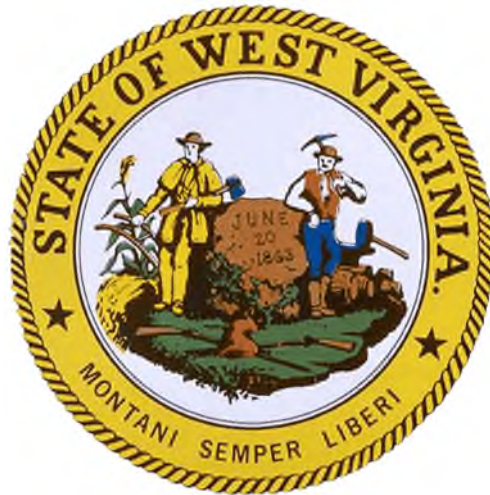


# STATE OF WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES



## GRANTEE AUDIT COMPLIANCE GUIDE

[To assist grantees in complying with the Federal audit, disclosure and State accountability requirements referenced within Exhibit F of the DHHR grant agreement]

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- A. Exhibit F of the DHHR Grant Agreement
- B. Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) Form
- C. Sworn Statement of Grant Receipts and Expenditures Form
- D. Instructions for Completion of the Sworn Statement of Grant Receipts and Expenditures Form
- E. Supplemental Compliance Procedures for an Agreed-Upon Procedures Engagement
- F. Due Dates for West Virginia Code §12-4-14

## SECTION 100 INTRODUCTION AND OVERVIEW

### 100. Purpose

The West Virginia Department of Health and Human Resources (DHHR) developed this Grantee Audit Compliance Guide (hereinafter referred to as Guide) to further describe and to assist its Grantees in complying with the audit, disclosure and accountability (reporting) requirements referenced within Exhibit F of the DHHR grant agreement. Exhibit F of the DHHR grant agreement is affixed to this Guide as **[Attachment A]**.

### 105. Applicability and Use of this Guide

The reporting requirements expressed within this Guide apply specifically to recipients of grant awards from the DHHR. There are varying rules, reporting options and due dates associated with these (Federal) audit and (State) accountability requirements. Therefore, this Guide and the regulatory requirements referenced herein should be read in their entirety to gain a complete and thorough understanding of the specific requirements and due dates applicable to DHHR grant agreements.

While the DHHR developed this Guide to assist Grantees in complying with the audit and related accountability requirements associated with DHHR grant awards, Grantees should understand that many of these requirements are consequently technical in nature. Therefore, it is also recommended that Grantees provide a copy of this Guide and related grant agreement(s) to their financial staff, board of directors and, as applicable, the Grantee's external (independent) auditors.

It should be noted, the audit and accountability requirements included within this Guide neither limit the authority of any Federal, State or other regulatory agency to conduct or arrange for additional audits, evaluations or monitoring reviews, nor do these requirements relieve said agencies from carrying out any of their administrative responsibilities.

### 110. Contact Information for Submission and Questions

The Office of Internal Control and Policy Development, Division of Compliance and Monitoring prepared this Guide under the authority and direction of the DHHR Chief Financial Officer. As such, Grantees shall submit all audits, reports and supporting information and documentation, whether directly stated or implicitly referenced within this Guide, to the following physical or email address:

West Virginia Department of Health and Human Resources  
Office of Internal Control and Policy Development  
Division of Compliance and Monitoring  
One Davis Square, Suite 401  
Charleston, West Virginia 25301  
Email: [DHHRFinanceDCAM@wv.gov](mailto:DHHRFinanceDCAM@wv.gov)

Questions pertaining to the audit and related accountability requirements applicable to recipients of DHHR grant awards and as referenced within Exhibit F of the DHHR grant agreement may be directed to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at 304-558-9919, via fax at 304-558-2269 or by email at [DHHRFinanceDCAM@wv.gov](mailto:DHHRFinanceDCAM@wv.gov).

#### 115. Sources of Information and Regulatory Requirements

The DHHR initially developed this Guide with consideration of various authoritative documents and reference materials intended to incorporate the latest rules, regulations and guidance promulgated by the following entities:

- A. United States Office of Management and Budget
- B. United States Government Accountability Office
- C. American Institute of Certified Public Accountants
- D. West Virginia State Legislature
- E. West Virginia Department of Administration
- F. West Virginia Secretary of State
- G. President's Council on Integrity and Efficiency
- H. Financial Accounting Standards Board
- I. Government Accounting Standards Board
- J. National Archives and Records Administration
- K. Mid-America Intergovernmental Audit Forum
- L. National Intergovernmental Audit Forum
- M. West Virginia Board of Accountancy

#### 120. Website

The DHHR developed a website to provide its Grantees with one location by which to access the various rules, regulations, authoritative literature, certification forms, etc. that are referenced throughout this Guide. Grantees may access this information by going to <http://www.wvdhhr.org/oamr/GranteeAuditComplianceGuide> and then clicking the applicable links.

## 125. Penalties for Noncompliance

In cases of a Grantee's continued inability or unwillingness to comply with the audit, disclosure and accountability requirements referenced within this Guide, the DHHR shall take appropriate action against the Grantee via one or more of the following sanctioning measures:

- A. Temporarily withhold cash payments pending correction of the deficiency by the grantee
- B. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance
- C. Wholly or partly suspend or terminate the grant award
- D. Debar the Grantee from receiving future grants
- E. Designate the Grantee as a "high-risk" organization, initiating a more aggressive monitoring approach, and/or imposing special grant terms and conditions
- F. Take other remedies that may be legally available

## 130. Types of Requirements Referenced in this Guide

There are three separate reporting requirements referenced within this Guide. While discussed in detail in subsequent sections of this Guide, a brief description of each of these three requirements is described immediately below.

- A. Title 2, Part 200, Subpart F of the Code of Federal Regulations (2 CFR 200 Subpart F). 2 CFR 200 Subpart F was issued pursuant to the Single Audit Act Amendments of 1996 (31 U.S.C. §§ 7501-7507). It sets forth standards for obtaining consistency and uniformity for the audit of non-Federal entities (e.g., States, local governments, non-profit organizations) expending Federal awards. [Section 200 of this Guide discusses this requirement in detail]
- B. Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) form. The DHHR developed the GACFED form to track a Grantee's total Federal award expenditures and to ensure that its Grantees comply with the Federal audit requirements of 2 CFR 200 Subpart F. The GACFED form provides the DHHR with specific information related to a Grantee's Federal award activity in advance of the audit due date. [Section 300 of this Guide discusses this requirement in detail]
- C. West Virginia Code §12-4-14. West Virginia Code Chapter 12, Article 4, Section 14 sets forth grant-related accountability requirements enacted by the West Virginia Legislature. [Section 400 of this Guide discusses this requirement in detail]

## 135. Source of Funds and Relationship to other Grant Awards

The relevant audit and accountability requirements expressed within this Guide and applicable to DHHR Grantees are generally contingent upon the collective award amounts and related requirements attached to the original funding source. Therefore, it is imperative that both Grantees and their external auditors know the original source of grant funds in order to properly procure, plan and perform an audit or other attestation service and to meet the applicable reporting requirements referenced within this Guide. In addition to the DHHR grant agreement and the funds awarded therein, Grantees should review all other individual award documents, regardless of grantor, when determining the most efficient and effective means to meet the collective submission requirements.

Please note that the Source of Funds Schedule, attached to the DHHR grant agreement as Exhibit B, identifies the source (origin) of funds to be used as payment for the term of the DHHR grant. Federal funding retains its identity even when it is sub-granted (passed-through) to other organizations; hence, Federal funds are identified in the Source of Funds Schedule within the DHHR grant agreement by the applicable Catalog of Federal Domestic Assistance (CFDA) number(s) and the appropriated Federal revenue fund account number(s). State funds are identified by the specific appropriated general revenue fund and/or appropriated/non-appropriated special revenue fund account number(s).

