audit if their expenditures meet or exceed \$750,000.**
- **A State Single Audit if their expenditures meet or exceed \$300,000.**
- **A Notification of Exemption for either the Federal Single Audit and/or State Single Audit (if their expenditures are below the applicable thresholds).**

I. **Federal Awards**

Audits must be conducted on the expenditure of all U.S. Department of Education (USDE) Awards, U.S. Department of Health and Human Services (HHS) and U.S. Department of Agriculture (USDA) Awards (Child Nutrition funds), in accordance with the Office of Management and Budget's (OMB) December 26, 2013 release of the Uniform Guidance for Federal Awards (Uniform Guidance) pursuant to the Single Audit Act Amendments of 1996. Audits must be submitted no later than six months after the close of the entity's fiscal year.

If the entity operates on a fiscal year which is other than July 1 - June 30, please notify the Office of Internal Audit in writing of the date of the fiscal year end. If you have notified us previously of your entity's fiscal year end, you need to provide this information again only if the fiscal year end has changed.

Code of Federal Regulations (CFR)

The Uniform Guidance contains the set of cost principles and audit requirements that apply to grants and subgrants awarded to non-federal entities. Information regarding Grants Management Circulars and Uniform Guidance may be found at:

- www.whitehouse.gov/omb/circulars
- [Electronic Code of Federal Regulations](#)

Schedule of Expenditures of Federal Awards (SEFA)

The purpose of the SEFA is to report distributions of federal awards. Separate schedules are required for expenditures of Federal Awards and expenditures of State Financial Assistance. It is imperative that the SEFA accurately identifies all federal programs. To this end, please report the proper Catalog of Federal Domestic Assistance (CFDA) numbers and account codes for all grant programs listed.

Additionally, OMB Uniform Guidance §200.500 (b) (1) now requires that the SEFA include the total amount provided to sub-recipients from each Federal program.

The following may assist you in the completion of your SEFA:

- Attachment I contains a table that lists the CFDA title and number in addition to the CSDE award name and CORE-CT number. Please refer to this information when preparing the SEFA. The 2018-2019 Grant Award Listings are available on the CSDE web site at the Bureau of Fiscal Services' (BFS) Grant Payment Reports page:
<http://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>
- Attachment II contains instructions for accessing and printing the 2018-2019 Grant Award Listings.

Audit Exemption

A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, however records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

Notifications of Exemption must be made in writing to the Office of Internal Audit (email to sde.audit@ct.gov) no later than six (6) months after the end of the entity's fiscal year and include a statement of the amount of federal awards expended.

II. State Financial Assistance

State Financial Assistance provided by the CSDE to municipalities for fiscal years which began on or after July 1, 2018 is to be audited pursuant to the 2009 revisions to the State Single Audit Act, Sections 4-230 through 4-236 of the Connecticut General Statutes (CGS), and applicable regulations.

- Non-state entities that expend \$300,000 or more in its fiscal year in State Financial Assistance must have a state single audit performed. Under certain circumstances, an auditee may elect to have a program-specific audit conducted. CGS Section 4-231 should be consulted for specific guidance relative to this option.
- Additional information regarding the legislative revisions to the State Single Audit Act may be found in Part i – Introduction of the [Compliance Supplement](#).

Schedule of Expenditures of State Financial Assistance

The purpose of the Schedule of Expenditures of State Financial Assistance is the reporting of distributions of state financial assistance. As previously mentioned, separate schedules are required for expenditures of Federal Awards and expenditures of State Financial Assistance. The following may assist you in the completion of your Schedule of Expenditures of State Financial Assistance:

- An illustrative schedule can be found as Example 4 in "Part 9 – Illustrative Auditor's Reports and Schedules for Local Governmental Entities - Municipalities and Audited Agencies and Nonprofit Organizations," of the "Compliance Supplement to the State Single Audit Act for

Fiscal Years Beginning On or After July 1, 2018” issued by the state Office of Policy and Management.

- Attachment II contains instructions for accessing and printing the 2018-2019 Grant Award Listings. A listing which identifies State Financial Assistance is available on the CSDE web site at the BFS's Grant Payment Reports page:

<http://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>

- Attachment III contains a table that lists the CSDE award name and CORE-CT number. Please refer to this information when preparing the Schedule of Expenditures of State Financial Assistance.

