

Financial Assistance to Non-Governmental Entities

Gateway Reporting by the Non-
Governmental Entity and Audit
Requirements

Procured Audit Services - Personnel

- Leann W. Tinsley, CPA
 - SBoA employee since 1981
 - Prior audit experience includes cities, schools, hospitals, townships, counties, and universities.
 - Email address – ltinsley@sboa.in.gov
- Ashley Palmer
 - SBoA employee since 2014
 - Instrumental in the Introduction of our online E-1 reporting process starting in 2015.
 - Email address – AsPalmer@sboa.IN.gov

Procured Audit Services - Responsibilities

- IC 5-11-1-7 allows the State Examiner to authorize or designate an independent public accountant to perform the examination/audit that is the responsibility of the State Board of Accounts
- Currently independent public accountants perform audits for the following:
 - Housing authorities
 - Military reuse authorities
 - Certain Quasi Agencies
 - Non-governmental Entities

Procured Audit Services - Responsibilities

- IC 5-11-1-4 requires annual financial reports from entities
 - ✓ Gateway is the method to file
- IC 5-11-1-9 defines “entities” and requires audits if the disbursement level of public funds meet statutory thresholds
- Thresholds requiring an audit: \$200,000 of governmental funds disbursed **AND** 50% of entity’s **total** disbursements being government funds.

- For-profit corporations
- Not-for-profit corporations
- Unincorporated:
 - Associations
 - Organizations
 - Individuals

Key Points to Convey

- 1) The Entity Annual Report (E-1) filing requirement established by IC 5-11-1-4 and the audit requirement established by IC 5-11-1-9;
- 2) The source(s) of the funding provided;
 - a) State funds (in the case of subsidies, contributions, or general aid),
 - b) Federal grants passed through a State Agency (including the formal name of the program and CFDA number), or
 - c) Fee for service arrangements,

Key Points to Convey, (cont.)

- 3) The State Board of Accounts may request documentation to support the categorization of the financial assistance,
- 4) The E-1 is not to be confused with the Secretary of State's Business Entity report, and
- 5) The entity may obtain additional information from the State Board of Accounts at notforprofit@sboa.in.gov

Fee for Service vs Financial Assistance

Fee for Service

- Amount paid is predetermined per unit of service performed
- Claims for payment submitted after service performed with units of service provided documented
- Total amount paid in contract period not subject to adjustment if actual cost of providing service is different from agreed upon price

Financial Assistance

- Claims for payments are scheduled as to when provided – monthly, quarterly, etc. or assistance is provided in advance potentially with additional reporting requirements
- Total amount paid in contract period can vary subject to any maximums stipulated or other funding mechanisms agreed upon

Financial Assistance – Additional Characteristics

- Amount paid provides a service to the public on behalf of the Township
- Service provided often not easily measured
- Relationship between Township and entity more like a partnership or joint venture with shared purpose rather than vendor/vendee relationship
- Each party heavily dependent on the other for success and continuation of program or objective

Fee for Service vs Financial Assistance – Why do I care?

- *What do I report in Gateway?*

Only Financial Assistance!

Fee for service may be reported if you unsure about the classification. We can review and correct if needed.

Where to report Financial Assistance in Gateway?

Navigate to <https://gateway.ifionline.org/> →
Annual Financial Report (AFR) menu →
Financial Assistance to Non-Governmental
Entities

AFR Unit Questions ?

Please answer all of the questions below by clicking Yes or No as appropriate. Please make sure you answer the questions correctly as they will determine the information required for you to complete your annual report.

1. Has your unit received or disbursed any Federal money from grants?

The amount of Federal funding that is received or disbursed during the year affects the type of engagement that you are required to have performed by the State Board of Accounts as well as the format and content of the Financial Statements. Federal grants can come to you in different forms including: direct grants from Federal agencies; Amounts passed through from the State; Loan and Loan guarantee programs; Receipt of Donated property; Food commodities; Interest subsidies; Insurance; Endowments; and Program income. Click below for more information on grants. [Additional Information](#)

Yes No

2. Did your unit disburse money for financial assistance to non-governmental entities?

Examples include Volunteer Fire Departments, 4H, YMCA, Youth Leagues, Senior Citizen Centers, etc. Do not consider amounts you paid for goods or services in answering this question.

Yes No

3. Does your unit have any Utilities or other Enterprises?

Yes No

E-1 Information Requested

- 1) Section I – Entity Information: pre-populated with information previously obtained
 - a) We are asking for the independent public accountant's email address if the entity has engaged one previously and expects an audit from the same individual/firm
- 2) Section II – Financial Information: Lines 1 and 2 auto-fill from the records placed in Section III, but the entity's total disbursements must be entered on line 3 first.

Section 2: Financial Information

II. Financial Information

- | | |
|--|--|
| 1. Total Government funds received during the year: (Enter amounts in Section III. Detail of Government Funds) | \$0.00 |
| 1.a. Total received from State and Local Funds and Federal Grants Passed through State or Local Government: (Enter amounts in Section III. Detail of Government Funds) | \$0.00 |
| 2. Total Government funds disbursed during the year: (Enter amounts in Section III. Detail of Government Funds) | \$0.00 |
| 2.a. Total disbursed from State and Local Funds and Federal Grants Passed through State or Local Government: (Enter amounts in Section III. Detail of Government Funds) | \$0.00 |
| 3. Entity's total disbursements (or expenditures) for the year: | YOU MUST ENTER THIS TOTAL BEFORE STARTING ON SECTION III. |
| 4. Percent of State and Local and Federal Grants Passed through State or Local Government funds disbursed to entity's total disbursements (Line 2a divided by line 3):
(Enter amounts in Section III. Detail of Government Funds) | |

E-1 Information Requested

- 3) Section III – Detail of Government funds, adding as many records as needed. Information requested includes:
 - a) Gov't agency name and address
 - b) Program title
 - c) Amount received and disbursed
 - d) CFDA number
 - e) Sources of Government Funds from a drop-down menu:
 - 1) Direct federal grant
 - 2) Federal grant passed through State or Local Government
 - 3) Fee for Service
 - 4) State and Local

They receive an email after State Board of Accounts personnel review the E-1.

- An audit is required
- Tentative audit waiver is given with additional information requested
- Reclassification Notice Sent
 - Amounts inputted into Section III have been reclassified based upon the source and nature of government funds received.



Even More Information

- All requested documentation is to be uploaded into Gateway
- If they qualified for a waiver in the prior year and believe they will again, we are requesting upload of the same supporting information for the current year as in the prior year when filing the E-1.
- E-1 is due 60 days after Entity's Year-End
- If required to have an audit, required to be submitted within 9 months.



Questions?