

# DCED CLOSE-OUT GUIDELINES FOR GRANTS & TAX CREDITS

January 2019



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# Introduction

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The following guide has been developed by the Pennsylvania Department of Community and Economic Development (DCED) to provide procedures for Grantees and Applicants related to the close-out requirements for DCED state funded contracts and audit requirements for the Independent Auditors. These guidelines are effective upon issuance and should be used for all Audits and close-outs submitted after June 30, 2017, unless otherwise noted. They do not address any other interim program or fiscal reports which may be required by DCED. This guide includes the following six sections:

- **Section I – Project Audit Guidelines for State Funded Contracts of at least \$100,000, with or without Matching Funds**

All DCED contracts funded with commonwealth funds totaling at least \$100,000 are required to have a Project Audit performed. The Project Audit must be performed in accordance with Generally Accepted Government Auditing Standards and Generally Accepted Auditing Standards.

Annual Financial Statement Audits, Uniform Guidance Audits or the financial statements from the Single Audit may not be substituted for a Project Audit. In addition, a draft report will not be accepted.

- **Section II – Examination Report Guidelines for Neighborhood Assistance Program – Enterprise Zone Tax Credit**

A Project Audit will not be required for any Neighborhood Assistance Grants (NAP). All Neighborhood Assistance Program Enterprise Zone Tax Credits (NAP-EZ) grants, however, will be required to have an Examination Report completed in accordance with these guidelines regardless of the contract amount. Applicants must submit an Examination Report for all projects within 180 days of the project's completion date.

- **Section III – Examination Report Guidelines for Film Tax Credits**

This section contains the financial compliance requirements of the Pennsylvania Film Production Tax Credit program and the Film Production Tax Credit Contract issued between the Applicant and DCED. Note: The requirements of this section pertain to both components of the program (i.e., Component A – Film Production and Component B – Postproduction at a Qualified Postproduction Facility) unless specifically stated otherwise. Pennsylvania Qualified Expenses are defined in this section only as Qualified Film Production Expenses and/or Qualified Postproduction Expenses. Applicants for a Film Production Tax Credit must submit an Examination Report for all projects within 180 days of the project's completion date, i.e., the date when the film production is deemed complete and ready for distribution for applicants of a tax credit under Component A or all postproduction activity is completed for those applying for a tax credit under Component B only, as applicable.

- **Section IV – Project Close-out Guidelines for Business Financing Grants**

For the close-out procedures of any grants that are issued by Business Financing, refer to the program guidelines or documentation that was sent with the contract or contact your Economic Development Analyst for guidance.

- **Section V – Project Close-out Guidelines for State Funded Contracts less than \$100,000**

If the amount of the state contract is less than \$100,000, with or without Matching Funds, the Grantee is required to complete and submit the applicable Grant Close-out Report for the program within sixty (60) days from the contract expiration date. DCED reserves the right under special circumstances to require a Project Audit for these contracts. The cost of the audit is the responsibility of the Grantee; however, grant funds may be used in payment of the audit even though not included in the grant contract budget.

- **Section VI – Audit Guidelines for Federally Funded Contracts exceeding \$750,000**

A Recipient or Sub-Recipient that expends \$750,000 or more in federal awards during its fiscal year is required to provide the appropriate single or Program-Specific Audit in accordance with the provisions outlined in 2 CFR Part 200.501.



## **Section I – Project Audit Guidelines for State Funded Contracts of at least \$100,000, with or without Matching Funds**

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### **A. Project Audit and the Responsibilities of the Grantee**

The following are the responsibilities of the Grantee that has received a grant from DCED.

**1. Effective Date**

These guidelines are effective upon issuance and should be used for all Audits completed after June 30, 2017, unless otherwise noted.

