

GATA Frequently Asked Questions by Topic

1. General Questions

1.1. When is this going to be implemented? Beginning FY17? FY18?

The implementation for GATA is beginning grants awarded in FY 2017, the Federal funding requirements effective date for new applications or awards after December 26, 2014 are subject to the new Federal Uniform Guidance. See COFAR FAQs section 200.110 for effective dates for indirect cost rates and incremental funding

1.2. When will we be required to use all the GATA documents and procedures, as some federal grant applications are in process within the next few months and may be awarded prior to or around 7/1/16.

FY17 grants awards must utilize the new uniform grant agreement template. For FY17 awards, agencies may use their existing grant notices and applications. A gap analysis will be required to ensure that all information required for the grant agreement template is collected. Pre-qualification will be performed for all FY17 grantees prior to executing grant awards. The fiscal and administrative risk assessment and the programmatic risk assessment must be performed prior to award.

1.3. My wife is an executive director of a community action agency. When are Departments going to start advising subgrantees of the new requirements?

Agencies are responsible for outreach to their grantees. GATU will continue to make trainings available to both grantees and state agency personnel. Grantees should follow the GATA website for general information about Uniform Guidance and GATA requirements.

1.4. What is considered a competitive grant? Is there a definition?

A competitive grant is also known as a Discretionary Grant. Per Grants.gov, a competitive grant (or cooperative agreement) is one in which the federal awarding agency generally may select the recipient from among all eligible recipients, may decide to make or not make an award based on the programmatic, technical, or scientific content of an application, and can decide the amount of funding to be awarded.

1.5. What exactly is the definition of Sub –Recipient? We have some sub-contractors, and we have some MOU's/agreements with the scope of service for one program, but none that we might consider Sub-Recipient.

The definition of a subrecipient and a subaward is included in the glossary on www.grants.illinois.gov. In addition, follow the guidance in guidance in 2 CFR 200.330, Subrecipient Contractor determination, a checklist is also available for making this important determination. The Checklist can be found on the GATA website in the resource library under C for checklist. Maintain a copy of the completed checklist for audit purposes. This determination is critical for ensuring compliance with uniform guidance and GATA.

- 1.6. Does this apply to fee for service providers**
Yes, we are reviewing exception requests, but at a minimum they will be subject to cost principles, reporting, monitoring and management and audit requirements.
- 1.7. Will some or all of these requirements apply to fee for service programs or only grant programs?**
GATA requirements are required for all grant awards unless exempted by GATU through the exception request process.
- 1.8. “Official” grant files will include all of the documents related to the GATA process. Where will these be kept? Should they be kept centrally?**
The information processed centrally, will be electronically stored and available for agencies to download as needed. The grant specific information will be maintained by the awarding agencies, this includes grant applications, merit based review results, project monitoring, budget and performance reports, etc.
- 1.9. How does this interface with CRV or does it? Will it replace CRV?**
A comprehensive document management system is included in the plans for GATA implementation. As a more definitive plan for the overall grants management system are made, information regarding this repository and its use will be shared.
- 1.10. How will onsite reviews be shared/communicated?**
A document repository will be developed for all such documentation. As a more definitive plan for the overall grants management system are made, information regarding this repository and its use will be shared.
- 1.11. Where will all of the forms/templates reside?**
All GATU developed templates will reside on the grants.illinois.gov website for download.
- 1.12. Will we be able to get webinar slides for referencing with our fiscal people?**
GATU webinars are recorded and posted to our website, www.grants.illinois.gov. The training slide and supporting materials, are also distributed prior to the webinars and posted on our website.
- 1.13. Who do we email or call with additional follow up questions?**
OMB.GATA@illinois.gov

2. CSFA

- 2.1. What does 'Primary Agency' mean when entering information onto the CSFA as a granting agency? Can an agency grant funding to organizations but not actually be the 'Primary Agency'? Please give an example.**

The primary agency is the direct recipient of the Federal or State funds. An agency may grant funding to organizations even if they aren't the 'Primary Agency'. An example would be the Recreational Trails Program, the Illinois Department of Transportation is the primary agency, they pass the funding through to the Illinois Department of Natural Resources and they award grants to qualified applicants.

- 2.2. How does a grant program get a CFSA assigned to their program?**

The agency must enter the grant program into the CSFA and the number is system generated.

- 2.3. If using GRF dollars for MOE, are the GRF dollars coded using the CFDA# where the dollars will be claimed?**

Yes, the source of funding, including MOE, must be specified.

- 2.4. If there is no FAIN or CFDA numbers, do we put "N/A" on those lines?**

Yes, if the funding source is state and the grant is not used to satisfy a Maintenance of Effort or In Kind matching requirement then N/A should be entered.

3. Pre-Qualification

3.1. What is Data Universal numbering system?

The Data Universal Numbering System number is commonly referred to as the DUNS number. A DUNS number is a unique, non-indicative 9-digit identifier issued and maintained by D&B that verifies the existence of a business entity globally. D&B assigns DUNS numbers for each physical location of a business.

3.2. Which agency is responsible for the official DUNS number for the subrecipient?

Each grantee or potential grantee is responsible for obtaining a DUNS number.

3.3. Who will manage the follow-up process with pre-qualification issues that need to be remedied? Will this be GATU or will it be the program areas?

The notification to the entity will specify what can be done to remedy pre-qualification issues. It will be the entity's responsibility to correct the issue. The cognizant agency will follow-up to ensure the pre-qualification issue is cleared.

3.4. Who will field the provider questions regarding grantee registration? Will registrations expire like it does on the procurement side of the Gateway?

General and technical support will be provided by GATU. The registrations will expire one year from the date of initial registration.

