

NON-GOVERNMENTAL ENTITIES BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY STATE BOARD OF ACCOUNTS

Volume 2

June 2017

This is the second issue of the Non-Governmental Entities Bulletin and Uniform Compliance Guidelines (Bulletin). It was originally going to be a quarterly publication but it has been decided it will be issued bi-monthly for the foreseeable future. All Bulletins are available on our website (www.in.gov/sboa) for a period of ten years in accordance with our current policy. This Bulletin is a supplement to the *Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources* which is also found on our website.

VARIOUS AUDIT THRESHOLDS AND REQUIREMENTS

Entities are required to obtain audits in accordance with various state and federal laws and regulations. State statute (IC 5-11-1-9) requires an audit of an entity when public funds disbursed by that organization are equal to or greater than 50% of their total disbursements for the period. Waivers can be obtained if the percentage of public funds disbursed is less than 50% of the organization's total disbursements or are at least 50% but less than \$200,000 in total if the entity is organized as a not-for-profit corporation. Public funds are defined as financial assistance provided by or passed through State of Indiana and Indiana local government agencies. Federal awards received directly from federal agencies are not considered public funds in this instance.

Entities that expend \$750,000 or more in federal awards during their fiscal year must have what is known as a single audit or in some instances a program-specific audit. These single audit reports most often fulfill the State audit requirement under IC 5-11-1-9. In some cases, an audit is required by federal laws and regulations but not by state statute. This occurs when the federal funds are direct grants from the federal agencies and the amount passed through state and local government units is not enough to trigger the audit requirement threshold established in IC 5-11-1-9.

Also, those providing funds may require an audit as a condition of providing such funds. In summary, audits may be required by state statute, federal laws and regulations, or those providing funds. It is our policy that one, and **only one**, appropriate audit need ever be performed of any entity receiving government financial assistance. It is, therefore, imperative that entities, their funding agencies, and their independent auditors exercise diligence in determining applicable audit requirements, prior to commencing the audit process.

ENTITIES PROVIDED FUNDING UNDER IC 12-29-1-1 AND IC 12-29-2-1.2

Community intellectual disability and other development disabilities centers provided funds by counties under IC 12-29-1-1 and mental health facilities that are provided funds by counties under IC 12-29-2-1.2 should file an Entity Annual Report (E-1) with the State Board of Accounts via Gateway and report this funding as State and Local funding.

Both IC 12-29-1-1(a) and IC 12-29-2-1.2(a) state in part: “the county executive of a county may authorize the furnishing of financial assistance . . .” Even though the statutes provide restrictions on what the financial assistance can be used for, the maximum appropriation/funding allowed, and when and to whom the payments are made, the essential nature of the funding as voluntary, financial assistance is not changed. As such, this is considered financial assistance and it is to be reported as such on the E-1 report.

FUNDING PROVIDED BY OTHER NON-GOVERNMENTAL AGENCIES

Funding provided by or passed through other non-governmental (not-for-profit) entities is not considered financial assistance in determining an entity’s audit requirements. Sometimes, it can be difficult to determine if the entity providing you funds is a governmental entity or not. If you need assistance in this area either ask the entity that is providing you funds or email us and we will assist.