**2. Financial Statement Preparation and Content**

It is the responsibility of the Grantee to provide the Independent Auditor with a set of financial statements that includes at a minimum:

- Balance Sheet (if there is funding remaining at the time of the grant's close.)
- Budget to Actual Statement

The financial statements must include the following:

- Name of the grant
- Contract number
- Columns outlining the most recent approved budget as approved in your contract or as amended by DCED and separate columns for both DCED funds and match, if match is required for the grant. All required budget revisions or scope changes must be approved in writing by the program office prior to expending the funds.
- A column outlining the total DCED funds expended on approved budget categories. This must include any DCED funds given to the Grantee.
- A column outlining the required matching funds expended on approved budget categories. This must also include any required matching funds provided by the Grantee.
- Any interest earned on the grant must be identified as revenue and expensed to an approved budget category.

**3. Required Notes to the Financial Statements**

The financial statements must have the following statements:

- Provide a brief description of the projects activities, achievement and whether the project was completed.
- Outline the total funds expended on the project and explain the reason why not all matching funds (required and pledged) were not used to complete the project, if applicable.
- If the organization is keeping the interest earned on DCED funds, provide a note of how these funds were used for the project.
- If the basis of accounting differs from Generally Accepted Accounting Principles, a note is necessary to explain the other basis used.

**4. Corrective Action Plan**

If the Auditor identifies any findings in connection with their Audit, the Grantee is required to prepare a Corrective Action Plan to be submitted with the Independent Auditor's Report. For each instance of non-compliance or deficiency in the Grantee's internal controls, a corrective action plan must be submitted containing the following elements:

- A description of the finding
- Auditor's Recommendation
- Grantee's response that includes the following:
  - Specific steps that will be taken to correct the non-compliance or internal control deficiency.
  - A timetable for implementation.
  - A description of the monitoring to be performed to ensure corrective action has been implemented.

If a Management Letter has been issued, a copy must be provided with the submission of the Independent Auditor's Report.

**5. Auditor Selection**

The Audit Report must be performed by a Certified Public Accountant (CPA) licensed in Pennsylvania or a reciprocal CPA qualified to perform Audits or Examinations in the commonwealth. DCED encourages a competitive bidding process in selecting an Independent Auditor and the use of small audit firms, as well as those owned and controlled by socially and economically disadvantaged individuals. Prior DCED approval of the CPA selection is not required unless the Applicant is specifically notified in writing.

**6. Engagement Requirements**

All agreements for audit services must contain a statement giving DCED the right to review any work performed by the Auditors.

**7. Deadline for Submission**

Project Audits must be submitted within 180 days of the contract termination date. The Project Audit is not timely if the check for unexpended funds has not been received with the report. If the Project Audit has been submitted electronically, the Grantee must provide copies of the checks with the Audit Report in order for the Project Audit to be considered timely. Failure to submit the Project Audit in a timely manner may impact future funding from DCED.

**8. Contact Information and Mailing Address**

It is strongly encouraged that all Audit Reports be submitted via email at [RA-audits@pa.gov](mailto:RA-audits@pa.gov).

If you are unable to send the Project Audit electronically, then submit one (1) copy of the Project Audit to the address listed below.

Department of Community & Economic Development  
Financial Management Center  
Compliance Monitoring Division  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225

If you have any questions about the process, please call (717) 346-9023 or email us at [RA-audits@pa.gov](mailto:RA-audits@pa.gov).

## **B. Project Audit and the Responsibilities of the Independent Auditor**

The Project Audit should consist of an Independent Auditor's Report, Financial Statements, Notes to the Financial Statements, Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and Corrective Action, if necessary.

### **1. Independent Auditor's Report**

Independent Auditor's Report on the contract financial statements, which expresses an opinion on whether the financial statements are presented fairly in all material respects in conformity with the stated accounting principles. The Independent Auditor's Report must identify the name of the grant, contract number and period of the contract.

### **2. Financial Statement Presentation Requirements**

The required financial statements for this audit are described in the Section A.2 and A.3.