3.5. Is this going to be a yearly process for the grantees?

Yes

3.6. Is grantee registration, prequalification and risk assessment required for non-competitive grants?

Yes, all grantees are required to register, complete the pre-qualification and risk assessment prior to the award of a grant.

3.7. Will GATU handle political pressure to issue grants since the pre-qual and risk will be centralized?

If the pre-qualification results disclose that the grantee is debarred or suspended, we cannot issue a grant. If the non-qualification can be remedied, once the remedial action is completed then the potential grantee can precede to the risk assessment phase. Both of these are required to be completed prior to issuing a grant award.

3.8. Does Suspension/debarment include checking the comptroller's site for offsets under 30 ILCS 708/60(8)

No, the Comptroller offset is for accounts receivable and withheld from vendor payments. The Debarred and Suspended and Stop payment is regarding non-compliance with grant requirements or fraud, waste and abuse of grant funding.

3.9. Will grantees be able to see the state debarred and suspended list to check if their subrecipients or contractors are debarred?

Grantees will not have access to this system. Agencies do have access to the stop pay list and will have access to the state debarred and suspended list. However, this function is automated through the Grantee pre-qualification.

3.10. Pre-qualification and risk assessment include factors such as provider history, audits, late reporting, etc. How will this information be collected?

This will all be included in the comprehensive grants management system when implemented. For FY17 basic data is collected during registration & risk profile characteristics are captured from the ICQ & programmatic risk assessment.

3.11. We are a county and each of our departments receives several state grants or federal pass-through via the State of IL. Do we register as one single county or do we have each of our departments register on an individual basis?

You may register as one single county if the county and the departments use the same FEIN. If the departments have a separate FEIN, the department needs to register as a separate entity.

For purposes of fiscal and administrative control - entities with multiple departments, divisions, etc. (primarily affects Local Governments – Counties and Cities) should register and complete the ICQ based upon their fiscal and administrative responsibility and reporting structure. In general this will be at the highest level (i.e. County or City level). However if the various departments or divisions of a local government are independent in their fiscal and administrative responsibility and reporting structure (separate audited financial statements, single audit determination, etc.) then each department or division would be requested to register and complete the ICQ. The registrations can use the same FEIN but would require a unique DUNS numbers. One of the many issues to consider is indirect cost rates. Would the county or city have the ability to negotiate an indirect cost rate for each department registered? If not, a central registration should be considered.

3.12. Is anyone working with the city of Chicago to have a master registration for all grants?

No, the registration is for state grantees only

No, the State of Illinois cannot dictate the fiscal and administrative structure for a grantee. We only provide the general guidance as stated in question 3.11

4. Notice of Funding Opportunity (NOFO)

4.1. Where will we post the Notice of Funding Opportunities?

NOFOs will be published on the grants.illinois.gov website. Because FY17 is a transitional year, agencies may also publish them on their website.

4.2. How will we notify providers that our website is accepting NOFO applications?

The NOFO communicates the application period. The NOFO will be published on grants.illinois.gov and may also reside on the agency's website for FY17. Any additional active notification is up to the agency.

4.3. With no budget passed for FY 2016 and the Notice of Funding Opportunity for FY 2017 – how will the NOFO be prepared when we do not know what dollar amounts to use to start the process?

The funding amounts in the NOFO are estimates. Language stating that funding is subject to appropriation must be included in the notice. The uniform grant agreement template has been approved by the Governor's Compliance Office and includes the required verbiage.

4.4. IS the NOFO required for non-competitive grants, e.g. a formula-based grant?

No the NOFO is required for all competitive grants and cooperative agreements.

4.5. Can you give an example of a non-competitive award by definition?

Formula grant, legislative mandate. ISBE is mandated to provide funding to school districts.

4.6. Discretionary grants require us to identify sub-recipients as part application process. We assume that if this is the case we are not required to complete and use the NOFO process. Correct?

Correct, if as a condition of the state's application for a Federal discretionary grant, the state was required to identify sub-recipients, then this situation would be treated as a non-competitive grant.

4.7. Are fee for service and purchase of care subject to the NOFO process? What about Medicaid waiver?

Technically, fee for service is limited Medicaid only. Medicaid and Medicaid waiver is exempt from the NOFO process per 2 CFR 200.101

4.8. Please clarify the 30 days posted vs 45 days published requirements for the NOFO.

2 CFR 200.203(b) – the state agency must make all funding opportunities available for at least 45 calendar days (charged from 60 through the rule making phase). No funding opportunity should be available for less than 30 calendar days unless exigent circumstances require.

4.9. If you procure services on a multi-year basis and this is not a procurement year, does the NOFO apply for the final year of funding or only when the new procurement cycle begins.

Grants are not procured. Grants can be awarded for multiple years. The NOFO would only be required for the first year of the award unless the funding agency requires a new application for subsequent years.

4.10. If state funds are being used for Maintenance of Effort requirements, how should it be indicated on the NOFO?

If state funds are used to meet the maintenance of effort requirement, that should be disclosed in field 14. If both state and federal funds are used, mark field 14 accordingly.

4.11. How is the funding opportunity number created?

Assigned by the agency or funder

4.12. Where do I sign up for notices?

Interested parties will need to monitor the Notice of Funding Opportunities. The link to the NOFO listing will be available on grants.illinois.gov.

5. Application

5.1. Federal discretionary applications require the identification of service areas and the sub-recipients will serve these areas identified. Please confirm that this must be included in the grant application.
This information is required to be submitted by the applicant on their application.