#### 140. Audit and Report Costs

A reasonably proportionate share of the costs of audits required by and performed in accordance with 2 CFR 200 Subpart F are allowable charges to Federal awards.

When Federal awards expended are less than \$750,000 during a Grantee's fiscal year, 2 CFR 200 prohibits the Grantee from charging any audit costs to Federal awards, including the costs for audit reports prepared as a result of WV Code §12-4-14 requirements. However, the costs associated with audits, attestations or other related services performed in accordance with WV Code §12-4-14 are allowable charges to State grant awards. Furthermore, the costs of a financial statement audit of a Grantee that does not currently have a Federal award may be included in the indirect cost pool for a cost allocation plan or indirect cost proposal.

SECTION 200  
FEDERAL AUDIT REQUIREMENT  
TITLE 2, PART 200, SUBPART F OF THE CODE OF FEDERAL REGULATIONS (2 CFR 200 SUBPART F)

200. Federal Audit Requirement

Grantees that expend \$750,000 or more in Federal awards (from all sources) during their fiscal year shall have an audit conducted for that year in accordance with the provisions of 2 CFR 200 Subpart F, *Audit Requirements*. Grantees must comply with all provisions, reporting and disclosure requirements as set forth in 2 CFR 200 Subpart F.

205. Definition of Federal Award

For purposes of this Guide, Federal award is briefly defined to mean Federal financial assistance and Federal cost-reimbursement contracts that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity. The assistance may be in the form of grants, loans, loan guaranties, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. However, Federal awards do not include procurement contracts, under grants or contracts, used to buy goods or services from vendors. Additionally, Medicare and Medicaid payments to a non-Federal entity for providing patient care services to Medicare and Medicaid eligible individuals are not considered Federal awards for purposes of 2 CFR 200 Subpart F.

210. Cumulative Federal Award Activity

The \$750,000 threshold in 2 CFR 200 Subpart F relates to the Grantee's total Federal award activity from all funding sources, including funds awarded directly by the Federal government; Federal funds sub-awarded by the DHHR, as a pass-through agency of Federal awards; and Federal funds sub-awarded by other pass-through entities. Grantees are encouraged to review the full definition of "Federal award", Federal financial assistance, pass-through entity, grant agreement and other related terms within 2 CFR 200 Subpart A (Acronyms and Definitions), as well as the basis for determining Federal awards expended in 2 CFR 200.502 and the subrecipient versus contractor determinations in 2 CFR 200.330.

It is important for Grantees to remember that many DHHR grants are pass-through grants of Federal funds and are therefore considered Federal awards for audit purposes. As stated in Section 135 of this Guide, the Source of Funds Schedule, attached to the DHHR grant agreement as Exhibit B, identifies the source (origin) of funds (Federal or State) to be used as payment for the term of the grant.



## 215. Exemptions from Federal Audit Requirements

Grantees that expend less than \$750,000 in Federal awards within their fiscal year are exempt from 2 CFR 200 Subpart F audit requirements for that year, but records must be made available for review or audit by appropriate officials of any Federal, State or regulatory agency. Please note that Grantees expending less than \$750,000 a year in Federal awards are still bound by the certification/disclosure requirements and State accountability requirements referenced in Exhibit F of the DHHR grant agreement and described in subsequent sections of this Guide.

## 220. Text of 2 CFR 200 Subpart F

Grantees should review 2 CFR 200 Subpart F in its entirety to gain a complete and thorough understanding of the provisions contained therein (e.g. definitions, basis for determining Federal awards expended, auditee responsibilities, scope of audit, etc.). A copy of 2 CFR 200 Subpart F is available on the DHHR website referenced in Section 120 of this Guide or by going to [www.grants.gov](http://www.grants.gov) under Grant Policies, and then clicking OMB Uniform Guidance (2014) on the left hand side of the webpage. Additionally, the information found within the [www.grants.gov](http://www.grants.gov) website can serve as a helpful learning tool for all grantees.

## 225. Reporting Package

The reporting package for an audit performed in accordance with 2 CFR 200 Subpart F may be in the form of either combined or separate reports and may be organized differently from the manner presented herein. Nonetheless, when preparing an audit in accordance with 2 CFR 200 Subpart F, the auditee (Grantee) is responsible for preparing certain reports and schedules, as is the auditor.

Generally, the **Grantee is responsible for the following components** when submitting a 2 CFR 200 Subpart F audit to the DHHR:

- A. Financial statements (and related notes to the financial statements) that reflect the Grantee's financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited in accordance with **Section §200.510(a) of Subpart F**.
- B. A schedule of expenditures of Federal awards for the period covered by the Grantee's financial statements. In accordance with **Section §200.510(b) of Subpart F**, at a minimum, the schedule of expenditures of Federal awards shall include:
  1. A list individual Federal programs by Federal agency

2. Include the name of the pass-through entity and identifying number assigned by the pass-through entity for Federal awards received as a subrecipient.
  3. Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available
  4. Include the total amount provided to subrecipients from each Federal program
  5. If applicable, identify in the notes to the schedule, the balances outstanding and the total Federal awards expended at the end of the audit period for all loans and loan guarantee programs.
  6. Include notes that describe the significant accounting policies used in preparing the schedule and note whether or not the Grantee elected to use the 10% de minimis cost rate as covered in 2 CFR 200.414 (Indirect (F&A) costs).
- C. A corrective action plan to address each finding included in the current year auditor's reports. In accordance with **Section §200.511(c) of Subpart F**, the corrective action plan shall provide, at a minimum:
1. The name(s) of the contact person(s) responsible for corrective action
  2. The corrective action planned
  3. The anticipated completion date

If the Grantee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan shall include an explanation and specific reasons. The DHHR will notify a Grantee in the event that further information or documentation is necessary for resolution of audit findings or related issues.

- D. A summary schedule of prior audit findings to report the status of all audit findings included in the prior year's audit. In accordance with **Section §200.511(b) of Subpart F**, if there were no prior-year findings, the schedule should simply state so. If there were prior-year findings, the schedule must include the following information:
1. The reference numbers the external auditor assigned to the findings (i.e., 2019-001, 2019-002, etc.)
  2. The status of each finding:
    - a. If findings are fully corrected, the summary schedule need only list the finding and state that corrective action was taken.
    - b. If findings are not corrected or are only partially corrected, the summary schedule shall describe the reasons for the finding's recurrence and planned corrective action, as well as any partial corrective action taken.

- c. If the corrective action taken is significantly different from the corrective action previously reported in a corrective action plan or in management's response to DHHR on how the issue will be resolved, the summary schedule shall provide an explanation.
  - d. If the Grantee believes a finding is no longer valid or does not warrant further action, the reasons for this position shall be described in the summary schedule.
- E. Supplementary schedules required by grantor agencies: Additional/supplementary schedules may be required by a Federal or State awarding agency or be an allowable and cost-effective means to meet alternative audit or reporting requirements. The Grantee should review the terms and conditions of their grant agreements for situations where they are required or permitted to prepare and include additional supplemental schedules within the audit. For example, and as further delineated within Section 435(C) of this Guide, the Grantee may choose to submit a supplemental schedule and related auditor's opinion within their 2 CFR 200 Subpart F audit as an alternative to procuring and submitting an attestation report (agreed-upon procedures or examination engagement) to satisfy the accountability requirements of WV Code §12-4-14.
- F. Grantee response to management letter: If the auditor issues a management letter with the audit, or if the auditor's reports on compliance or internal control refer to a separate management letter, the Grantee must submit a copy of said letter as part of the overall audit report package and include a response to the matters noted in the letter. The response should include a description of any organizational changes that have been implemented as a result of the comments or recommendations noted within the management letter or state the reason the Grantee has decided not to take action.