### **3. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.**

The Project Audit must be performed in accordance with Generally Accepted Government Auditing Standards and Generally Accepted Auditing Standards and must include a schedule of findings and questioned costs, if applicable. The report should include all deficiencies in the internal control structure and instances of non-compliance with questioned costs. The following represents frequently noted items of non-compliance:

- Were there variances to the scope of the project that would have required an amendment?
- If required by the grant guidelines, were amendments to the contracted budget secured in a timely manner and in accordance with the contract?
- Were there unapproved budget line items included in the financial statements?
- Were the expenditures for the grant incurred during the contract period? If not, determine the amount that was expended outside the contract period and report as part of the finding.
- Were the required matching funds secured and used by the grantee for the project during the contract period? If not, determine the amount of DCED funds that were not matched and report as part of the finding.

### **4. Findings**

All findings must be written in accordance with Generally Accepted Auditing Standards and should include the following elements:

- Condition
- Criteria
- Cause
- Effect
- Recommendation

## 5. Auditor's Obligation

If the Auditor has reason to believe that fraudulent activity has occurred during the grant period, the Auditor should disclose the circumstances in writing to the address listed in A.8. Auditors should report known or likely fraud, noncompliance with provisions of laws, regulations, contracts, grant agreements or abuse directly to DCED in the following two circumstances:

- When the Grantee's management fails to satisfy legal or regulatory requirements to report such information to DCED specified in law or regulation, Auditors should first communicate the failure to report such information to those individuals within the Grantee's organization structure charged with governance. If the Grantee still does not report this information then as soon as practicable after the Auditor's communication with those charged with governance, the Auditors should report the information directly to DCED.
- When Grantee fails to take timely and appropriate steps to respond to known or likely fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that is significant to the findings and conclusions and involves funding received directly or indirectly from DCED, Auditors should first report management's failure to take timely and appropriate steps to those charged with governance. If the audited entity still does not take timely and appropriate steps as soon as practicable after the Auditor's communication with those charged with governance, then the Auditors should report the Grantee's failure to take timely and appropriate steps directly to DCED.

These reporting requirements are in addition to any legal requirements for the Auditor to report such information directly to parties outside of DCED. Auditors should comply with these requirements even if they have resigned or been dismissed from the audit prior to its completion.

## 6. Audit Confirmations

All audit confirmation requests must be sent to the Comptroller's Office to the following resource account: RA-AuditConfirmation@pa.gov.

In order to reduce delays in processing the audit confirmation, the following information must be included in the request:

- The full name and address of the vendor or entity including SAP vendor number, if possible.
- A list of the contacts or grants to be included in the confirmation, as well as a list of the payments to be confirmed.
- The time frame for the request – including Fiscal year vs Calendar year breakdown required.
- The type of funding breakdown required – i.e. Federal funds – State funds or both.
- Request for CFDA# confirmation if needed.
- The full name and address of the auditors (or other party) to whom the response is to be mailed – or email address if that is acceptable to them.

Please present these requests on the vendor's letterhead signed by someone who has the authority to issue the request. The letters should be scanned and attached when the request is entered through the resource account.

\*Please be aware that during the months of June, July, and August, there may be delays in processing audit confirmations by the Comptroller's Office. The delay is due to year end closing that happens during this timeframe. Please plan accordingly.

## **Section II – Examination Report Guidelines for Neighborhood Assistance Program – Enterprise Zone Tax Credit Agreements**

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### **A. Financial Compliance**

The following are the responsibilities of the Applicant that has received a tax credit from DCED. The following procedures pertain to the financial compliance requirements of the Neighborhood Assistance Program Enterprise Zone Program Tax Credit (NAP-EZ) agreements between the Applicant and DCED. Applicants must submit an Examination Report for all projects within 180 days of the project's completion date.

### **B. Requirements for the Independent Auditor**

The Examination Report must be performed by a Certified Public Accountant (CPA) licensed in Pennsylvania or a reciprocal CPA qualified to perform Audits or Examinations in the commonwealth. DCED encourages a competitive bidding process in selecting an Independent Auditor and the use of small audit firms, as well as those owned and controlled by socially and economically disadvantaged individuals. Prior DCED approval of the CPA selection is not required unless the Applicant is specifically notified in writing.