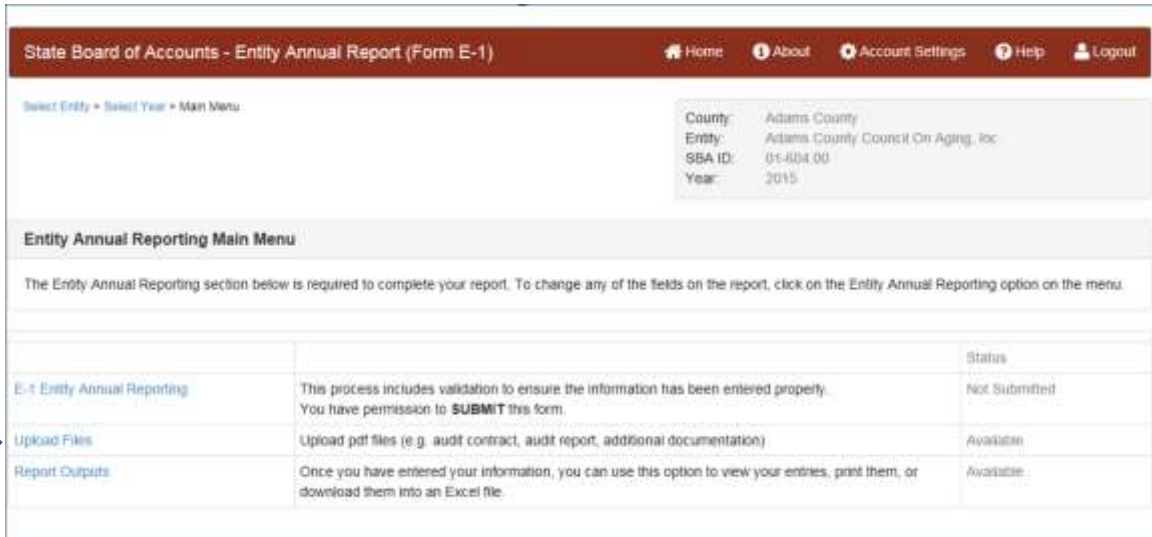
SUPPLEMENTAL INFORMATION IN AUDIT REPORT

Audit reports should include, either in the Notes or as a supplement schedule, a schedule of financial assistance received using the same source categories as the Entity Annual Report (E-1). This is in accordance with the Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance From Governmental Sources on page H-2. As written the schedule refers to federal, state, and local grant awards. This is not the intent of the schedule and the wording will be revised in a future edition.

It will be left to the judgment of the entity whether any additional information should be presented to reconcile this schedule with the submitted E-1. It is understood that the time span between the E-1 filing deadline and issuance of an audit report can result in different amounts reported for the same funding source. Small differences are not a concern. Similarly, if the amount of total entity disbursements reported on line 3 of Section II, Financial Information of the E-1 does not readily compare to total expense in the audit report, a reconciliation should be included in the report.

UPLOADING DOCUMENTS INTO GATEWAY

A number of documents need to be uploaded into Gateway. To get to the upload files section, you will need to select E-1 Entity Annual Report on the home screen/select your entity's name link/select the appropriate year end/select upload files. This is where all documents can be uploaded for our review.



State Board of Accounts - Entity Annual Report (Form E-1)

Home About Account Settings Help Logout

Select Entity • Select Year • Main Menu

County: Adams County
Entity: Adams County Council On Aging, Inc.
SBA ID: 01-804 00
Year: 2015

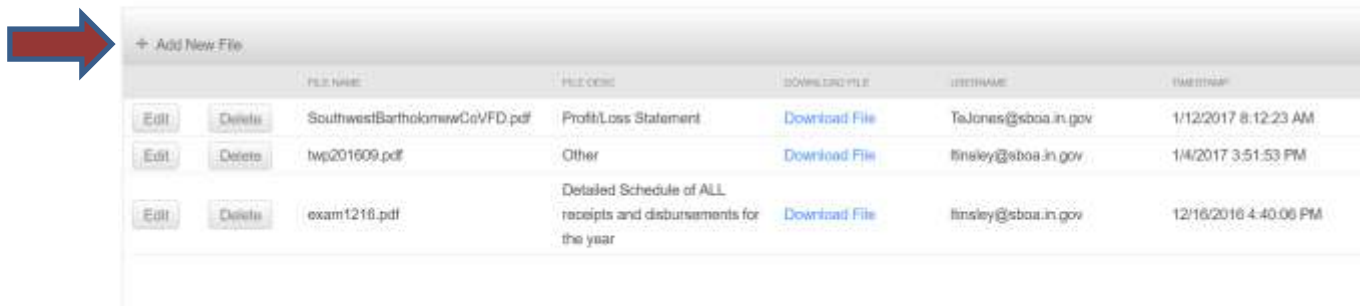
Entity Annual Reporting Main Menu

The Entity Annual Reporting section below is required to complete your report. To change any of the fields on the report, click on the Entity Annual Reporting option on the menu.

		Status
E-1 Entity Annual Reporting	This process includes validation to ensure the information has been entered properly. You have permission to SUBMIT this form.	Not Submitted
Upload Files	Upload pdf files (e.g. audit contract, audit report, additional documentation)	Available
Report Outputs	Once you have entered your information, you can use this option to view your entries, print them, or download them into an Excel file.	Available

Once you click the Upload Files button, you should see the screen below. Click "Add New File" to begin the upload process.