The following components of a 2 CFR 200 Subpart F audit are the **responsibility of the independent auditor**:

- G. Opinion on financial statements and schedule of expenditures of Federal awards: An audit performed in accordance with 2 CFR 200 Subpart F contains an external auditor's opinion (or disclaimer of opinion) as to whether the financial statements are presented fairly in all material respects in accordance with Generally Accepted Accounting Principles and an opinion (or disclaimer of opinion) as to whether the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.
- H. Report on internal control over financial reporting and compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, noncompliance with which could have a material effect on the financial statements: This report must describe the scope of testing of internal control and compliance and the results of the tests, and, where

applicable, it will refer to the separate schedule of findings and questioned costs described below.

- I. Report on compliance for each major program and report on internal control over compliance: This report must describe the scope of testing of internal control over compliance, include an opinion or modified opinion as to whether the auditee complied with Federal statutes, regulations, and the terms and conditions of Federal awards which could have a direct and material effect on each major program and refer to the separate schedule of findings and questioned costs described below.
- J. Schedule of findings and questioned costs: This schedule must include a summary of the auditor's results; findings relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards; and findings and questioned costs for Federal awards.
- K. Opinion on Supplementary Schedules Required by Grantor Agencies: If the Grantee is required or selects to submit supplementary schedules or information within the audit, the auditor may be engaged to provide an opinion on those schedules. For example, if the Grantee elects to submit a supplementary schedule in a 2 CFR 200 Subpart F audit in lieu of a separate report required by WV Code §12-4-14, the external auditor's additional opinion should state, "the Schedule of State Grant Receipts and Expenditures is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole."
- L. Management Letter: A management letter is not a required component of a 2 CFR 200 Subpart F audit but is nevertheless sometimes issued by an auditor. A management letter is sometimes referred to as a "letter of recommendation" and contains the auditor's conclusions regarding the Grantee's accounting policies and procedures, internal controls, and operating policies. The management letter may identify additional problem areas not considered material enough to include as a finding within the auditor's reports and may cite recommendations for improvement.

### 230. Submission Deadline – 2 CFR 200 Subpart F Audit

The audit and related reporting package described above shall be submitted to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at the address or email referenced in Section 110 of this Guide within the earlier of 30 days after receipt of the auditor's report(s) or nine months after the Grantee's fiscal year end. **Please note that failure to have an audit performed and submitted within this timeframe will be considered as noncompliance on the part of the Grantee.**

235. Federal Audit Clearinghouse

In accordance with **2 CFR 200.512(d)**, the Grantee must electronically submit to the Federal Audit Clearinghouse the data collection form and the reporting package described in 2 CFR 200.512(b) and 2 CFR 200.512(c), respectively.

240. Extensions and Waivers – 2 CFR 200 Subpart F

The DHHR, as a pass-through agency of Federal awards, does not have the authority to provide extensions to the timeframe for submission of an audit conducted in accordance with the requirements of 2 CFR 200 Subpart F, nor does it have the authority to waive any of the requirements referenced therein.

245. Audit Quality

The audits and audit-related services referenced herein must be performed in accordance with professional auditing standards. The Grantee, the external auditor and the DHHR all have a role in ensuring audit quality.

Grantee Responsibilities: Grantees should follow acceptable procurement practices when procuring audit services, just as they would when procuring other goods and services. When evaluating auditors' proposals, the Grantee should make a concerted effort to confirm that the auditor has the necessary qualifications to perform the audit. For example, the Grantee could review the West Virginia Board of Accountancy's website at <https://www.boa.wv.gov/> to confirm that the auditor is licensed as a Certified Public Accountant, or request that the auditor provide a copy of their most recent external quality control review report (peer review report). There are also websites where a Grantee can review guidance on how to procure an audit and how to avoid a substandard audit. It is also recommended that Grantees review the desk review checklist referenced in Section 250 below to ensure compliance with all the professional reporting standards and elements of a 2 CFR 200 Subpart F audit.

Auditor Responsibilities: Auditors should not take an engagement to perform an audit unless they have the training and experience to perform the audit in accordance with the applicable auditing standards. These standards include Generally Accepted Auditing Standards established by the American Institute of Certified Public Accountants and Government Auditing Standards. It is also recommended that independent auditors utilize the desk review checklist referenced below to ensure compliance with all the professional reporting standards and elements of a 2 CFR 200 Subpart F audit.

DHHR Responsibilities: The DHHR ensures audit quality by reviewing the audit report to determine whether those reports and schedules meet applicable standards and by following up with the Grantee and auditor if the audit does not meet those standards.

250. Desk Review Checklist for 2 CFR 200 Subpart F Audit

The checklist utilized by the DHHR for desk reviews was originally adapted from the Uniform Guide for Initial Review of OMB Circular A-133 Audit Reports developed by the United States President's Council on Integrity and Efficiency, now called the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Subsequent to its desk review, the DHHR will refer any problems or discrepancies noted with the audit to the Grantee for corrective action. This checklist may be reviewed via the DHHR website referenced in Section 120 of this Guide.

SECTION 300  
DISCLOSURE REQUIREMENT  
GRANTEE AUDIT CERTIFICATION AND FEDERAL EXPENDITURE DISCLOSURE (GACFED) FORM

300. Background and Purpose

In order to more effectively monitor and ensure each Grantee's awareness and adherence to the Federal audit requirements of 2 CFR 200 Subpart F, the DHHR created a Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) form. Prior to the development of the GACFED form the DHHR could identify those Grantees to which it awarded \$750,000 or more in Federal funds or that had audits conducted in prior years; however, it could not precisely identify Grantees that received Federal awards from sources external to the DHHR. As a result, the GACFED form was designed to provide the DHHR with a Grantee's total Federal award activity in advance of the single audit due date and to aid in determining the level of additional monitoring that may be necessary in relation to the grant award.

305. Copy of GACFED Form

A copy of the GACFED form is included as **[Attachment B]** to this Guide and an electronic version is available via the DHHR website referenced in Section 120 of this Guide.

310. Instructions for Completion of the GACFED Form

- A. **Section A:** Section A of the GACFED form must contain the entire name of the Grantee and the Grantee's fiscal year end (to include month, day and applicable year of reporting).
- B. **Section B:** The appropriate check box in Section B (Federal Expenditure Disclosure) of the form must be clearly marked to identify, for the applicable fiscal year, whether the Grantee is over or under the \$750,000 Federal expenditure threshold requiring the submission of an audit in accordance with 2 CFR 200 Subpart F. If a Grantee received only State Awards during the fiscal year in question, the appropriate box should be checked. **Only one check box should be marked in Section B of the GACFED form.** As referenced in Section 135 of this Guide, please review Exhibit B (Source of Funds) of the DHHR grant agreement for the fiscal year in question to determine the type of funding, Federal or State, attributable to the Grant.
- C. **Section C:** Section C (List of Federal Awards and Expenditures) of the form must be completed only if the Grantee is under the \$750,000 Federal expenditure threshold, and must list all Federal funds received by the Grantee directly from Federal awarding agencies and indirectly (i.e., passed through) from the DHHR or other entities during the applicable fiscal year. It is

not necessary to complete Section C of the GACFED form if the Grantee has exceeded the \$750,000 threshold (as marked in Section B) because those awards will be referenced within the Schedule of Expenditures of Federal Awards included within the finalized 2 CFR 200 Subpart F audit reporting package. Obviously, a Grantee receiving only State funding is also not required to complete Section C of the form.

D. **Section D:** The GACFED form must be signed and dated in Section D of the form by an individual at a level no lower than executive director or chief financial officer.