### **C. Examination Engagement**

The Examination Engagement must be performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AT-C Section 205, Examination Engagements). DCED must be listed as a specified party in the engagement letter and specifically be granted access to any work performed by the auditor. The Examination Engagement subject matter and criteria are as follows:

#### **1. Subject Matter**

- The Statement of Budget to Actual Expenditures for the project that includes the computation of the tax credit.

#### **2. Criteria**

- The Criteria in Section II of the Pennsylvania Department of Economic Development Tax NAP-EZ Tax Credit Program Guidelines.
- The NAP-EZ Agreement.
- Article XIX-A of the Tax Reform Code of 1971, known as the Neighborhood Assistance Act (Act 48-1994) (72 P.S. §8901-A, et seq.) as amended.



## **D. Applicant Responsibilities**

It is strongly encouraged that all Examination Reports be submitted via email at RA-audits@pa.gov.

If you are unable to send the Examination Report electronically, then submit one (1) copy of the Examination Report to the address listed below.

Department of Community & Economic Development  
Financial Management Center  
Compliance Monitoring Division  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225

Questions regarding the performance or submission of the Examination Report should be directed to the Compliance Monitoring Division at 717-346-9023 or RA-audits@pa.gov.

## **Section III – Examination Report Guidelines for Film Tax Credits**

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### **A. Financial Compliance**

The following procedures pertain to the financial compliance requirements of the Pennsylvania Film Production Tax Credit program and the Film Production Tax Credit Contract issued between the Applicant and DCED. Note: The requirements of this section pertain to both components of the program (i.e., Component A – Film Production and Component B – Postproduction at a Qualified Postproduction Facility) unless specifically stated otherwise. Pennsylvania Qualified Expenses are defined in this section only as Qualified Film Production Expenses and/or Qualified Postproduction Expenses.

Applicants for a Film Production Tax Credit must submit an Examination Report for all projects within 180 days of the project's completion date, i.e., the date when the film production is deemed complete and ready for distribution for applicants of a tax credit under Component A or all postproduction activity is completed for those applying for a tax credit under Component B only, as applicable.

### **B. Requirements for the Independent Auditor**

The Examination Report must be performed by a Certified Public Accountant (CPA) licensed in Pennsylvania or a reciprocal CPA qualified to perform Examinations in the commonwealth. DCED encourages a competitive bidding process in selecting an Independent Auditor and the use of small audit firms, as well as those owned and controlled by socially and economically disadvantaged individuals. Prior DCED approval of the CPA selection is not required unless the Applicant is specifically notified in writing.

## C. Examination Engagement

The Examination Engagement must be performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AT-C Section 205, Examination Engagements). DCED must be listed as a specified party in the engagement letter and specifically be granted access to any work performed by the Auditor. The Examination Engagement subject matter and criteria are as follows:

### 1. Subject Matter

- The Statement of Total Production Expenses, Qualified Film Production Expenses, and Non-Qualified Film Production Expenses. For productions utilizing a Qualified Production Facility, the Qualified Film Production Expenses incurred at the facility. [See Sample Schedule on Pages 9-10.]
- The Statement of Total Postproduction Expenses, Qualified Postproduction Expenses, and Non-Qualified Postproduction Expenses. For productions utilizing a Qualified Postproduction Facility, the Qualified Postproduction Expenses incurred at the facility. [See Sample Schedule on Pages 9-10.]
- Computation of the Film Production Tax Credit.

### 2. Criteria

- The Eligibility Criteria in Section II of the Pennsylvania Department of Economic Development Film Tax Credit Program Guidelines
- The Expense Guidance in Section IV of the Pennsylvania Department of Economic Development Film Tax Credit Program Guidelines
- The Film Production Tax Credit Contract
- Article XVII-D Sub Article B of the Tax Reform Code of 1971 (P.L. 6, No.2) (the “Act”).