5.2. Can Legislative and Congressional Districts be determined using a Zip+4?
Not always, as a result, the legislative and congressional districts are included in the grant application

5.3. Does everyone who has previously submitted grant applications have to adopt this grant application and budget process?
Yes, The Uniform Grant Application and Budget template is required for all grant awards unless exempted by GATU through the exception request process. This information is required to be submitted by the applicant on their application

5.4. Will agencies handle their receipt of applications centrally or by Division?
Agencies will continue to receive and process their own applications.

6. Budget

6.1. Is the budget supposed to be a programmatic budget or is it an agency budget?

The budget template is designed to represent one program or grant award. It is not an Agency budget.

6.2. Is the budget template required for formula grants effective 7/1?

Yes, The Uniform Budget template is required for all grant awards unless exempted by GATU through the exception request process.

6.3. Fee for service non-competitive agreements in the past have not required a budget because we set the amount we pay, not the local health departments, so would this be something we could request for variance to omit?

Yes, The Uniform Budget template is required for all grant awards unless exempted by GATU through the exception request process.

6.4. What is the "Grant Exclusive Item"?

GRANT EXCLUSIVE LINE ITEM: Costs directly related to the service or activity of the program that is an integral line item for budgetary and reporting purposes. This line item must have Program approval before using.

6.5. Does the template auto-calculate after numbers are entered?

Currently there is a PDF sample of the Uniform Budget template available on the GATU website that does auto-calculate data entry for Sections A & B as well as the Narrative and Worksheet pages.

6.6. Who will review and approve provider budgets? Please confirm that we need a program and fiscal sign off.

Agencies will review and approve provider budgets. There should be an initial programmatic review and approval by a program specialist or manger. Agencies should then conduct a secondary review and approval for Fiscal and Administrative compliance.

6.7. The budget document is new. When will budget training be provided to program areas?

Budget Training modules have been developed and are posted for viewing to the GATU website at grants.illinois.gov

6.8. Will training be available for Providers regarding the budget changes? Including a review of indirect costs?

Budget Training modules have been developed and are posted for viewing to the GATU website at grants.illinois.gov

6.9. When during the process does the provider receive the budget packet?

Concurrent with the application.

6.10. Can a state awarding agency simplify the uniform budget template?

This chart explains the sections of the budget. Flexibility to alter the budget template is allowed as stated.

| | <u>Sections</u> | <u>Agency Requirements</u> | <u>Applicant Requirements</u> |
|---|---|--|---|
| 1 | General Instructions | Format may not be modified. | Applicant does not need to submit. |
| 2 | Section- A State of Illinois Fund Summary (State and Federal Pass-Through Funding) | Section-A information is required per Uniform Budget instructions and the format may not be modified. <u>However:</u> (A) Budget line items may be “ <u>grayed out</u> ” if the line item is not applicable to the grant. <u>Do not remove</u> the line item from the document. (B) If additional grant-specific line items are required use the “ <i>Grant Exclusive Line Item</i> ”. Type the name of the new line item into the template. Include a definition of these grant-specific line items in the Budget Worksheet and Narrative section. | Applicant must complete and submit. |
| 3 | Section- A Indirect Cost Information | Section-A Indirect Cost Information is required per Uniform Budget instructions and the format may not be modified. | Applicant must complete and submit. |
| 4 | Section -B NON-State of Illinois Fund Summary (Grantee Funding-Match or Cost Sharing) | Section-B Information is required per Uniform Budget instructions and the format may not be modified. <u>However:</u> (A) Budget line items may be “ <u>grayed out</u> ” if the line item is not applicable to the grant. <u>Do not remove</u> the line item from the document. (B) If additional grant-specific line items are required use the “ <i>Grant Exclusive Line Item</i> ”. Type the name of the new line item into the template. Include a definition of these grant-specific line items in the Budget Worksheet and Narrative section. | Applicant must complete and submit. |
| 5 | Certification | A Certification is required per Uniform Budget instructions. The format may be modified to include additional signature lines as needed by the Agency. | Applicant must complete and submit. |

| | | | |
|---|---|---|---|
| 6 | <p>Worksheet & Narrative</p> <ul style="list-style-type: none"> • Personnel • Fringe Benefits • Travel • Equipment • Supplies • Contractual Services & Subawards) • Consultant (Professional Services) • Construction • Occupancy (Rent & Utilities) • Research & Development (R&D) • Telecommunications • Training & Education • Direct Administrative costs • Miscellaneous Costs • Grant Exclusive Line Item(s) • Indirect Costs • Narrative Summary | <p>Worksheet and Narrative information is required per Uniform Budget instructions to provide a justification for all expenses listed in the Budget Summaries. The format may be modified based upon the following guidelines:</p> <p>(A) If the line item was “grayed out” in Section A & B, “gray out” the corresponding section in the Budget Worksheet and Narrative.</p> <p>(B) If a grant-specific line item was added as a “<i>Grant Exclusive Line Item</i>” in Section A & B, repeat the information in the Budget Worksheet and Narrative. The agency must cite the line item requirements and include detailed instructions regarding all budgeting and compliance requirements.</p> <p>(C) Agencies may add relevant columns, rows, references and elements to the Budget Worksheet and Narrative. These additions should assist the Applicant in documenting and justifying grant expenses.</p> | <p>Applicant must complete and submit the Uniform Budget Worksheet & Narrative as provided by the Agency,</p> <p style="text-align: center;">or</p> <p>Applicant may work with the agency to propose an equivalent worksheet and narrative that contains the same level of specificity and justification of all expenses required by the State of Illinois’ Budget Worksheet and Narrative.</p> |
| 7 | <p>Agency Approval Form</p> | <p>Agency Approval Form. A dual approval process is required per Uniform Budget instructions. Budget approvals must document sign-off from Agency Programmatic and Fiscal authorities. The <i>format</i> of the approval form may be modified by the Agency to include any Agency enhancements.</p> | <p>(Agency Use Only)</p> |
| 8 | <p>FFATA</p> | <p>If applicable, an Agency may require an Applicant who is awarded a grant to use the FFATA form provided within the Uniform Budget or use a FFATA form currently in use by the Agency.</p> | <p>If applicable and required by an Agency, the Applicant must complete and submit the Uniform Budget FFATA form or an equivalent FFATA form currently in use by the Agency.</p> |

6.11. Section B does not allow for line item breakdown of in kind. We do see the summary break down in the upper part but this is not adequate for the programs here.