Audit Exemption

A non-state entity that expends less than \$300,000 in its fiscal year in State Financial Assistance is exempt from the state audit requirements for that year. A State Single Audit Filing Exemption Notification must be submitted (See [Compliance Supplement](#) – Part 16) to the Office of Policy and Management (OPM) no later than sixty (60) days subsequent to the entity's fiscal year end. Additionally, records must be available for review or audit by appropriate officials of the state agency.

Notifications of Exemption must be made in writing to the Office of Internal Audit (email to sde.audit@ct.gov) no later than six (6) months after the end of the entity's fiscal year and include a statement of the amount of State Financial Assistance expended.

III. Audit Responsibility for Federal and State Prepayment Grants

It is the responsibility of the grantee, as designated on the grant award letter, to provide an audit of financial awards/assistance. A question regarding audit responsibility sometimes arises in the situation:

A number of grantees each receive prepayment grants from the CSDE. Each grantee then gives its grant funds to another entity which contracts to operate a program and expend the funds on behalf of the individual grantees. In these cases, each grantee is responsible for providing an audit of its financial awards/assistance even though program disbursements were made by the contracted entity. This may be accomplished by one of the following:

- (a) The entity which operated the program may provide a schedule of expenditures and audit report to each grantee subject to the approval of each grantee's audit firm. Each audit firm may submit the entity's audit as an addendum to its audit report for the grantee. Please note that each grantee must provide an audit of its own financial awards/assistance, and its audited grant expenditures are not to be commingled with expenditures from funds of other grantees.
- (b) In the absence of an audit report from the entity which operated the program, the grantee's auditor must examine the entity's records and include a Statement of Cash Receipts, Total Expenditures, and any findings in the schedule submitted to the CSDE.

It is not sufficient to submit an audit report of CSDE funds indicating a lump sum amount as "expenditures" to another agency or institution.

IV. Resolution of Differences Between Audit Amounts and Amounts Filed on Statement of Expenditures Report (ED-141) for Federal and State Grant

Any differences between the ED-141 filed by the grantee with the CSDE and the audit report must be reconciled and resolved immediately. To facilitate this reconciliation process, the auditee must list the amount of the awards expended for each award year separately. If necessary, the grantee must file a revised ED-141 with CSDE.

V. Audit Report Submission Instructions

Audit reports must be submitted no later than December 31, 2019 via the Electronic Audit Report System (EARS). For entities that do not have a June 30th fiscal year end, audit reports must be submitted six months after the close of the fiscal year or by the extension date granted by the cognizant state agency.

Electronic Audit Report System

EARS is a web site made available by OPM to provide independent auditors an electronic process for uploading audit reports of their clients on-line. In addition, EARS allows State grantor agencies and the public to access and view the reports that have been filed.

- The filing on EARS for all parts of the audit reporting package to be submitted to OPM is mandatory. **This includes corrective action plans in response to audit findings.**
- The EARS can be accessed at www.appsvcs.opm.ct.gov/Auditing/Home.aspx. Please contact the Municipal Finance Services Section of the Office of Policy and Management at 860-418-6400, if you should encounter any problems or have any questions.
- EARS also allows for the filing of financial audit reports and federal single audit reports that would normally be filed with other state agencies whether or not a State Single Audit report is being filed.
- Once an electronic version of the reports has been submitted on EARS, no other Single Audit submission directly to CSDE is required.