## D. Applicant Responsibilities

The Applicant will submit two copies of the Examination Report, engagement letter and Film Production Tax Credit Contract, a Report of the Pennsylvania Sales Tax and total Pennsylvania individual gross income tax withheld related to the project, submit to DCED within 180 days of the film’s completion date to:

Janice Collier  
Film Production Tax Credit Manager  
Department of Community & Economic Development  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225

Questions regarding the performance or submission of the Examination Report should be directed to the Compliance Monitoring Division at 717-346-9023 or RA-audits@pa.gov.

**NOTE: This form must be completed twice: (1) at time of application with proposed budget numbers and (2) upon completion of ALL production phases (i.e., pre-production, principal photography, and post-production) with actual, final audited budget figures.**

**Appendix E**  
**Pennsylvania Film Production Tax Credit Program**  
**BUDGET TOP SHEET**

**BUDGET INFORMATION**

**\* Applicants requesting the additional 5% tax credit for production activities at a Pennsylvania "Qualified Facility" must submit a breakdown of eligible costs spent at the qualified production facility that meet or exceed the required \$1.5M or \$5.0M minimum spend.**  
**Insert and identify any other applicable budgetary items.**

CATEGORY	PA QUALIFIED EXPENSES						PA "Qualified Facility" Expenditures for Additional 5% Tax Credit	NON-QUALIFIED EXPENSES						TOTAL NON-QUALIFIED EXPENSES	Total Expenses
	PA PAYROLL			All Other Qualified Expenses	TOTAL Qualified Expenses	NON-PA PAYROLL			All Other Non-Qualified Expenses						
	PA Resident Employees		Non-Resident Employees			PA Resident Employees		Non-Resident Employees							
	\$ Payroll	# Employed				\$ Payroll				# Employed	\$ Payroll	# Employed			
<b>ABOVE THE LINE</b>															
Producer(s)						\$ -								\$ -	
Producer(s) Staff						\$ -								\$ -	
Director(s)						\$ -								\$ -	
Director(s) Staff						\$ -								\$ -	
Talent						\$ -								\$ -	
Talent Staff						\$ -								\$ -	
Story & Rights						\$ -								\$ -	
Location Fees						\$ -								\$ -	
Unit Fees						\$ -								\$ -	
Professional Fees						\$ -								\$ -	
Travel Expenses						\$ -								\$ -	
Lodging						\$ -								\$ -	
Meals						\$ -								\$ -	
Miscellaneous Living Expenses						\$ -								\$ -	
Insert additional rows, as needed.						\$ -								\$ -	
<b>Total Above the Line</b>	\$ -	0	\$ -	0	\$ -	\$0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	
<b>BELOW THE LINE</b>						\$ -								\$ -	
Production Personnel						\$ -								\$ -	
Extra Talent						\$ -								\$ -	
Camera						\$ -								\$ -	
Art Department						\$ -								\$ -	
Set Design						\$ -								\$ -	
Set Construction						\$ -								\$ -	
Set Lighting						\$ -								\$ -	
Set Decoration						\$ -								\$ -	
Set Strike						\$ -								\$ -	
Other Set Operations						\$ -								\$ -	

[illegible]



## **Section IV – Project Close-out Guidelines for Business Financing Grants & Tax Credits**

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The close-out guidelines for the following programs should be obtained by contacting your Economic Development Analyst in the appropriate Program Office:

- Business In Our Sites
- PA Small Water and Sewer Program
- Abandoned Mine Drainage Abatement and Treatment Program
- Baseline Water Quality Data Program
- Flood Mitigation
- Greenway Trails and Recreation Program
- Orphaned or Abandoned Well Plugging Program
- Sewage Facilities Program
- Watershed Restoration and Protection Program
- Pipeline Investment Program
- Multimodal Transportation Fund
- Alternative Clean Energy
- Renewable Energy
- Solar Energy
- Local Share Account
- Historic Preservation Tax Credit

## **Section V – Project Close-out Guidelines for State Funded Contracts less than \$100,000**

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### **A. Requirements**

For State funded contracts, with or without a required match, that are less than \$100,000, a Grant Close-out Report (GCR) is required [See Pages 13-15.].