See budget instructions for Section B and section C

For non-State of Illinois funds or resources listed in Section B that are used to meet a cost-sharing or matching requirement or provided as a voluntary cost-sharing or matching commitment, you must include:

- a. The specific costs or contributions by budget category;*
- b. The source of the costs or contributions; and*
- c. In the case of third-party in-kind contributions, a description of how the value was determined for the donated or contributed goods or services.*

6.12. Although we will have the new forms for budgets and grants/contracts how do we prepare for budget development without knowing what our funds will be?

Generally the budget is based on the prior year funding amounts. If those amounts change, the budget would require adjustment to align to the total funding under the new award.

6.13. In this new format we are not able to identify the expenses for staff and client transportation. Same situation for equipment given or provided to assist to customers?

Please use the Budget Narrative to help identify all costs for every line item. The narrative can be used to identify direct costs and indirect costs, as well as in-kind, match requirements and other funding contributions.

6.14. For a staff person being charged directly to a grant, does an agency's payroll system / time sheet documentation have to show hours billed by grant in a week or can the agency have a defined cost allocation for payroll that is simply applied to an agency's appropriate payroll?

§200.430 Standards for Documentation of Personnel Expenses

(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;*
- (ii) Be incorporated into the official records of the non-Federal entity;*
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);*
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;*
- (v) Comply with the established accounting policies and practices of the non-Federal entity and*
- (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity*

6.15. Can compensation for a position such as a program assistant who benefits more than one program be allocated using a reasonable and consistent methodology (such as # of clients) when tracking time by individual program is not reasonable?

YES. Subpart E – Cost Principles §200.405 (d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

6.16. Some memberships are cheaper if individual rather than by organization. If documented as cheaper, is that allowable? Prior approval is required, right?

Prior written approval is needed for all memberships, subscriptions, and professional activity costs. Level of cost, individual or organization-wide, is not a determining factor.

6.17. Most of my clients have purchased fixed assets using grant funds. They should not charge grants again by charging depreciation, correct?

Correct, an organization that used Federal or State of Illinois grant funds to purchase fixed assets cannot charge depreciation costs on the same fixed assets. This would be considered “double charging” and is not allowable. The organization may only be compensated for the use of fixed assets (depreciation) when solely purchased by, or donated to the organization without funding or donation from the federal or state government.

§200.436-Depreciation.

(a) Depreciation is the method for allocating the cost of fixed assets to periods benefitting from asset use. The non-Federal entity may only be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with GAAP, provided that they are used, needed in the non-Federal entity's activities, and properly allocated to Federal awards. Such compensation must be made by computing depreciation.

(b) The allocation for depreciation must be made in accordance with Appendices III through IX of Uniform Guidance.

(c) Depreciation is computed applying the following rules. The computation of depreciation must be based on the acquisition cost of the assets involved. For an asset donated to the non-Federal entity by a third party, its fair market value at the time of the donation must be considered as the acquisition cost. Such assets may be depreciated or claimed as matching but not both. For the purpose of computing depreciation, the acquisition cost will exclude:

(1) The cost of land;

(2) Any portion of the cost of buildings and equipment borne by or donated by the Federal or State Government, irrespective of where title was originally vested or where it is presently located;

(3) Any portion of the cost of buildings and equipment contributed by or for the non-Federal entity where law or agreement prohibits recovery; and

(4) Any asset acquired solely for the performance of a non-Federal award.

- 6.18. **For workers comp, can you use reasonable estimates? If you use reasonable estimate to charge expense by pay check to charge for workers comp insurance. and later there is immaterial adjustment from the workers comp audit, are you exempt from going back to a closed year and just make adjustment in current open year.**

Yes you can use reasonable estimates. If there is a later adjustment that results in an overcharge, the amount of adjustment must be netted from future amounts charged. Also see §200.406 Applicable credits

- 6.19. **For participant costs, can you clarify who is a participant?**

§200.75 Participant support costs. Participant support costs means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects. A participant is an individual who is receiving a service or training opportunity from a workshop, conference, seminar, symposium or other short-term instructional or information sharing activity funded by a sponsored award.

- 6.20. **How does the ability to move 10% of any grant around in already approved line items within the grant effect the ask permission for changes? For example you have \$1000 in travel but you use \$1500 in travel. If it is within my 10% I just move it around without asking permission. With this new scrutiny should we get permission in writing to use that 10% rule?**

The Federal/State awarding agency may, restrict the transfer of funds among direct cost categories or programs, functions and activities if the Federal/State share of the project exceeds the Simplified Acquisition Threshold and the cumulative amount of the transfer exceeds or is expected to exceed 10 percent of the current total budget or \$1,000 per detail line item, whichever is greater.

- 6.21. **Can we allow subgrantees of a federal award to pay a registration fee for a conference that we put on using the same federal funds?**

Please consult your Federal awarding agency and receive prior written approval for any conferences and trainings involving participant support costs. §200.75 Participant support costs means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

- 6.22. **If we replace the word "Federal" with "State," is the following statement true? "Fundraising costs for the purposes of meeting the State funded program objectives are allowable with prior written approval from the State awarding agency.**

YES, 200.442 Fund raising and investment management costs.