Upload Files (PDF format)

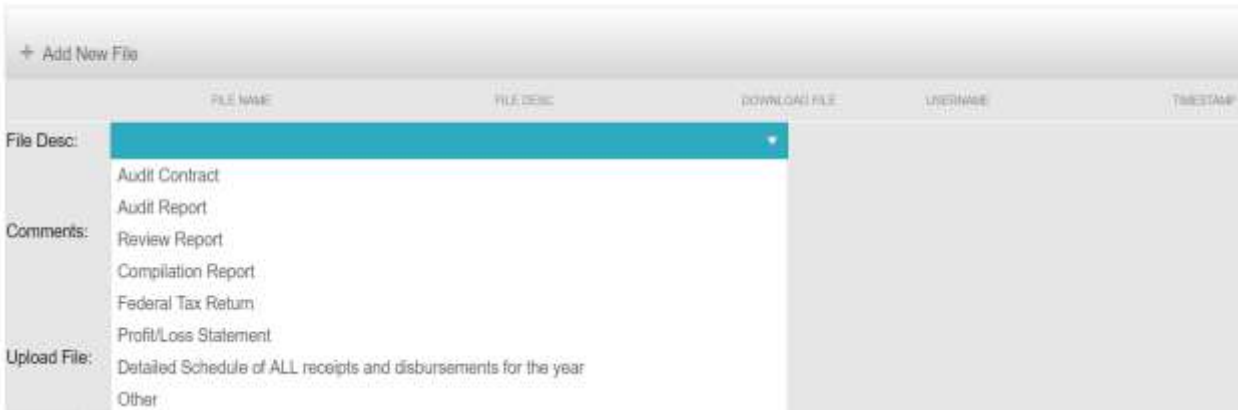


+ Add New File

	FILE NAME	FILE CODE	DOWNLOAD FILE	USERNAME	TIMESTAMP
Edit Delete	SouthwestBartholomewCoVFD.pdf	Profit/Loss Statement	Download File	TaJones@sboa.in.gov	1/12/2017 8:12:23 AM
Edit Delete	twq201609.pdf	Other	Download File	flmsley@sboa.in.gov	1/4/2017 3:51:53 PM
Edit Delete	exam1216.pdf	Detailed Schedule of ALL receipts and disbursements for the year	Download File	flmsley@sboa.in.gov	12/16/2016 4:40:06 PM

Please select the file description from the dropdown menu on the next screen shown below and select browse to search for the appropriate document. Make sure to click the upload button to finalize the upload process.

Upload Files (PDF format)



The screenshot shows a web interface for uploading files. At the top, there is a button labeled '+ Add New File'. Below it is a table with columns: FILE NAME, FILE DESC, DOWNLOAD FILE, USERNAME, and TIMESTAMP. A dropdown menu is open under the 'FILE DESC' column, listing several options: Audit Contract, Audit Report, Review Report, Compilation Report, Federal Tax Return, Profit/Loss Statement, Detailed Schedule of ALL receipts and disbursements for the year, and Other. A red arrow points to the 'File Desc:' label on the left side of the dropdown menu.

It is important to only upload **unsecured/unlocked PDF files**. Also, verify that you are uploading documents into the correct E-1 year.

Please upload documents when you are filing the Annual Entity Report (E-1) or as soon as they are available if you have traditionally been asked to upload documents to support a tentative waiver of the audit requirement. You do not need to wait for an email request from us to upload these documents. It saves both us and you time and resources if such documentation is available the first time we review your E-1. When uploading these documents, please make sure you are in compliance with previous year requirements and upload additional documents accordingly.

UPGRADED EMAILS

A software update has been made that now includes the entity name and applicable fiscal year in the software-generated emails sent. These emails are sent for a number of reasons including tentative waiver, waiver of audit, contract approved, and reclassification. Please verify the year the email is reference when taking any action necessary.

NOT-FOR-PROFIT EMAIL ADDRESS

Please use the NotForProfit@sboa.in.gov email address whenever possible. Multiple individuals monitor this account. This ensures your email will be responded to timely during those times any individual listed below is away from the office or engaged in another assignment.

STATE BOARD OF ACCOUNTS PERSONNEL AVAILABLE TO HELP

NotForProfit@sboa.in.gov

Leann Tinsley, CPA, CFE – Director of Procured Audits, ltinsley@sboa.in.gov

Ashley Palmer – Procured Audits Examiner, AsPalmer@sboa.in.gov

Teah Jones – Administrative Assistant, TeJones@sboa.in.gov (317) 234-3503

Front Desk (317) 232-2513

Our goal is to provide timely responses to all requests for aid and information. As we have over two thousand entities in our system and some with similar names, the search for the correct entity can be time consuming. Providing us your entity's name and SBA ID number can be very helpful in quickly getting the aid and information you request. The SBA ID number is in the format of 99-999.99. The first two numbers correspond to your county as shown in IC 36-2-1-1: Adams County is 1, Allen County is 2, Bartholomew County is 3, and so forth alphabetically. The State Board of Accounts' organization of most things is by county.