### **B. Supporting Documentation**

The following support is needed for all expenditures claimed against DCED and matching funds:

- Copies of invoices and receipts to support the purchases.
- Proof of payment (copies of cancelled checks front and back, bank statement, credit card statement).
- For salaries: A list of all employees paid that includes first name, last name, dates of service and amount paid.

### **C. Due Date and Submission Requirements**

The GCR and all supporting documentation must be filed within sixty (60) days after the termination of your contract. Failure to submit GCR on a timely basis may impact the grantee's future funding from the Department.

It is strongly encouraged that all reports be submitted via email to [RA-audits@pa.gov](mailto:RA-audits@pa.gov).

If you are unable to send the report electronically, then submit one (1) copy of the report to the address listed below.

Department of Community & Economic Development  
Financial Management Center  
Compliance Monitoring Division  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225

Questions regarding the performance or submission of the GCR should be directed to the Compliance Monitoring Division at 717-346-9023 or [RA-audits@pa.gov](mailto:RA-audits@pa.gov).

CSBG-FMC-8-16

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF COMMUNITY ECONOMIC DEVELOPMENT  
FINANCIAL MANAGEMENT CENTER



## Grant Close-Out Report

SECTION I: GRANT INFORMATION		
(a) Grantee Name:	(f) Program Name:	
(b) Address:	(g) Contract Number:	
(c) Contact Person:	(h) Contract Period: from: to:	
(d) Phone Number:	(i) Total Project Cost:	
(e) Email Address:	(j) DCED Funds:	(k) % of total:
	(l) Required Matching Funds:	(m) % of total:

SECTION II: FISCAL INFORMATION									
PART A: DCED FUNDS					PART B: MATCHING FUNDS				PART C: INTEREST
Budget Category	Budgeted DCED Funds	Expenditures Paid with DCED Funds	Variances DCED Funds	% Variance	Required Match	Actual Matching Expenditures	Unmet Match Requirement	% Variance	Interest Spent
(A1)	(A2)	(A3)	(A4)	(A5)	(B2)	(B3)	(B4)	(B5)	(C3)
Total									

SECTION III: INVOICE INFORMATION
(a) Actual Project Cost:
(b) Allowable DCED Funds:
(c) Total DCED Funds:
(d) Interest Earned:

COMMENTS

SECTION IV: CERTIFICATION
By signing this form, I certify that it is true, complete and accurate to the best of my knowledge. I am aware that any false, fictitious or fraudulent information may be subject to criminal, civil or administrative penalties.

(a) Signature of Authorized Official:	(b) Name & Title:	(c) Date:
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FOR INTERNAL USE ONLY		
Unexpended DCED Funds:	Initial Reviewer:	
Project Cost Adjustment:	Date of Initial Review:	
Unmatched DCED Funds:	Final Reviewer:	
Total Funds to Return to DCED:	Date of Final Review:	

#### SECTION I: GRANT INFORMATION

- (a) **Grantee Name:** Enter the Grantee name as printed on the contract.
- (b) **Address:** Enter Grantee's mailing address.
- (c) **Contact Person:** Enter the name and title of the person who completed the report and to whom questions can be directed.
- (d) **Phone Number:** Enter telephone number for contact person.
- (e) **E-mail Address:** Enter e-mail address for contact person.
- (f) **Program Name:** Enter the name of the DCED program in which funding was received.
- (g) **Contract Number:** Enter contract number as provided in your contract.
- (h) **Contract Period:** Enter the beginning and ending date of the contract.
- (i) **Total Project Cost:** Enter the total cost of the project.
- (j) **DCED Funds:** Enter the amount of funds received from DCED.
- (k) **% of Total:** Enter the percent of total project costs that were DCED funds by dividing total project cost by DCED funds.
- (l) **Required Matching Funds:** Enter the amount of matching funds that are needed to fulfill the grant requirements.
- (m) **% of Total:** Enter the percent of total project costs that were matching funds by dividing total project cost by matching funds.

#### SECTION II: FISCAL INFORMATION

##### 1. DCED Funds

**Column A1: Budget Category** - List budget categories for expenses paid for with grant funds (matching funds and interest if applicable) as listed in the contract budget.