### 315. Multiple Grants and Overlapping Fiscal Years

Grantees that receive one or more DHHR grant awards and related grant agreements are only required to submit one GACFED form per each fiscal year in which they receive funding. However, if the Grantee receives funds under a DHHR grant agreement that overlaps two or more of their consecutive fiscal years, the Grantee will need to submit one GACFED form for *each* of the Grantee's fiscal years in which they receive funding. For example, if the grant period begins July 1, 2020 and ends June 30, 2021, a Grantee with a fiscal year end of December 31<sup>st</sup> will need to submit two GACFED forms, one for their fiscal year ended December 31, 2020 (to cover the first six months of the grant period) and another for December 31, 2021 (to cover the second six months of the grant period).

### 320. Submission Deadline – GACFED Form

The Grantee shall submit the GACFED form to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at the physical address, email address or fax number referenced in Section 110 of this Guide within 60 days after the end of the Grantee's fiscal year. Questions regarding completion of the GACFED form shall be directed to the physical address, telephone or facsimile number, or email address referenced therein. **Please note that failure to submit the completed GACFED form within this timeframe will be considered noncompliance on the part of the Grantee.**

### 325. Extensions and Waivers – GACFED Form

As stated above in Section 300, the DHHR created the GACFED form in order to more effectively monitor and ensure each Grantee's awareness and adherence to the Federal audit requirements of 2 CFR 200 Subpart F. As such, the DHHR has the authority and sole discretion to grant extensions to the timeframe for submission of the GACFED form, but can do so only under extenuating and mitigating circumstances. The DHHR also has the option to waive the requirement for submission of a GACFED form, but will do so only in particular cases and upon internally verifying and documenting that the Grantee did not receive any Federal funds under



DHHR grants for the fiscal year in question or by verifying that the Grantee has already arranged for audit services. The Grantee's prior history of cooperation and compliance with DHHR reporting requirements, or lack thereof, will be a qualifying factor for the DHHR when determining whether to extend or waive the GACFED requirement.

SECTION 400  
STATE ACCOUNTABILITY REQUIREMENT  
WEST VIRGINIA CODE – CHAPTER 12 ARTICLE 4 SECTION 14

400. State Accountability Requirement

West Virginia Code §12-4-14, *Accountability of persons receiving state funds or grants; sworn statements by volunteer fire departments; criminal penalties*, requires any person, corporation, partnership, association, individual or other legal entity that receives one or more State grants (from any State spending unit) in the amount of \$50,000 or more in the aggregate in a State’s fiscal year to file with the grantor(s) a report of the disbursement of the State grant funds. Conversely, persons or organizations receiving less than \$50,000 in the aggregate must submit a Sworn Statement of Grant Receipts and Expenditures made under the grant(s).

405. Definition of State Grant

For purposes of West Virginia Code §12-4-14, the term "State grant" does not include Federal pass-through funds that are subject to the Federal audit requirements of 2 CFR 200 Subpart F. Please see West Virginia Code §12-4-14 for a complete definition of “State grant” and, as referenced in Section 135 of this Guide, refer to Exhibit B of your DHHR grant agreement(s) for the source of funds associated with the grant(s).

410. Basis for State Accountability Requirements

Grantees should note that the State accountability requirements of West Virginia Code §12-4-14 and the applicable dollar thresholds are based on the *receipt* of State grant funds, whereas with Federal audit requirements, the threshold is based on the *expenditure* of grant funds. Therefore, any Grantee that receives State grant funds totaling \$50,000 or more is required to submit a “report” in accordance with West Virginia Code §12-4-14, whether or not the funds expended reached the \$50,000 threshold. Alternately, any Grantee who receives one or more State grants in an aggregate amount of less than \$50,000, must file a Sworn Statement of Grant Receipts and Expenditures, regardless of whether or not any State funds were expended.

It should also be noted that the State accountability requirements and applicable dollar thresholds are based on the funds received during a *State* fiscal year (July 1 through June 30), whereas with Federal audit requirements, the threshold is based on the *Grantee’s* fiscal year.

415. Exempt Entities

In accordance with West Virginia Code §18B-5-9, state institutions of higher education, and the research corporation of each, are exempt from the provisions of West Virginia Code §12-4-14.

420. Text of West Virginia Code §12-4-14

Grantees should review West Virginia Code §12-4-14 in its entirety to gain a complete and thorough understanding of the provisions contained therein (e.g. definitions, reporting requirements, timeframes for submission, penalties for noncompliance, etc.). West Virginia Code §12-4-14 is available through the West Virginia Legislature’s website at [www.legis.state.wv.us](http://www.legis.state.wv.us). Grantees may also utilize the DHHR website referenced in Section 120 of this Guide to access the complete text of West Virginia Code §12-4-14.

**Please note West Virginia Code §12-4-14 was amended by two bills which were passed during the 2019 Regular Session of the Legislature. While there were a couple minor changes made within the code, the most important was related to the removal of the definition of a “person” which previously exempted state spending units and local governments from the reporting requirements. The amendment to the code replaced the definition of “person” with “grantee” and defined it as any entity receiving a state grant, including a state spending unit, local government, corporation, partnership, association, individual, or other legal entity. This is a significant change for spending units and local governments in that they must now comply with all the aspects of WV Code §12-4-14.**

425. Code of State Rules §148-18

On March 8, 2007, the West Virginia Legislature passed Title 148, Legislative Rule, Series 18, *Accountability Requirements for State Funds and Grants* (for filing with the Secretary of State and publication in the Code of State Rules). Title 148, Series 18 of the Code of State Rules (CSR §148-18) was prepared by the Department of Administration under authority of West Virginia Code §12-4-14 and establishes standards and procedures for recipients of State funds and grants to account for the manner in which those funds are spent. The West Virginia Legislature passed CSR §148-18 with an effective date of May 1, 2007. Therefore, it does not account for the above mentioned changes to the definitions within WV Code §12-4-14 in 2019.

Grantees should review CSR §148-18 in its entirety to gain a complete and thorough understanding of the provisions contained therein (e.g. definitions, reporting requirements, timeframes for submission, penalties for noncompliance, etc.). CSR §148-18 is available through the Secretary of State’s website at <https://apps.sos.wv.gov/adlaw/csr/> or by utilizing the link provided via the DHHR website referenced in Section 120 of this Guide.

430. Reporting Requirement – Cumulative State Grant(s) of Less than \$50,000

*Any Grantee who receives one or more State grants in an aggregate amount of less than \$50,000 ... shall file with each grantor a Sworn Statement of Grant Receipts and Expenditures, notarized by a notary public in good standing with the Secretary of State, for all applicable State grants. (CSR §148-18-5)*

A. SWORN STATEMENT OF GRANT RECEIPTS AND EXPENDITURES

1. To ensure completeness and consistency, the DHHR developed a standardized Sworn Statement of Grant Receipts and Expenditures form, which shall be the mandatory format (layout) for all such submissions to the DHHR. All fields within the Sworn Statement of Grant Receipts and Expenditures form must be completed to ensure that the submission meets the required disclosure requirements referenced in CSR §148-18-5.3.
2. A copy of the Sworn Statement of Grant Receipts and Expenditures form is included as **[Attachment C]** to this Guide and an electronic version is available via the DHHR website referenced in Section 120.
3. Instructions for completion of the Sworn Statement of Grant Receipts and Expenditures form is included as **[Attachment D]** to this Guide or may be accessed via the DHHR website referenced in Section 120.