(a) Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable. Fund raising costs for the purposes of meeting the Federal program objectives are allowable with prior written approval from the Federal awarding agency.

6.23. **There was information about computing devices being treated as supplies, rather than equipment. What distinguishes between equipment and supplies?**

Simplified acquisition threshold 200.88 means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this part, the simplified acquisition threshold is \$150,000, but this threshold is periodically adjusted for inflation. (Also see definition of §200.67 Micro-purchase.)

Micro-purchase 200.67 means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation

Equipment 200.33 means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. See also §§200.12 Capital assets, 200.20 Computing devices, 200.48 General purpose equipment, 200.58 Information technology systems, 200.89 Special purpose equipment, and 200.94 Supplies.

Computing devices 200.20 means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. See also §§200.94 Supplies and 200.58 Information technology systems.

Information technology systems 200.58 means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. See also §§200.20 Computing devices and 200.33 Equipment.

Special purpose equipment 200.89 means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers. See also §§200.33 Equipment and 200.48 General purpose equipment.

Supplies 200.94 means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. See also §§200.20 Computing devices and 200.33 Equipment.

6.24. **If an entity purchases 100 IPADs at \$300 each these are considered a supply and do not need to be tagged for inventory because they are not considered capital outlay? How does a district locally determined capitalization threshold impact the \$5000 definition of equipment?**

Computers - Including, but not limited to desktop computers and laptop computers.

Electronic Devices - Including, but not limited to tablets, iPads, e-readers, printers, external hard drives. This is not a complete list and questionable items should be referred to your program officer. Generally, Smart phones and cell phones cannot be purchased.

The Office of Management and Budget acknowledged in the preamble to the Uniform Guidance that technology improvements have helped lower the cost of computing devices below the Federal equipment threshold of \$5,000 and, as such, these devices should be treated similarly to other items under this amount. With the advent of the Uniform Guidance, computing devices may be considered allowable direct charges under certain circumstances. Computing devices that cost \$5,000 or more and have a useful life of at least one year are considered equipment. This policy deals specifically with computing devices that cost less than \$5,000, which means they are treated as allowable supply items, not as equipment.

In all cases except computing devices under \$5,000, must follow Generally Accepted Accounting Principles for capitalization threshold used for accounting purposes.

6.25. Are there regulations that I can find somewhere that details what pass through grantees can spend on travel and meals?

§200.474 Travel costs.

(a) General. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, if the method used is applied to an entire trip and not to selected days of the trip, which would result in charges consistent with those normally allowed in like circumstances in the non-Federal entity's non-federally-funded activities and in accordance with non-Federal entity's written travel reimbursement policies. Notwithstanding the provisions of §200.444 General costs of government, travel costs of officials covered by that section are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award.

(d) In the absence of an acceptable, written non-Federal entity policy regarding travel costs, the rates and amounts established under 5 U.S.C. 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter must apply to travel under Federal awards (48 CFR 31.205-46(a)).

6.26. Due to budget issues, to maintain staff, can an organization move staff under a program that is paying vs a program not paying (e.g., GRF)?

No, according to §200.405 Allocable costs (c) Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the

Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards

6.27. Is the time and effort percent for personnel documentation required to be submitted with the grant or retained locally for audit? (200.430)

Not required to be submitted, but must be retained locally for monitoring and audit purposes.

6.28. We are currently limited to the per diem rate for travel and meal costs for personnel assigned to a specific grant with the State. Will these changes assure that we can charge real travel and meal costs as long as they are reasonable and consistent with the grant objectives and work plan?

You will still be subject to either state or federal per diem rates.

6.29. What are micro-purchases?

2 CFR 200.320(a): micro-purchases are acquisitions of supplies or services with an aggregate dollar amount that does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to Davis-Bacon Act).

6.30. Where do providers find information regarding the rates for per diem, lodging, etc.? Is there a website?

The rates mandated for use in the conduct of official State of Illinois business can be found at <http://www.illinois.gov/cms/Employees/travel/Pages/default.aspx>

7. Risk Assessment

7.1. What does ICQ stand for?

Internal Control Questionnaire.

7.2. Will the fiscal/admin risk be performed centrally THIS year (FY17 contracts) or not until FY18?

The fiscal and administrative risk assessment (ICQ) will be performed centrally in FY17.

7.3. If a grantee obtains a variety of grants, will the risk assessment be done specific to a grant provider, or will the risk assessment be more general.

The risk assessment is broken into two parts, Fiscal and Administrative which is the same regardless of the grant funding source and programmatic which is unique to the specific requirements of the grant.

7.4. Who is centrally responsible for risk assessment?

The pre-qualification risk assessment (ICQ) is handled centrally from www.grants.illinois.gov. The awarding agency is responsible for administering the programmatic risk assessment.

7.5. Are risk assessments to be performed per application or per applicant, if they receive multiple grants from the same agency?

Fiscal and administrative risk assessments are performed centrally, once for the entity. Programmatic risk assessments are tied to the award being applied for. A separate programmatic risk assessment will be required for each application.

7.6. I'm not clear on at what point in the process the risk assessment will be done.

For grantees with more than 2 years of experience with grants, the ICQ will be taken after registration. If the entity has less than 2 years of grant experience the ICQ maybe taken later upon notice that the applicant is a grant award finalist. The programmatic risk assessment is done after the merit based review of the application. During FY17, applicants can apply for a grant before completing the pre-qualification. FY18 and forward, pre-qualification will be a requirement to apply for grant funds.

7.7. Will program staff be tasked with designing a risk assessment matrix or will this be a uniform template?

The programmatic risk assessment questionnaire has been created. One section is written by the agency & includes program-specific questions.