**Column A2: Budgeted DCED Funds** - List the amount of budgeted funds for each listed item in Column A1.

**Column A3: Expenditures Paid with DCED Funds** - Enter amount spent for each item in Column A1.

- Attach copies of related receipts/invoices and proof of payment (corresponding canceled checks (both sides), credit card statement, etc.
- For salaries paid, include the following:
  - First/Last Name
  - Dates of service provided
  - Total amount of contract funds received by each individual, or if applicable, copies of individuals IRS 1099 Forms.
- All travel costs listed incurred with personal or company vehicle, must include the following:
  - Traveler's name
  - Date(s) of travel
  - Beginning and ending destination
  - Purpose of travel
  - Total miles
  - Per mile rate
  - Total cost of the trip(s).
- Any contract funds sub-granted to third parties must be supported by the same documentation, as indicated above, showing the application of the funds.
- All records submitted must indicate the dates of purchases and/or services.

**Column A4: Variances DCED Funds** - Subtract Columns A3 from Column A2 and enter the difference in Column A4, for each item listed in Column A1.

**Column A5: % Variance** - Divide A4 by A2 to determine A5 for each item listed in column A1.

**TOTAL:** List totals for Column(s) A2, A3, and A4.



2. **Part B: Matching Funds** (only to be completed if there are matching funds required)

**Column B2: Required Match** - List the amount required as match for each listed item in Column A1.

**Column B3: Actual Matching Expenditures** - Enter amount spent for each item in Column A1.

- The same documentation that is needed for the above expenditures is needed for those expenditures purchased with the required matching funds.

**Column B4: Unmet Match Requirement** - Subtract Columns B3 from Column B2 and enter the difference in Column B4, for each item listed in Column A1.

**Column B5: % Variance** - Divide B4 by B2 to determine B5 for each item listed in B2.

**TOTAL:** List totals for Column(s) B2, B3, and B4.

3. **Part C: Interest**

**Column C3: Interest Spent** - Enter the amount of interest earned on grant funds that were spent in the appropriate budget category.

- The same documentation that is needed for the above expenditures is needed for those expenditures purchased with interest.

**SECTION III: INVOICE INFORMATION**

- Actual Project Cost** – Add the totals from Column A3, B3 and C3, this is the actual total that the project costs. If the cost of the total project was less than estimated, the authorized amount of DCED funds allowed must be prorated:
- Allowable DCED funds** - Multiply the % of total DCED Funds (I(k)) by the Actual Project Cost (III(a)) minus interest (III(d)) to determine the amount of grant funds eligible to be spent on this project. If the project cost was equal to or greater than the budgeted project cost, enter the total DCED funds received.
- Total DCED funds** - Enter the total DCED funds received.
- Interest Earned** – Enter the total amount of interest earned on grant funds. All interest earned on the grant funds should be reinvested into the project in a preapproved budget category.

## **Section VI – Audit Guidelines for Federally Funded Contracts exceeding \$750,000**

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A Recipient or Sub-Recipient that expends \$750,000 or more in federal awards during its fiscal year is required to provide the appropriate Single or Program-Specific Audit in accordance with the provisions outlined in 2 CFR Part 200.501.

### **A. Procedures for Submitting the Single Audit Report or Program-Specific Audit Report for Years Ending Prior to December 31, 2015 (in accordance with OMB Circular A-133 guidance)**

Electronic submission is required for all reporting years ending prior to December 31, 2015. The reporting package must be submitted electronically in a single portable document format, or PDF, file to RA-BOASingleAudit@pa.gov.

#### **1. Steps for Submission**

- Complete the Single Audit or Program-Specific Audit Reporting Package Checklist (Checklist) to ensure your package contains all required elements.
- Email the completed Single Audit or Program-Specific Audit Reporting Package and the Checklist in a single PDF file to RA-BOASingleAudit@pa.gov. The subject line of the email must identify the exact name on the Single Audit or Program-Specific Audit Reporting Package and the period end date to which the package applies.
- You will receive an email to confirm the receipt of the Single Audit or Program-Specific Audit Reporting Package and the completed Checklist.