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Attachments

Attachment I

2019 SID Codes for Federal Awards				
<i>with Corresponding CFDA Numbers and Titles (where applicable)</i>				
<i>Grant Title</i>	<i>Core Fund</i>	<i>Core SID</i>	<i>CFDA Number</i>	<i>Grant Title per Catalog of Federal Domestic Assistance (CFDA)</i>
Special School Milk	12060	20500	10.556	Special Milk Program for Children
School Breakfast	12060	20508	10.553	School Breakfast Program
Child and Adult Care Food Program	12060	20514	10.558	Child and Adult Care Food Program
Child and Adult Food Program	12060	20518	10.558	Child and Adult Care Food Program
Summer Food Service Program	12060	20540	10.559	Summer Food Service Program for Children
Cash-in-Lieu/Commodities-CCFP	12060	20544	10.558	Child and Adult Care Food Program
Summer Food Service Program	12060	20548	10.559	Summer Food Service Program for Children
National School Lunch Program Combined	12060	20560	10.555	National School Lunch Program
Title I – Grants	12060	20679	84.010A	Title I Grants to Local Educational Agencies
Title I - Neglected & Delinquent	12060	20680	84.013A	Title I State Agency Program for Neglected and Delinquent Children and Youth
Voc Education Act-Carl Perkins	12060	20742	84.048A	Career and Technical Education – Basic Grants to States
Educ. Homeless Children and Youth	12060	20770	84.196A	Education for Homeless Children and Youth
Adult Basic Education	12060	20784	84.002A	Adult Education – Basic Grants to States
Title II Part A Improving Teacher Quality	12060	20858	84.367A	Improving Teacher Quality State Grants
21st Century Community Learning Centers	12060	20863	84.287C	Twenty-First Century Community Learning Centers
English Language Acquisition	12060	20868	84.365A	English Language Acquisition Grants
IDEA-Part B Section 611	12060	20977	84.027A	Special Education Grants to States
Pre-School (IDEA Part B) Grant	12060	20983	84.173A	Special Education Preschool Grants
Mathematics and Science Partnership Program	12060	21592	84.366B	Mathematics and Science Partnerships
Fresh Fruit & Vegetable Program	12060	22051	10.582	Grants for Enhanced Assessment Instruments
School Improvement Grant	12060	22223	84.377A	School Improvement Grants
Child Nutrition School Food Equipment	12060	22386	10.579	Child Nutrition Discretionary Grants
Student Support & Academic Enrichment Grant	12060	22854	84.424A	Student Support & Academic Enrichment
Emergency Impact Aid for Displaced Students	12060	22911	84.938C	Temporary Emergency Impact Aid for Displaced Students
Hurricane Recovery Assistance for Homeless Children/Youth	12060	22919	84.938B	Assistance for the Homeless Children and Youth

Attachment II

FY 2018-2019 Grant Listing Instructions

Payment Reports may be accessed at:

<http://www.csde.state.ct.us/public/dgm/grantreports1/paydetlMain.aspx>

Under **A. Select Year**, choose **2018-2019**.

Under **B. Report type**, choose **Summary**. Once you select the town or other grantee (from the **All Others** category), and either **All Grants** or a specific grant from the drop down list, then click **Submit**. From the next screen, click **Download CSV** to get the coding string breakdown.

If you choose a grantee from the **All Others** category, you must click on the circle that says **All Others** and then choose the grantee which is in alphabetical order by name on the list below.

Please note: In regards to federal awards, the grant titles referenced in the payment report may not be the same as the CFDA Title. When preparing the **Schedule of Expenditures of Federal Awards**, please use the CFDA Title as indicated in Attachment I.

ED141 Expenditure Reports may be accessed at:

<https://www.csde.state.ct.us/>

When you click on this link enter the following:

Username: cmed111

Password: ca\$hman

This will get you to the following menu:



Select a menu option below by clicking on it.

- [ED-111 Monthly Cash Management Report](#)
- [ED-114 Prepayment Grants Budgets & Grant Award Letters](#)
- [ED-141 Prepayment Grants Statement of Expenditures](#)

[For Help Click Here](#)

If you are interested in summary statistics regarding these data collections, see [Commonly Requested Data Table](#)
If you are interested in a brief summary and interpretation of selected data from these data collections, see [Data Bulletins](#)

The **Read-Only** Username and Password for these reports are:

Username: grants

Password: exprpt

Grantees will use the same User Name, Password and Certification codes as those used for the monthly ED-111 Cash Management Report system.

Attachment II (continued)

School Districts

1. School Districts access this application through the website:
<https://www.csde.state.ct.us/districts/>
2. Enter your first **User Name** and **Password** that you normally use to access this menu. The User Name and Password are case-sensitive.
3. From the menu, click on the link: *ED-141 Prepayment Grants Statement of Expenditures*.
4. On the Prepayment Grants Log In screen enter your **User Name** and **Password**, the one you usually use for the ED-111 or EFS application. This User Name and Password is not case-sensitive.
5. Click on **Select** for FY 2018-2019.