435. Reporting Requirement – State Grants Totaling \$50,000 or More

*Any Grantee who receives one or more State grants totaling \$50,000 or more in the aggregate in a State fiscal year (July 1 through June 30) shall file with the grantor a report of how the State grant funds were disbursed. (CSR §148-18-3)*

Grantees may satisfy the “report” requirements of West Virginia Code §12-4-14 through one of the following submission alternatives:

A. AGREED-UPON PROCEDURES ENGAGEMENT

*“Agreed-upon procedures engagement” means an agreement between a grantee and an independent certified public accountant to prepare a report required under this section, where the grantor who awarded the state grant(s) is required to agree to the procedures performed in addition to the grantee and the independent certified public accountant performing such engagement. (CSR §148-18-2.1)*

1. If the Grantee chooses an agreed-upon procedures engagement to satisfy the accountability requirements of West Virginia Code §12-4-14, the engagement must be performed by an independent CPA and related report(s) prepared in accordance with Compliance Attestation Standards established by the AICPA's Statements on Standards for Attestation Engagements.
2. As a grantor and specified user of an agreed-procedures report prepared in accordance with West Virginia Code §12-4-14 and CSR §148-18, the DHHR must agree to the procedures performed or to be performed and must take responsibility for the sufficiency of the agreed-upon procedures. Additionally, Compliance Attestation Standards require the CPA to obtain affirmative acknowledgment from each of the specified users regarding the procedures performed or to be performed.
3. In an attempt to maintain consistency and uniformity among its grant environment, the DHHR has developed supplemental compliance procedures for use by DHHR Grantees and independent CPAs when arranging for an agreed-upon procedures engagement under West Virginia Code §12-4-14 and CSR §148-18. The supplemental compliance procedures are affixed to this Guide as **[Attachment E]** and shall serve as affirmative acknowledgment by the DHHR of the procedures to be performed for the agreed-upon procedures engagement; anything less shall be considered insufficient for compliance with this reporting option under West Virginia Code §12-4-14.
4. The DHHR's supplemental compliance procedures were developed for, and intended to be applicable to, DHHR grant awards only and should be read in conjunction with West Virginia Code §12-4-14, CSR §148-18 and the related grant documents (e.g. grant agreement, statements of work, budgets, change orders, program directives, regulations, etc.).

## B. EXAMINATION ENGAGEMENT

*“Examination engagement” means an agreement between a grantee and an independent certified public accountant to prepare a report required under this section, where the independent certified public accountant makes all judgments on the extent of testing necessary in order for said independent certified public accountant to render his or her opinion as to whether the state grants were spent as intended. (CSR §148-18-2.2)*

1. If the Grantee chooses an examination engagement to satisfy the accountability requirements of West Virginia Code §12-4-14, the engagement must be performed by an independent CPA and related report(s) prepared in accordance with Compliance

Attestation Standards established by the AICPA's Statements on Standards for Attestation Engagements.

2. Whereas the specified users (grantor and Grantee) must agree to the procedures performed or to be performed under an agreed-upon procedures engagement, an examination engagement differs in that the independent CPA makes all judgments on the extent of testing necessary in order to render his or her opinion as to whether the State grants were spent as intended.
3. Regarding compliance attestation engagements, before determining how to best satisfy the accountability requirements of West Virginia Code §12-4-14, it is strongly recommended that Grantees discuss with their independent CPAs the costs and variable differences between arranging for an examination engagement versus an agreed-upon procedures engagement.

C. AUDIT REPORT IN LIEU OF REQUIRED 12-4-14 "REPORT"

*In lieu of the required report, the grantee may submit an audit performed by an independent CPA that complies with 2 CFR 200 Subpart F [formerly OMB Circular A-133] which includes a schedule of state grant receipts and expenditures and a related auditor's opinion on whether the schedule is fairly stated in relation to the financial statements taken as a whole. (CSR §148-18-4.1)*

*In lieu of the required report, the grantee may submit a financial audit, performed by an independent CPA, which complies with Government Auditing Standards issued by the Comptroller General of the United States if the audit includes a schedule of state grant receipts and expenditures and a related auditor's opinion on whether the schedule is fairly stated in relation to the financial statements taken as a whole. (CSR §148-18-4.2)*

1. As an alternative to submitting an agreed-upon procedures or examination report, West Virginia Code §12-4-14 and CSR §148-18 permit the Grantee to submit a financial audit that complies with 2 CFR 200 Subpart F and/or Government Auditing Standards (often referred to as a Yellow Book audit), if the audit includes:
  - a. A Schedule of State Grant Receipts and Expenditures, and
  - b. A related auditor's opinion on whether the schedule is fairly stated in relation to the financial statements taken as a whole.

2. This should be an efficient option available to the Grantee in those cases where the Grantee is already subject to an audit because of other conditions (e.g. Federal audit requirements, programmatic directives, mandated by the Grantee’s Board of Directors, as a condition for receipt of a loan or line-of-credit, etc.).
3. In addition to the supplemental schedule and auditor’s opinion referenced in Section 435(C)(1) above, Grantees choosing to submit an audit report in lieu of the required reports must also submit a Sworn Statement of Grant Receipts and Expenditures, as further described in CSR §148-18-5.1. The Sworn Statement of Grant Receipts and Expenditures form and related instructions are referenced in Section 430 of this Guide.

Alternatively, a Grantee may choose to prepare a fully completed Sworn Statement of Grant Receipts and Expenditures for each State grant and have their auditors prepare an opinion on that statement. With the inclusion of the Sworn Statement of Grant Receipts and Expenditures and related auditor’s opinion within the audit, the Grantee will be able to meet the requirements of West Virginia Code §12-4-14 and CSR §148-18 with one singular submission.

#### 440. Submission Deadline – WV Code §12-4-14

As required per CSR §148-18-3.6, Grantees must submit required reports and Sworn Statements of Grant Receipts and Expenditures within two years after the end of the fiscal year in which the grantor (DHHR) disbursed the State grants to the Grantee. If the Grantee’s fiscal year end differs from the State’s fiscal year end (June 30), the Grantee must file required reports and sworn statements within two years after the end of the Grantee’s fiscal year following the State fiscal year in which the funds were disbursed.

The DHHR realizes that these due dates are confusing and has therefore developed a spreadsheet to assist Grantees in determining the due dates for submission of required “reports” and Sworn Statements of Grant Receipts and Expenditures based on various grant periods and fiscal year ends. The spreadsheet for the due dates applicable to West Virginia Code §12-4-14 is included as **[Attachment F]** to this Guide or may be accessed via the DHHR website referenced in Section 120.

#### 445. Extensions and Waivers

West Virginia Code §12-4-14 is a long-established law and in its current decree prescribes specific requirements upon grantors as well as Grantees. As such, the DHHR, as a State grantor agency, does not have the authority to provide extensions to the timeframe for submission of an audit or “report” conducted in accordance with the requirements of West Virginia Code §12-4-14, nor does it have the authority to waive any of the requirements referenced therein.

450. Penalties for Noncompliance with State Accountability Requirements

*Any Grantee failing to file a required report or sworn statement of expenditures for State grants disbursed after July 1, 2003, within the required time is barred from subsequently receiving further State grants until the Grantee complies with its reporting responsibilities and is otherwise in compliance with the provisions of the rule. (CSR §148-18-6.1)*

*A Grantee's failure to satisfy its reporting responsibilities under West Virginia Code §12-4-14 with regard to one State grant precludes the Grantee from receiving other State grants, from either the same State spending unit or from a different one. (CSR §148-18-6.5)*

455. Grantor (DHHR) Responsibility to Transmit Reports to Legislative Auditor

*If any report or sworn statement of expenditures submitted pursuant to this section provides evidence of a reportable condition, significant deficiency, or violation, including deficiencies in internal controls; illegal acts; violation of a provision of a contract or grant agreement; errors; abuse; or any other contingency or matter that could negatively affect or have a negative result on administration of the state grant or related program, the grantor shall provide a copy of the report or sworn statement of expenditures to the Legislative Auditor within thirty days of receipt. (CSR §148-18-6.5)*



**SECTION 500**  
**SUMMARY OF FEDERAL AUDIT, DISCLOSURE, AND STATE ACCOUNTABILITY REQUIREMENTS**  
**(2 CFR 200 Subpart F & WV Code 12-4-14)**

500. Summary of Required Submissions

Except for submission of the Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) form referenced in Section 300 of this Guide, which is due 60 days after the Grantee’s fiscal year end and required for all Grantees receiving funds under DHHR grants, the following table summarizes the audit and accountability requirements applicable to a Grantee based on their cumulative Federal and State awards:

- A** - Agreed-upon procedures engagement (to include each State grant)
- B** - Examination engagement (to include each State grant)
- C** - Single audit that complies with 2 CFR 200 Subpart F
- D** - Financial audit that complies with Government Auditing Standards (Yellow Book)
- E** - Schedule of State grant receipts and expenditures incorporated within the audit
- F** - Auditor’s opinion on whether the schedule of State grant receipts and expenditures is fairly stated in relation to the financial statements taken as a whole
- G** - Sworn Statement of Grant Receipts and Expenditures (for each State grant)
- H** - None Required

FEDERAL AWARD EXPENDITURES (FROM ALL SOURCES)	STATE GRANT AWARDS (FROM ALL SOURCES)	REQUIRED SUBMISSION
\$750,000 or greater	\$50,000 or greater	<b>A and C</b> -or- <b>B and C</b> -or- <b>C and E and F and G</b>
\$750,000 or greater	Between \$1 and \$49,999	<b>C and G</b>
\$750,000 or greater	\$0	<b>C</b>
Less than \$750,000	\$50,000 or greater	<b>A</b> -or- <b>B</b> -or- <b>D and E and F and G</b>
Less than \$750,000	Between \$1 and \$49,999	<b>G</b>
Less than \$750,000	\$0	<b>H</b>

505. Summary of Due Dates

Additionally, the following table summarizes the due dates applicable to the required submissions referenced above:

REFERENCE LETTER (from above)	SUBMISSION REQUIREMENT OR RELATED ALTERNATIVE	DUE DATE
<b>All recipients of grant funds from the DHHR must submit a Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) Form within 60 days after the end of the Grantee’s fiscal year.</b>		
<b>A</b>	Agreed-upon procedures engagement (to include each State grant)	Within two years after the end of the fiscal year in which the grantor (DHHR) disbursed the State grants to the Grantee. If the Grantee’s fiscal year end differs from the State’s fiscal year end (June 30), the Grantee must file required reports and sworn statements within two years after the end of the Grantee’s fiscal year following the State fiscal year in which the funds were disbursed
<b>B</b>	Examination engagement (to include each State grant)	
<b>C</b>	Single audit that complies with 2 CFR 200 Subpart F	Within the earlier of 30 days after the Grantee’s receipt of the auditor’s report(s) or nine months after the Grantee’s fiscal year end
<b>D</b>	Financial audit that complies with Government Auditing Standards (Yellow Book)	Within two years after the end of the fiscal year in which the grantor (DHHR) disbursed the State grants to the Grantee. If the Grantee’s fiscal year end differs from the State’s fiscal year end (June 30), the Grantee must file required reports and sworn statements within two years after the end of the Grantee’s fiscal year following the State fiscal year in which the funds were disbursed
<b>E</b>	Schedule of State grant receipts and expenditures incorporated within the audit	
<b>F</b>	Auditor’s opinion on whether the schedule of State grant receipts and expenditures is fairly stated in relation to the financial statements taken as a whole	
<b>G</b>	Sworn Statement of Grant Receipts and Expenditures (for each State grant)	

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**EXHIBIT F**  
**FEDERAL AUDIT REQUIREMENTS – STATE ACCOUNTABILITY REQUIREMENTS**  
**GRANTEE AUDIT CERTIFICATION AND FEDERAL EXPENDITURE DISCLOSURE**

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**F.1. Federal Audit Requirements:** Grantees that expend \$750,000 or more during their fiscal year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR 200 Subpart F (Audit Requirements). The audit must be completed and the reporting package required by 2 CFR 200 Subpart F shall be submitted to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at the address referenced below within the earlier of 30 days after receipt of the auditor's report(s) or nine months after the Grantee's fiscal year end.

**F.2. Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) form:** The DHHR developed a Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) form to track the Grantee's total Federal award expenditures and to ensure that its Grantees comply with the Federal audit requirements of 2 CFR 200 Subpart F. Specifically, the GACFED form provides the DHHR with precise information related to a Grantee's Federal award activity in advance of the single audit due date. The Grantee shall submit the GACFED form to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at the address referenced below within 60 days after the Grantee's fiscal year end.

**F.3. West Virginia Code §12-4-14:** West Virginia Code Chapter 12, Article 4, Section 14 (§12-4-14) sets forth grant-related accountability requirements enacted by the West Virginia Legislature. West Virginia Code §12-4-14 requires any person, corporation, partnership, association, individual or other legal entity that receives one or more State grants in the amount of \$50,000 or more in the aggregate in a State's fiscal year to file with the grantor(s) a "report" of the disbursement of the State grant funds. Grantees must submit the required report(s) referenced in West Virginia Code §12-4-14 to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring within two years after the end of the fiscal year in which the DHHR disbursed the State grants to the Grantee. According to the Code, if the Grantee's fiscal year differs from the State's fiscal year (July 1 through June 30), the Grantee must file required reports within two years after the end of the Grantee's fiscal year following the State fiscal year in which the funds were disbursed.

**F.4. Source of Funds:** The relevant audit and reporting requirements expressed within this Exhibit and applicable to DHHR Grantees are generally contingent upon the collective award amounts and related requirements attached to the original funding source. Therefore, it is imperative that both Grantees and their external auditors know the original source of grant funds in order to properly plan, procure and perform an audit or attestation service or to otherwise meet applicable reporting requirements referenced within this Exhibit. In addition to this grant agreement, Grantees should review all other individual award documents, regardless of grantor, when determining the most efficient and effective means to meet the submission requirements referenced within this grant agreement and possibly attached to other grant awards. Please note that the source of funds schedule, attached to the DHHR grant agreement as Exhibit B, identifies the source (origin) of funds to be used as payment for the term of this grant. Federal funding retains its identity even when

it is sub-granted (passed-through) to other organizations; hence, Federal funds are identified in the source of funds schedule within this grant agreement by the applicable Catalog of Federal Domestic Assistance (CFDA) number(s) and the appropriated Federal revenue fund account number(s). State funds are identified by the specific appropriated general revenue fund and/or appropriated/non-appropriated special revenue fund account number(s).

**F.5. Address for Submission:** Grantees shall submit all audits, reports and supporting information and documentation, whether directly stated or implicitly referenced within this Exhibit, to the following address:

WV Department of Health and Human Resources  
Office of Internal Control and Policy Development  
Division of Compliance and Monitoring  
One Davis Square, Suite 401  
Charleston, WV 25301

Questions pertaining to this Exhibit may be directed to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at 304-558-9919 or via facsimile to 304-558-2269.

**F.6. Penalties for Noncompliance:** In cases of the Grantee's inability or unwillingness to comply with the audit, reporting and disclosure requirements referenced within this Exhibit, the DHHR shall take appropriate action against the Grantee via one or more of the following sanctioning measures: withholding grant funds, suspending grant payments, terminating grant awards, debarring the Grantee from receiving future grants.

**F.7. Grantee Audit Compliance Guide / Internet Links:** The DHHR developed a Grantee Audit Compliance Guide to further describe and to assist its grantees in complying with the audit, reporting and related disclosure requirements applicable to DHHR grant awards. The Grantee Audit Compliance Guide is posted on the Internet and may be accessed by going to <http://www.wvdhhr.org/oamr/GranteeAuditComplianceGuide/Index.html>. In addition to the Grantee Audit Compliance Guide, the DHHR webpage includes a copy of the GACFED form required by Section F.2 of this Exhibit, links to certain regulatory documents such as 2 CFR 200 Subpart F, OMB Circular A-133 and WV Code §12-4-14, and various other forms and tools to ensure compliance with the requirements referenced herein. The Grantee Audit Compliance Guide applies specifically to recipients of grant awards (Grantees) from the DHHR and must be read in its entirety to gain a complete and thorough understanding of the individual audit and reporting requirements applicable to DHHR grant agreements.