### **B. Procedures for Submitting the Single Audit Report or Program-Specific Audit Report for the Year Ending December 31, 2015 and Subsequent Years (in accordance with Subpart F)**

For single Audit Reports for the year ending December 31, 2015 and subsequent years, and in accordance with the new auditing and reporting requirements of Subpart F, §200.512, the Federal Audit Clearinghouse (FAC) and the commonwealth each have responsibilities.

#### **1. Federal Audit Clearinghouse Responsibilities**

The FAC must make available to the public the reporting packages received in accordance with paragraph (c) of this section and §200.507 Program-Specific Audits, paragraph (c), except for Indian tribes exercising the option in (b)(2) of this section, and maintain a data base of completed Audits, provide appropriate information to Federal agencies, and follow up with known Auditees that have not submitted the required data collection forms and reporting packages.

#### **2. Commonwealth of Pennsylvania Responsibilities**

The Office of the Budget, Bureau of Audits (BOA) will no longer require Auditees to submit Single Audit Reports for the year ending December 31, 2015 and subsequent years. To track the submission of the Single Audit Report to the FAC, BOA will require the Auditee to email only the FAC confirmation of receipt, the certified copy of the data collection form, and the Checklist to RA-BOASingleAudit@pa.gov.

### **3. Steps for Submission**

- Submit the Single Audit or Program-Specific Audit Report to the FAC and receive an email confirmation of receipt from the FAC.
- Email the FAC confirmation of receipt, a certified copy of the data collection form, and the completed Checklist (page 18) to RA-BOASingleAudit@pa.gov. The subject line of the email must identify the exact name on the Single Audit or Program-Specific Audit Reporting Package and the period end date pertaining to the reporting package.
- You will receive an email from BOA confirming the receipt of the FAC's confirmation, the certified copy of the data collection form, and the completed Checklist.

## Single Audit or Program-Specific Audit Reporting Package Checklist

PURPOSE: This Checklist is designed merely to ensure that the single audit reporting package contains the essential elements in accordance with OMB Circular A-133 and the new Uniform Guidance for single audit reports for the year ended 12/31/2015 and subsequent years. The Checklist serves as informational purposes only and it is part of the commonwealth's submission process for either the OMB Circular A-133 or the Uniform Guidance.

Subrecipient Name:

Fiscal Year End:  Format: MM/DD/YYYY

Address:

Contact Name:

Contact Title:

Contact Number:  Format: (XXX)XXX-XXXX

The subrecipient who qualifies to submit a complete **Single Audit Reporting Package** must include the following essential elements:

- ☐ Independent Auditor's Report on the financial statements
- ☐ Financial statements and notes to the financial statements
- ☐ Independent Auditor's Report on the Schedule of Expenditures of Federal Awards (SEFA)
- ☐ Schedule of Expenditures of Federal Awards (SEFA)
- ☐ A report on compliance & internal control at the financial statement level in accordance with Government Auditing Standards
- ☐ A report on compliance & internal control at the federal level in accordance with Uniform Guidance
- ☐ Schedule of Findings and Questioned Costs
- ☐ Summary Schedule of Prior Audit Findings (if applicable)
- ☐ Corrective Action Plan (if applicable)
- ☐ Data Collection Form
- ☐ Management Letter (if applicable)

The subrecipient who qualifies to submit a complete **Program-Specific Audit Reporting Package** must include the following essential elements:

- ☐ Independent Auditor's Report on the federal program's financial statements or the federal program's SEFA
- ☐ Financial statements or SEFA of the federal program and notes to the program's financial statements or SEFA
- ☐ A report on compliance & internal control related to the federal program
- ☐ Schedule of Findings and Questioned Costs
- ☐ Summary Schedule of Prior Audit Findings (if applicable)
- ☐ Corrective Action Plan (if applicable)
- ☐ Data Collection Form
- ☐ Management Letter (if applicable)

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