7.8. Who determines the acceptable level of risk and whether the risk can be mitigated? Are their guidelines for these levels and mitigation?

The Notice of State Award communicates the specific conditions from the risk assessments. The Notice of State Award will include parameters for removing the specific conditions. Risk parameters have been established by the pre-qualification and the programmatic risk assessment work groups. Response weighting calculates the risk profile. The workgroups also identified the specific conditions, the reason for the additional condition, action needed to remove the additional condition and the timeframe for removing the condition to be imposed based on the calculated risk profile.

7.9. How will we know if an on-site review has been conducted by another state agency? Where will these be captured?

A master contract will be used to document the risk profile from the risk assessment and the corresponding on-site reviews. The software will have a scheduling function so agencies can see what reviews have occurred and when future reviews are scheduled. Reports from on-site reviews will also be centrally posted.

7.10. How does the central review of administrative and fiscal risk work for agencies who subcontract services out?

Agencies should be documenting their determination of sub-recipients vs. subcontractors. Subcontractors are not subject to pre-award risk assessments.

7.11. We are a Regional Office of Education with no governing board. How do we say not applicable to the questions in the Governing Board Oversight section? The system will not allow us to send the Questionnaire without all questions answered, but the choice of not applicable is not listed.

Answer based on your oversight equivalent, such as leadership team or management.

8. Merit-Based Review Appeal Process

9.1. Will the notification include a phone number or email for questions - can the decision be appealed?

Yes the agency contact information is provided in the NOFO. The Merit based review process can be appealed, but not the decision.

8.1. There is a 14 day appeal/protest process. How will this be handled and by who?

Appeals must be received by the agency within 14 of publishing the grant award notice. The agency has another 14 days from the date the appeal to acknowledge receipt. The receipt response must acknowledge that the appeal was received and may include a request for more detail on the appeal.

Per section F(4) of the policy, the agency should provide an appeal decision within 60 days. The policy does allow for additional time, but requires a written explanation be submitted to the appealing party.

Per Section F(2) of the policy, the agency head or designee may appoint one or more Appeal Review Officers (ARO) to consider the appeals and make a recommendation to the agency head or designee for resolution. Only the Merit Based Review process may be appealed, not the decision of the evaluation committee. The number of AROs is up to the agency. The final decision will be the responsibility of the agency head or designee appointed by the agency to handle appeals.

9.2. Can individuals who monitor and/or administer grants be part of the evaluation team?

Yes, state employees who monitor and administer grants can be a part of the evaluation team as long as there is no conflict of interest and a signed confidentiality and conflict of interest disclosure form completed. If the individual represents an entity applying for the grant and / or administers or monitors the grant they cannot be part of the evaluation team for that grant.

9. Uniform Grant Agreement (UGA)

- 9.1. **Please confirm that the Notice of State Award and Budget have to be included as attachments to the grant agreement and that the agreement cannot be signed until both of these documents have been provided with the associated sign offs.**

Yes. That is correct.

- 9.2. **Are the Instructions for the Uniform grant agreement inserted into the NOFO?**

No. The instructions for the uniform grant agreement are directions for preparing the grant agreement document.

- 9.3. **Can we do advance payments to the provider at the beginning of the fiscal year?**

In accordance with §200.305 Payment, the non-federal entity must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in §200.302 Financial management. Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The non-Federal entity must make timely payment to contractors in accordance with the contract provisions.

If the non-Federal entity cannot meet the criteria for advance payments and the Federal awarding agency or pass-through entity has determined that reimbursement is not feasible because the non-Federal entity lacks sufficient working capital, the Federal awarding agency or pass-through entity may provide cash on a working capital advance basis. Under this procedure, the Federal awarding agency or pass-through entity must advance cash payments to the non-Federal entity to cover its estimated disbursement needs for an initial period generally geared to the non-Federal entity's disbursing cycle. Thereafter, the Federal awarding agency or pass-through entity must reimburse the non-Federal entity for its actual cash disbursements. Use of the working capital advance method of payment requires that the pass-through entity provide timely advance payments to any subrecipients in order to meet the subrecipient's actual cash disbursements. The working capital advance method of payment must not be used by the pass-through entity if the reason for using this method is the unwillingness or inability of the pass-through entity to provide timely advance payments to the subrecipient to meet the subrecipient's actual cash disbursements.

- 9.4. **Monthly reimbursements need certification, can you explain this in more detail.**

§200.415 Required certifications.

Required certifications include:

(a) To assure that expenditures are proper and in accordance with the terms and conditions of the

Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."

10. Notice of State Award Finalist and Notice of State Award (NOSA)

10.1. What are the time frames for the Notice of State Awards Finalist, and the Notice of State Award (NOSA)?

The Notice of State Award Finalist is generated by the agency when an entity is determined to be a finalist for an award and needs to completed specific outstanding grant award requirements to be eligible for the award. The NOSA is generated by the agency after all grant award requirements are met. The NOSA informs the entity of specific conditions and/or requirements so they can make an informed decision as to whether they want to accept the award. Agency protocol will determine the exact timeframe for distribution of these forms.

10.2. If a grant is non-competitive, why would you send the Notice of State Award Finalists?

There are no finalists if the grant is non-competitive. If the entity hasn't submitted all requirements (e.g., disclosures), the finalist notice communicates the outstanding items.

10.3. Notice of State Award Finalist – Who monitors whether the provider complies with outstanding requirements in order to be given an award?

The state awarding agency

10.4. You said a notice of state award finalist is required for all grants. Is the notice of state award also required of all grants including non-competitive grants?

Yes, there may be specific conditions imposed on a non-competitive grant award that must be communicated in the NOSA.