Other Grantees

1. Other Grantees will access this application through the website:
<http://www.csde.state.ct.us/>
2. Enter **User Name: cmed111** and **Password: ca\$hman**. The User Name and Password are case-sensitive.
3. From the menu, click on the link: *ED-141 Prepayment Grants Statement of Expenditures*.
4. On the Prepayment Grants Log In screen enter your **User Name** and **Password**, the one you usually use for the ED-111 or EFS application. This User Name and Password is not case-sensitive.
5. Click on **Select** for FY 2018-2019.

Please note: If you remain idle on these screens for longer than 30 minutes, the system will automatically log you off.

Attachment III

2019 SID Codes for State Financial Assistance			
<i>Grant Title</i>	<i>Core Fund</i>	<i>Core SID</i>	<i>Program Code</i>
Primary Mental Health	11000	12198	
Leadership Education and Athletics in Partnership	11000	12211	
Connecticut Writing Project	11000	12261	
Neighborhood Youth Centers	11000	12318	
Sheff Settlement	11000	12457	
Commissioner's Network	11000	12547	
Local Charter Schools	11000	12549	
Talent Development – TEAM	11000	12552	
School Based Diversion Initiative	11000	12587	
American School for the Deaf	11000	16021	
Family Resource Centers	11000	16110	
State Charter Schools	11000	16119	
Youth Service Bureau Enhancement	11000	16201	
Health Foods Initiative	11000	16212	
Vocational Agriculture	11000	17017	
Adult Education	11000	17030	
Health and Welfare Services Pupils Private	11000	17034	
Education Equalization Grants	11000	17041	82010
Alliance District Funding	11000	17041	82164
Bilingual Education	11000	17042	
Priority School Districts	11000	17043	82052
Extended School Hours	11000	17043	82054
School Accountability	11000	17043	82055
Young Parents Program	11000	17044	
Interdistrict Cooperation	11000	17045	
State School Breakfast Program	11000	17046	
Excess Cost - Student Based	11000	17047	
Youth Service Bureaus	11000	17052	
Open Choice Program	11000	17053	
Magnet Schools	11000	17057	
After School Programs	11000	17084	
Charter School Capital Expense	12052	43003	
Low Performing Schools	12052	43539 43679 43728	
School Construction – Interest	13009	40896	
School Construction-Principal SDE	13010	40901	

Attachment IV

Contact Listings

All written correspondence should be sent to:

Mrs. Nora Chapman
Office of Internal Audit
Connecticut State Department of Education
P.O. Box 2219
Hartford, CT 06145-2219

If you have any questions, please contact Justin Cleary at

Justin.Cleary@ct.gov or 860-713-6540.

Federal Single Audit

OMB has issued a revised (July 2019) *2 CFR Part 200 — Compliance Supplement (Appendix XI)* for auditors to use in performing single and program-specific audits in accordance with 2 CFR Part 200, Part F — Audit Requirements. This Compliance Supplement is effective for audits of fiscal years beginning after June 30, 2018, and it supersedes the *OMB Circular A-133 Compliance Supplement* issued in May 2018.

OMB Circulars can be accessed on the Internet at: www.whitehouse.gov/omb/circulars

The July 2019 *2 CFR Part 200 — Compliance Supplement (Appendix XI)* can also be obtained from:



U. S. Government Printing Office
710 North Capitol Street, NW
Washington, DC 20401



Telephone: 866-512-1800 (Toll-Free)



Fax: 202-512-2104



Web: https://www.whitehouse.gov/wp-content/uploads/2019/07/2-CFR_Part-200_Appendix-XI_Compliance-Supplement_2019_FINAL_07.01.19.pdf

Attachment IV (continued)

State Single Audit

OPM has issued the May 2019 *Compliance Supplement to the State Single Audit Act* for auditors to use in performing state single audits in accordance with CGS 4-230 through 4-236 (2009 Revision). This Compliance Supplement is effective for audits of fiscal years beginning on or after July 1, 2018, and it supersedes all previous compliance supplements and updates issued by OPM.

The May 2019 *Compliance Supplement to the State Single Audit Act* may be obtained from:



Lori Stevenson
Office of Policy and Management
Intergovernmental Policy Division
450 Capitol Avenue
MS-54SLP
Hartford, CT 06106-1308
lori.stevenson@ct.gov



Telephone: 860-418-6402



Fax: 860-418-6493



Web: www.ct.gov/opm/cwp/view.asp?A=2984&Q=383180