# West Virginia Department of Health and Human Resources

## Grantee Audit Certification and Federal Expenditure Disclosure (GACFED)

(Please see "Instructions for Completion of the GACFED Form")

**A. Grantee Name:** \_\_\_\_\_ **Grantee Fiscal Year Ended:** \_\_\_\_\_  
(Month, Day, Year)

**B. Federal Expenditure Disclosure (mark one box only)**

We **have exceeded** the Federal expenditure threshold of \$750,000 using the basis for determining Federal awards expended as described in 2 CFR 200 Subpart F (Audit Requirements), Section 502 (Basis for determining Federal awards expended). We have or will contract with \_\_\_\_\_ (CPA Firm) to complete our single or program specific audit, to be prepared in accordance with the provisions of 2 CFR 200 Subpart F. We will submit the audit report within the earlier of 30 days after receipt of the auditor's report, or nine (9) months after the end of the annual audited period. **(No disclosure necessary in Section C below)**

We **did not exceed** the \$750,000 Federal expenditure threshold required for a single or program specific audit to be conducted this fiscal year. **(Federal awards and expenditures must be disclosed in Section C below)**

We **only received State Funding and therefore did not exceed** the \$750,000 Federal expenditure threshold required for a single or program specific audit to be conducted this fiscal year. **(No disclosure necessary in Section C below)**

*If exempt from (did not exceed) the Federal expenditure threshold detailed within 2 CFR 200 Subpart F, Federal grant awards and expenditures must be disclosed below*

**C. LIST OF FEDERAL AWARDS AND EXPENDITURES BASED ON THE FISCAL YEAR END REFERENCED ABOVE**

	Federal Agency	Pass-Through Grantor (if any)	Program Name and CFDA Number	Grant Number	Grant Revenues	Grant Expenditures
1.						
2.						
3.						

(Attach additional page(s) if necessary)

**D. Note:** This form must be signed by an individual no lower than the executive director or chief financial officer.

Printed Name \_\_\_\_\_ Title \_\_\_\_\_  
 Signature \_\_\_\_\_ Date \_\_\_\_\_ Phone # \_\_\_\_\_

**Submit this form within 60 days after the end of your fiscal year to:**

WV DHHR Office of Internal Control and Policy Development  
 Division of Compliance and Monitoring  
 One Davis Square, Suite 401  
 Charleston, WV 25301  
 Telephone: 304-558-9919 Fax: 304-558-2269

**West Virginia Department of Health & Human Resources**  
**SWORN STATEMENT OF EXPENDITURES**

<b>Grant Number:</b>	<b>Grantee Name:</b>		
<b>Grantee FEIN:</b>	<b>wwOASIS Vendor #:</b>	<b>Contact Name:</b>	
<b>Contact Email Address:</b>		<b>Contact Phone:</b>	
<b>Grantee Mailing Address:</b>			
<b>Total Amount of Grant Award:</b>		<b>Grant Period:</b>	

Grant Revenues (received and anticipated)		
Revenue Categories	Comments	Amount
Amount Received		
Amount Anticipated		
<b>Total Grant Revenues</b>		

Grant Expenditures (allowable costs expended by the grantee)		
Expenditure Categories	Comments	Amount
Personnel		
Fringe Benefits		
Equipment		
Supplies		
Contractual Costs		
Construction		
Other		
Indirect Cost		
<b>Total Grant Expenditures</b>		

**Ending Grant Balance (Revenues – Expenditures)**

**Grant Funds Returned to the DHHR**

*By signing this report, I certify to the best of my knowledge and belief that the report is true, complete and accurate, and that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal (and/or State) 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).*

**Authorized Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name and Title:** \_\_\_\_\_

Taken, sworn and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**Notary Public Signature:** \_\_\_\_\_

**My Commission Expires:** \_\_\_\_\_

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**West Virginia Department of Health and Human Resources**  
Instructions for Completion of the Sworn Statement of Expenditures

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To ensure that expenditures are proper and in accordance with the terms and conditions of federal and state grant awards and approved project budgets, the West Virginia Department of Health and Human Resources (DHHR) utilizes a standardized Sworn Statement of Expenditures (Revised May 2015). This document serves to assist recipients of grant awards from the DHHR in completing the Sworn Statement of Expenditures. The DHHR based the Sworn Statement of Expenditures, and the information contained therein, on certain data elements required by and certification standards denoted within Federal regulations and West Virginia Code as related to the administration of federal and state grant awards. Therefore, the Grantee must complete all fields within the Sworn Statement of Expenditures to ensure that the submission meets applicable reporting requirements and compliance standards. The required fields on the Sworn Statement of Expenditures are as follows:

**Grant Number** – Enter the applicable grant agreement number. The DHHR-issued grant number is located within the grant agreement and is in the following format: G#####.

Note: The Sworn Statement of Expenditures form is for reporting the revenues and expenditures associated with one grant only, meaning that multiple grants would require multiple forms.

**Grantee Name** – Enter the Grantee name, which is the name of the organization that received the grant. The Grantee name on the Sworn Statement of Expenditures should match the Grantee name as presented within the applicable DHHR grant agreement.

**Grantee FEIN** – Enter the Federal Employer Identification Number (FEIN) as presented within the applicable DHHR grant agreement.

**wvOASIS Vendor Number** – Enter the wvOASIS Vendor number as presented within the applicable DHHR grant agreement.

**Contact Name** – Enter the name of a contact person who can answer questions concerning the Sworn Statement of Expenditures.

**Contact Email Address** – Enter an email address for where the DHHR may direct written questions concerning the Sworn Statement of Expenditures (Note: This field is not required).

**Contact Phone** – Enter a telephone number for where the DHHR may direct verbal questions concerning the Sworn Statement of Expenditures.

**Grantee Mailing Address** – Enter a mailing address for where the DHHR may direct written questions concerning the Sworn Statement of Expenditures.

**Total Amount of Grant Award** – Enter the total amount of the DHHR grant award. This number shall reflect the final award amount, which means that it must take into account any change orders and related adjustments to the original amount of the grant award, as may be applicable.

**Grant Period** – Enter the period (Start Date and End Date) of the grant award. This period shall reflect the full grant period, which means that it must take into account any change orders and related adjustments to the ending date of the grant award, as may be applicable.

Note: The grant period is irrespective of, and thus may not correspond with and does not have to correspond with, the Grantee’s fiscal year.

**Grant Revenues (received and anticipated)**

The Grantee completes the Sworn Statement of Expenditures after the end of the grant period and after submitting its final invoice to the DHHR for payment. For purposes of completing the Sworn Statement of Expenditures, the Grantee shall account for all invoices submitted to the DHHR for payment, irrespective of whether the Grantee has received payment yet or not.

**Amount Received** – Enter the total amount of grant funds received by the Grantee to date (include comments if so desired).

**Amount Anticipated** – Enter the total amount of grant funds that the Grantee still anticipates receiving, which means the total amount invoiced to the DHHR but not received yet by the Grantee as of the date of the Sworn Statement of Expenditures (include comments if so desired).

**\*Total Grant Revenues**– Enter the total grant revenues, which is a sum of the **Amount Received** (total amount of grant funds received by the Grantee to date) and the **Amount Anticipated** (total amount of grant funds that the grantee still anticipates receiving) lines.

**Grant Expenditures (allowable costs expended)**

The expenditure categories on the Sworn Statement of Expenditures correspond with the budgetary line items denoted within the DHHR grant agreement budget and the detailed budget and justification worksheet that accompanies the grant agreement. Therefore, for additional information regarding the expenditure categories on the Sworn Statement of Expenditures, the Grantee should look towards the grant agreement budget, the detailed budget and justification worksheet, and the instructions for preparing the detailed budget and justification worksheet.