10.5. Is the NOSA optional if not a practice of the grant program now?

The Notice of State Award is required for all grants. The purpose of the Notice of State Award is to inform the entity of the terms and conditions of the award so they can make an informed decision to execute the grant agreement.

11. Indirect Cost Rate

11.1. Can the State Agency specify that, for a certain grant, we will allow NO indirect costs? Or, if the grantee has a Federal rate, are we required to allow them to charge indirect costs?

State Agency Acceptance of Negotiated Indirect Cost Rates.

The negotiated rates must be accepted by all State awarding agencies. A State awarding agency may use a rate different from the negotiated rate for a class of State awards or a single State award only when required by State statute or regulation (including supplanting), Administrative Rules, or when approved by a State awarding agency head or delegate based on documented justification

The State awarding agency head or delegate must get approval from GOMB for indirect cost exceptions. The State or Federal pass-through entity must document approval exceptions in the CSFA.

11.2. Can an agency prohibit the use of indirect costs by subrecipients by policy?

State Agency Acceptance of Negotiated Indirect Cost Rates.

The negotiated rates must be accepted by all State awarding agencies. A State awarding agency may use a rate different from the negotiated rate for a class of State awards or a single State award only when required by State statute or regulation, Administrative Rules, or when approved by a State awarding agency head or delegate based on documented justification.

The State awarding agency head or delegate must get approval from GOMB for indirect cost exceptions. The State or Federal pass-through entity must document approved exceptions in the CSFA.

11.3. What if we already have a negotiated indirect cost rate agreement with the federal government?

State Agency Acceptance of Negotiated Indirect Cost Rates.

The negotiated rates must be accepted by all State awarding agencies, including federally approved indirect cost rate agreements.

11.4. Where can we find a list of rates restricted by State Statute?

Currently there is no list available. GATU is relying on the State of Illinois agencies to provide all exemptions regarding Indirect Cost Rate limits or ceilings immediately as part of the exception process and CFSA entries. Once completed GATU could then provide a complete list.

11.5. If another agency or the Feds negotiate the indirect rate, can we require grantee to provide us with how the rate was calculated to make sure the grantee isn't trying to bill us directly for items included in the indirect rate?

The State of Illinois will only accept Federally approved rates, Federal statutory cap restrictions or limits on selected programs (including supplanting), the de minimis rate, State of Illinois negotiated rates, Illinois statutory cap restrictions or limits on selected programs (approved by federal agencies or OMB). State of Illinois awarding agencies are prohibited from accepting and utilizing rates not mentioned above.

11.6. How will GATU confirm that State agencies will honor subrecipients' federally negotiated indirect cost rates and is the State prepared to consider this cost in the total program funding amount? We are already bumping up against this issue with agencies on federal flow through projects.

State Agency Acceptance of Negotiated Indirect Cost Rates.

1. The negotiated rates must be accepted by all State awarding agencies. A State awarding agency may use a rate different from the negotiated rate for a class of State awards or a single State award only when required by State statute or regulation, Administrative Rules, or when approved by a State awarding agency head or delegate based on documented justification

2. The State awarding agency head or delegate must seek approval from GOMB of any approved deviations.

3. The State or Federal pass-through entity must implement, and make publicly available, the policies, procedures and general decision making criteria that their programs will follow to seek and justify deviations from negotiated rates.

11.7. When will state agencies be made aware of the approved indirect cost rates?

State Agencies will review this information from the Indirect Cost Rate Negotiation Vendor's system. Training was provided and is available from our website, www.grants.illinois.gov. Agencies will ultimately obtain all approved Indirect Cost Rates for Grantees via the GATA Implementation website, State Staff Inquiry Screen.

11.8. Will the agencies be billed back for the development of these Indirect Rates? If so, how much will we be billed?

A GATA fund will be established to charge back the cost of ICRN to the agencies awarding grants to that grantee.

11.9. A subrecipient may have multiple indirect cost rates depending on activity type. For example, an entity's research rate may be the same as their rate for instructional projects or the entity may have a rate for public service projects. How will we handle that?

A Federally approved indirect cost rate with multiple rates will be reviewed and a determination of the most appropriate rate for the State of Illinois program will be made.

11.10. I have a 20% rate and I have \$100,000 in direct services which means I could charge \$20,000 in indirect. But I only get \$115,000. Do I have to reduce service costs or indirect to come to the total award?

More information regarding the award, the type of indirect cost rate and distribution base are needed to accurately answer this question.

- If a 20% Indirect cost rate was approved with Total Direct Cost (TDC) as its distribution base, then a possible \$115,000 total award would be calculated as: $\$115,000 \text{ total award} / 1.20 = \$95,833$ for direct expenses and $\$19,167$ for indirect expenses
- Other distribution bases examples that are more common are (1) Salaries & Wages, (2) Salaries & Wages plus Fringe Benefits, and (3) Modified Total Direct Costs (MTDC).

- *Note: Dept. of Labor “Guide to Indirect Cost Determination” Many organizations use total direct personnel costs (salaries/wages, plus fringe benefit costs) as the allocation base to allocate indirect costs to their grants/contracts and other programs. Another cost allocation base commonly used is modified total direct costs (see definition at 2 CFR, Part 200, Subpart A, §200.68.*

11.11. If an agency has an established indirect rate (either Federal or State), must they charge the whole thing? With limited awards, agencies may prefer to tie the dollars to direct services.

If a non-Federal entity receiving a direct Federal award or a subrecipient voluntarily chooses to waive indirect costs or charge less than the full indirect cost rate, State awarding agencies and pass-through entities can allow this. The decision must be made solely by the non-Federal entity or subrecipient that is eligible for Indirect cost reimbursement.

