**Agency Uniform Guidance Roundtable Discussion-Minutes**

**Date/Time:** December 13, 2016- 9:00 am-10:15 am

**Location:** Kansas State Board of Healing Arts

**Topic:** Uniform Guidance: Current Issues

**Facilitators/Presenters:** Roger Basinger & Jill Martin with the OCFO Federal Reporting Team

**Attendees:** [**Participation List.xlsx**](Participation%20List.xlsx)

**Welcome and Introductions**

Roundtable facilitators welcomed the attendees and had each participant introduce themselves stating their name and agency. A total of 38 participants from 13 different agencies attended in person and remotely.

**Uniform Guidance: Current Issues** [**Presentation & Handouts\UG Issues Presentation.pptx**](Presentation%20%26%20Handouts/UG%20Issues%20Presentation.pptx)

Following is a summary of the Uniform Guidance: Current Issues PowerPoint presentation. See link above for entire presentation.

***SEFA Statistics, Auditor Questions, and Submission Issues (presented by Roger Basinger)***

The SEFA totaled over $5.6 billion in gross expenditures and about $4.8 billion after eliminations for FY 2016. Over $822 million of this was sub-granted to other state agencies and over $698 million was sub-granted to entities outside the state. The top 10 agencies made up over 90% of expenditures.

Auditors asked the Federal Reporting team why some agencies had expenditures less than the amount drawn down. One of the agencies stated they had the authority to pull down money in advance and was allowed to have the money reside in the fund until expenses arose. Another agency did a lot of expenditures upfront in FY15 and made the drawn down request in FY16.

There were several issues that occurred regarding the submission of the DA-89. These included expenditures not being rounded to whole dollars, operating components not being separated from research and development, pass through expenditures exceeding total expenditures, explanations exceeding 250 characters, and no program title listed.

***NASACT Work Group (presented by Roger Basinger)***

The National Association of State Auditors, Comptrollers, and Treasurers (NASACT) created a new workgroup to discuss issues regarding the implementation of the Uniform Guidance. The workgroup has been meeting monthly via conference call since August and the Federal Reporting team has attended four meetings so far. Some of the issues discussed during the meeting include:

* Student financial aid and whether it needs to be audited each year
* When risk assessments should be done
* Where to find exceptions to the Uniform Guidance

***Common Questions or Concerns (presented by Jill Martin)***

In October the Federal Reporting team attended a seminar presented by Rubin Brown where they mentioned some common questions and/or concerns that they came across regarding the Uniform Guidance. These include:

* What policies and procedures need to be documented in writing?
* How to determine if a grant should be administered under the old or new rules?
* How to determine subrecipient vs. contractor and what monitoring should be done?
* What is considered acceptable internal control over grant compliance?

***State Agency Issues/Concerns (presented by Jill Martin)***

The Federal Reporting team has come across several issues and/or concerns involving state agencies regarding the Uniform Guidance. These include:

* Required information not being provided to subrecipients
* Confusion between administrative and indirect costs
* Agencies not accepting the federally approved indirect cost rate
* Increased monitoring by federal agencies

***2016 Single Audit Compliance Supplement (presented by Jill Martin)***

The Single Audit Compliance Supplement is used by auditors to determine compliance requirements. It is also useful for auditees to determine compliance requirements applicable to their federal awards. However, the supplement has been released later and later each year, which can have a great impact on entities that receive federal funding. The late release this year resulted in the Federal Reporting team having to add additional information after-the-fact to the DA89s.

Some of the key sections of the Compliance Supplement include:

* Part 2 (Matrix of Compliance Requirements)-lists federal requirements by CFDA number
* Part 3 (Compliance Requirements)-generic description of the 12 requirements and how each should be tested
* Parts 4 & 5 (Agency program requirements and clusters of programs)-describes the compliance requirements applicable to certain federal programs and which programs must be treated as a cluster
* Part 6 (Internal Control)-summarizes the requirements of the COSO and Green Book.
* Appendix III (Key Management Liaison and Program Contacts)-lists individuals at each federal agency to contact with single audit and/or program questions

**Questions/Other Items Discussed**

At the end of the presentation agencies were asked what issues they have experienced when implementing the Uniform Guidance. The following was mentioned:

One agency asked if it was okay for a subrecipient is to accept a lower rate than their federally approved indirect cost rate if they are willing to do so. The Federal Reporting team stated that it might be okay as long as the agency does not try to persuade the subrecipient in any way to accept a lower rate. It must be the subrecipient who initiates the negotiation.

Another agency stated that they are not able to add additional information to the State of Kansas purchasing contract as the boiler plate language is protected. One of the other agencies responded that you can add additional information in the statement of work section. The Federal Reporting team stated they would present this information to Tracy Diel who is the Director of Purchasing.

**Meeting Adjourned 10:15 am**