**Amount** – Enter the actual (not budgeted) amount of funds expended for each of the expenditure categories denoted on the Sworn Statement of Expenditures (include comments if so desired).

**\*Total Grant Expenditures** – Enter the total amount of funds expended by the Grantee, which is a sum of the expenditure category lines for personnel, fringe benefits, equipment, supplies, contractual costs, construction, other and indirect costs.

**\*Ending Grant Balance** – The ending grant balance is the total grant revenues minus the total grant expenditures.

Note: If the ending grant balance is a negative amount, the Grantee is attesting to the use of unrestricted funds to supplement the DHHR grant funds, the use of which was for the purposes intended and in compliance with applicable laws, regulations and the terms and conditions of the grant award. Conversely, if the ending

grant balance is greater than zero, the Grantee is attesting that grant revenues were in excess of grant expenditures and that the Grantee returned funds to the DHHR or may need to return funds to the DHHR.

**Grant Funds Returned to the DHHR** – Enter the total amount of any grant funds returned to the DHHR.

**Required Certification / Sworn Statement (Signed and Notarized)**

By signing the Sworn Statement of Expenditures, the Grantee is certifying to the best of their knowledge and belief that the report is true, complete and accurate, and that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the grant award. The Grantee shall also be aware that any false, fictitious or fraudulent information, or the omission of any material fact, may subject the Grantee to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.

**Authorized Signature** – A senior representative of the Grantee who has the authority to bind the Grantee must sign the Sworn Statement of Expenditures.

**Date** – Enter the date of the Authorized Signature.

**Printed Name and Title** – Enter the printed name and title of the person providing the Authorized Signature.

**Notary Public Signature** – The Authorized Signature must be notarized by a certified notary public in good standing with the Secretary of State and include the notary seal.

*\* The electronic (Adobe® PDF version) of the Sworn Statement of Expenditures will automatically total this amount.*



## West Virginia Department of Health and Human Resources

### Supplemental Compliance Procedures for an Agreed-Upon Procedures Engagement Conducted in Accordance with West Virginia Code §12-4-14 and CSR §148-18

#### A. Purpose

To maintain uniformity and consistency among DHHR grantees and their independent CPAs when arranging for and conducting an agreed-upon procedure engagement in accordance with the reporting requirements of West Virginia Code §12-4-14.

#### B. Applicability

The supplemental compliance procedures contained herein were developed for and intended to be applicable to DHHR grant awards only and should be read in conjunction with West Virginia Code §12-4-14, CSR §148-18 and the related grant documents (e.g. grant agreement, statements of work, budgets, change orders, program directives, regulations, etc.). These procedures should not be applied to grant funds awarded by other state agencies or spending units.

Regarding Compliance Attestation Standards, it is strongly recommended that grantees discuss with their independent CPAs the costs and variable differences between arranging for an agreed-upon procedures engagement versus an examination engagement, before determining how to best satisfy the reporting requirements of West Virginia Code §12-4-14.

#### C. Procedures to be Performed – Grantees

Prepare a sworn statement of expenditures, to include all of the elements referenced in CSR §148-18-5 and the following written management assertion:

*“This is to certify that I have reviewed the Statement of Grant Receipts and Expenditures submitted herewith and, to the best of my knowledge and belief, said statement represents all financial activities related to the receipt, use and expenditure of funds granted by the State of West Virginia, Department of Health and Human Resources to [GRANTEE NAME] and that the expenditures reported were for the purposes intended and in compliance with the applicable laws, regulations, and terms and conditions of the grant documents. The Statement of Grant Receipts and Expenditures is presented on the [ACCRUAL / CASH] basis of accounting and is supported by our financial records and related documentation.”*

#### D. Procedures to be Performed – Independent Certified Public Accountants

1. Review the grant agreement and any related documents (e.g. statements of work, budgets, change orders, program directives, regulations, etc.) to ascertain the purpose for which the funds were awarded and the terms and conditions associated with the state grant.
2. Verify whether funds received under the grant (as reported on the sworn statement of expenditures) were correctly authorized, recorded and deposited into the appropriate organizational accounts.
3. Review all costs (as listed on the sworn statement of expenditures) and related transactions associated with the grant to verify whether:
  - a. Costs were approved by the DHHR, if required.
  - b. Costs conform to the allowability of costs provisions or limitations in the program agreement, program regulations, or program statute.
  - c. Costs represent charges for actual costs, not budgeted or projected amounts.

- d. Costs are given consistent treatment within and between accounting periods. Consistency in accounting requires that costs incurred for the same purpose, in like circumstances, be treated as either direct costs only or indirect costs only with respect to final cost objectives.
  - e. Costs are net of all applicable credits (e.g. volume or cash discounts, insurance recoveries, refunds, rebates, trade-ins, adjustments for checks not cashed, and scrap sales.).
  - f. Costs are not included as both a direct billing and as a component of indirect costs.
  - g. Cost are supported by appropriate documentation (e.g. approved purchase orders, receiving reports, vendor invoices, canceled checks, and time and attendance records), and correctly charged as to account, amount and period.
4. Inquire and report upon the status of any findings, contingencies or other deficiencies discovered during the current engagement or described in any prior agreed-upon procedures report (if applicable) that could negatively affect administration of the DHHR grant and related program/project.

**WEST VIRGINIA CODE §12-4-14**

**Due Dates for Submission of Required Reports and Sworn Statements of Expenditure Forms**

<b>If the Grantee received "state grants" during the following period</b>	<b>And the Grantee's fiscal year end date is</b>	<b>Then the Grantee must submit its required "report" and/or sworn statement of grant receipts and expenditures before</b>
07/01/19 – 06/30/20	06/30/20	06/30/22
	07/31/20	07/31/22
	08/31/20	08/31/22
	09/30/20	09/30/22
	10/31/20	10/31/22
	11/30/20	11/30/22
	12/31/21	12/31/22
	01/31/21	01/31/23
	02/28/21	02/28/23
	03/31/21	03/31/23
	04/30/21	04/30/23
05/31/21	05/31/23	

<b>If the Grantee received "state grants" during the following period</b>	<b>And the Grantee's fiscal year end date is</b>	<b>Then the Grantee must submit its required "report" and/or sworn statement of grant receipts and expenditures before</b>
07/01/20 – 06/30/21	06/30/21	06/30/23
	07/31/21	07/31/23
	08/31/21	08/31/23
	09/30/21	09/30/23
	10/31/21	10/31/23
	11/30/21	11/30/23
	12/31/21	12/31/23
	01/31/22	01/31/24
	02/28/22	02/28/24
	03/31/22	03/31/24
	04/30/22	04/30/24
05/31/22	05/31/24	

<b>If the Grantee received "state grants" during the following period</b>	<b>And the Grantee's fiscal year end date is</b>	<b>Then the Grantee must submit its required "report" and/or sworn statement of grant receipts and expenditures before</b>
07/01/21 – 06/30/22	06/30/22	06/30/24
	07/31/22	07/31/24
	08/31/22	08/31/24
	09/30/22	09/30/24
	10/31/22	10/31/24
	11/30/22	11/30/24
	12/31/22	12/31/24
	01/31/23	01/31/25
	02/28/23	02/28/25
	03/31/23	03/31/25
	04/30/23	04/30/25
05/31/23	05/31/25	

<b>If the Grantee received "state grants" during the following period</b>	<b>And the Grantee's fiscal year end date is</b>	<b>Then the Grantee must submit its required "report" and/or sworn statement of grant receipts and expenditures before</b>
07/01/22 – 06/30/23	06/30/23	06/30/25
	07/31/23	07/31/25
	08/31/23	08/31/25
	09/30/23	09/30/25
	10/31/23	10/31/25
	11/30/23	11/30/25
	12/31/23	12/31/25
	01/31/24	01/31/26
	02/28/24	02/28/26
	03/31/24	03/31/26
	04/30/24	04/30/26
05/31/24	05/31/26	