We recommend applying the difference of the allowable indirect cost reimbursement as a volunteered match, provided your award is not a fixed amount award. Section 200.201(b)(2) states that a fixed amount award (or subaward) cannot be used in programs that require a mandatory cost-share or match.

11.12. Do I have to use the full amount of my negotiated indirect cost rate?

No, you can apply a lesser amount, if you choose. This can be noted in the budget section of your application.

11.13. Since negotiated Indirect Cost Rate is based on prior year's data: Does the rate serve as a cap on current year indirect cost claims or are current year claims based on current year data?

1. *Provisional rate or billing rate means a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on awards pending the establishment of a final rate for the period.*
2. *Final rate means an indirect cost rate applicable to a specified past period which is based on the actual costs of the period. A final rate is not subject to adjustment.*

Note *that a final indirect cost rate is established after an organization's actual costs are known, typically after final fiscal year expenses have been determined. Once established, a final indirect cost rate is used to adjust the indirect costs claimed.*

The use of provisional or billing rates will likely result in final audited expenditures which are higher or lower than those reported for awards, which are terminated during the organization's fiscal year. A final rate may be issued as a provisional rate in the ensuing year then adjusted for anticipated changes in funding levels or costs.

11.14. If an Accounting system is sophisticated enough to track accounting services by program, would that be able to be a direct cost?

§200.405 Allocable costs. (d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in

proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

11.15. If indirect costs are not allowed and the grant only provides state funds, can we exclude the pages for indirect cost and also Section B and just use the budget summary page and the certification page?

Refer to question ## for indirect cost rate requirements. All applicable sections of the budget must be completed.

11.16. Indirect costs are not allowed and the grant only provides state funds, can we exclude the pages for indirect cost and also Section B and just use the budget summary page and the certification page?

Refer to # for indirect cost rate requirements. Following the requirements, all applicable sections of the budget must be completed.

11.17. Modified Total Direct Costs (MTDC) should not include direct client assistance like LIHEAP payments, correct?

LIHEAP payments do not fall within the definition of "participant support costs" per Uniform Guidance because they are not direct costs for items such as "stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees in connection with conferences, or training projects." § 200.75. Therefore LIHEAP payments will not be excluded when calculating the MTDC base for indirect costs.

11.18. Do some grantees refer to "administrative costs" as a NICRA?

Yes, "indirect costs" are typically synonymous with "administrative costs". NICRA stands for Negotiated Indirect Cost Rate Agreement.

11.19. How does a grant program know what costs have been negotiated into the final NICR between the State and Federal Agency?

All costs from an Organization are included and reviewed to determine an overall Indirect Cost Rate. State Agencies need to confirm that the rate has been properly applied to the program as part of the cog agency approval process.

11.20. Will the state accept a federal-negotiated fringe benefit rate?

Yes, we are required to accept all federally negotiated rates, however, based on the grant agreement scope of services, some of the rates would not be appropriate in all cases.

11.21. Please confirm: Fringe benefits such as health insurance, unemployment insurance, for direct service staff is considered a direct expense and is not limited to an indirect cost rate or the 10% de minimis rate.

If the position is classified as a direct position, then the salary - along with applicable fringe benefits - should also be treated as direct costs. If the position is classified as an indirect position, then the related fringe benefits are to be treated as indirect costs.

The 10% de minimis rate, like other indirect cost rates is designed to calculate an allowable percentage amount for indirect costs for a particular program. The 10% de minimis rate will only restrict indirect fringe benefits, not direct fringe benefits

12. Audit

12.1. Is a non-single audit required by the Attorney General's Office an allowable charge to federal grants?

The non-single audit is not allowed to be charged as a direct cost. But it can be included in the indirect cost pool and charged as an indirect cost. See 2 CFR 200.425 and the COFAR FAQs .425-4.

12.2. What are material findings?

A material finding is an audit finding that is considered a Significant Deficiency or a Material Weakness in internal control over compliance. The Single Audit requires material findings with a questioned cost or the potential costs of \$25,000. Materiality is calculated by the Auditor based on the total amount of the award. See 2 CFR 200.500.

12.3. Are grantees that receive state funds only subject to the same audit thresholds?

Yes.

(1) Recipients and subrecipients receiving \$300,000 or more in total revenues, must have a financial statement audit conducted in accordance with Generally Accepted Auditing Standards; (Illinois Attorney General audit requirements)

(2) Recipients and subrecipients who expend between \$300,000 and \$500,000, must have the financial audit conducted in accordance with GAGAS and are deemed to be high risk are also required to undergo an agreed upon procedures (AUP) audit. This must be paid for and arranged by the pass-through entity in accordance with 2 CFR 200.425 for up to 2 out of 4 of the applicable compliance areas:

- *Activities Allowed or Unallowed*
- *Allowable Costs/Cost Principles*
- *Eligibility*
- *Reporting*

(3) Recipients and subrecipients who expend between \$500,000 and \$749,999 in state and federal grant funding, must have a financial statement audit conducted in accordance with GAGAS. This must be paid for arranged by the grantee. If the recipient / subrecipient is deemed to be high risk, they are required to undergo an AUP audit, arranged and paid for by the grantor and/or pass-through agency in accordance with 2 CFR 200.425 for up to 4 of the compliance areas

(4) Organizations that do not receive federal funding from any source are not subject to the Single Audit. These organizations are required to follow number (3) above for state funding over \$500,000.

(5) Organizations that receive both state and federal funding and the total federal expenditures exceed \$750,000 are required to have a Single Audit conducted.

12.4. Is there a threshold for questioned cost that require a refund by the subrecipient?

No, all questioned cost are required to be refunded or offset from future disbursements.