

HOW TO:



FEMIA *Audit*

and other SAI Updates



Presented by:
Cindy Byrd, CPA
State Auditor & Inspector

General Updates of State Auditor's Office

UPDATES

Why is the State Auditor's Office prescribing a chart of accounts?

Oklahoma Constitution - Article 6 § 19:

“The State Auditor and Inspector ... shall also prescribe a uniform system of bookkeeping for the use of all treasurers.”

UPDATES

Chart of Accounts - How Does This Help Me?

- Standardized
- SOP for all circumstances
- Fund descriptions
- Budgeting
- Analyzing numbers

UPDATES

Chart of Accounts – How does this help me?

- Inventory tracking
- Jail expenditures
- Revenue declines/increases

UPDATES

Chart of Accounts – How does this help me?

- Financial Statement rolled up into budget
- Partial tracking of SEFA

UPDATES

Financial statements and bonds

- How do bond issues of authorities affect the timing of my county audit?

UPDATES

Financial statements and bonds

- At this time, which counties are affected?

Caddo	Okmulgee
Cleveland	Pawnee
Craig	Payne
Creek	Rogers
Delaware	Washita
Haskell	Woodward

UPDATES

Proposed monthly report of Sheriff's
Revenues, expenditures, and balances

UPDATES

Incarceration Rate Worksheet

Correcting Accounting Errors

Presented by:
Cheryl Wilson
County Management Services

Correcting Accounting Errors

- New and improved form 240
 - More details as to what is being corrected.
 - Disbursements.
 - Apportionment/appropriations.
 - Financial Statement presentation.

Correcting Accounting Errors

OSAI Form # 240 (2019)

County, Oklahoma

Transfer of Funds

- Error Correction
- Adjustment to Disbursements
- Adjustment to Revenue

- Temporary Transfer (68 O.S. § 3021)
- Emergency Transportation Revolving Fund Loan (69 O.S. § 687.3)
- Residual Balance Transfer

Error Correction

Date Error Occurred (if applicable):	
Warrant number (if applicable):	
Miscellaneous Receipt Number (if applicable):	
Description of error or transfer:	

Amount

Transfer of funds from:	Amount
Total Transfers Out:	0.00
Transfer of funds to:	
Total Transfers In:	0.00

Transfer of Funds

- Error Correction
- Adjustment to Disbursements
- Adjustment to Revenue
- Temporary Transfer (68 O.S. § 3021)
- Emergency Transportation Revolving Fund Loan (69 O.S. § 687.3)
- Residual Balance Transfer

Error Correction

Date Error Occurred (if applicable):	08/01/19
Warrant number (if applicable):	
Miscellaneous Receipt Number (if applicable):	
Description of error or transfer: Accidentally appropriated commissary revenue to sheriff service fee because my super annoying co-worker was distracting me.	



	Amount
Transfer of funds from:	
Sheriff Service Fee	5,000.00
Total Transfers Out:	5,000.00
Transfer of funds to:	
Sheriff Commissary	5,000.00
Total Transfers In:	5,000.00

Correcting Accounting Errors

- Example: Resale property maintenance.
 - Highway department mowed some resale properties and removed debris from the yard.
 - Highway district will prepare an itemized list of the properties cleaned and mowed and the associated costs.

Transfer of Funds

- Error Correction
- Adjustment to Disbursements
- Adjustment to Revenue
- Temporary Transfer (68 O.S. § 3021)
- Emergency Transportation Revolving Fund Loan (69 O.S. § 687.3)
- Residual Balance Transfer

Error Correction

Date Error Occurred (if applicable):	
Warrant number (if applicable):	
Miscellaneous Receipt Number (if applicable):	
Description of error or transfer: July cleaning and mowing of resale properties by district 2. Itemization of costs is attached.	

Amount

Transfer of funds from:	
Resale property fund	1,500.00
Total Transfers Out:	1,500.00
Transfer of funds to:	
Highway District 2	
M & O	500.00
Personnel Services	1,000.00
Total Transfers In:	1,500.00



New and improved form 270

OSAI Form 270 (2019)
19 O.S. §§ 691 & 693

Cash Voucher Claim

Claim #

County, Oklahoma

Voucher #

Office or

Fund #

Department:

Acct #

In account with:

Date:

Name

Address:



Date	Description	Amount Claimed	Disallowed
Totals:		\$ 0.00	

New and improved form 270 (continued)



County Purchasing Agent

This claim has been reviewed by the County Purchasing Agent for compliance with the appropriate bidding procedures as required by law. *(Not required for refunds issued on cash voucher claims in accordance with 19 O.S. § 691).*



I hereby certify receipt of the above stated goods/ services in quantity indicated on delivery documentation.

Receiving Officer Date

The County Clerk is hereby authorized to mail vouchers issued in payment of this claim to the claimant at the address indicated above.

I, the undersigned, upon oath, do depose and say that I have full knowledge of the above and foregoing account, that the said account is just, correct, due and according to law; that the amount claimed, after allowing all just credits, is now due and wholly unpaid; and that I am authorized to make this affidavit, so help me God.

Signature of claimant authorized to initiate cash voucher claim

Subscribed and sworn to before me this date of:

County Clerk: _____ Audited and approved for _____

By Deputy: _____

NOTICE: This form is to be used in making claims for those accounts specifically authorized as a cash voucher account, not subject to Board of County Commissioners' Approval.



Cash Voucher Claims

- What funds use cash voucher claims?
 - Resale.
 - Law Library.
 - Drug Court.
 - Court Clerk Records Management and Preservation.
- Can't we just make them all cash voucher accounts?

NO

Court Clerk Records Management and Preservation

- Effective November 1, 2019 until November 1, 2023 a ten dollar fee will be collected on civil cases.
- The Court Clerk is required to keep an accurate accounting of this fund.
 - Prepare a monthly report of the funds collected and expended including the nature of each expenditure.
 - File the monthly report with the Board of County Commissioners and the Administrative Director of the Courts.

Court Clerk RM&P

- Trust and Agency fund #7210
 - Not subject to purchase order process.
 - Cash voucher claims will be initiated in the court clerk's office.
 - Filed with the county clerk who prepares the cash voucher.
 - Cash voucher is registered with the treasurer.
 - Payment is transmitted to the vendor.

Documentary Stamps

Changes to the DOC Stamp statute:

- Revenue diverted back to a county governmental purpose as it was originally intended.
- Still remitted to the Oklahoma Tax Commission in the same amount, it just has a different final destination than before the effective date SB 3372 (July 1, 2019).
- The main change at the county level was the removal of the words “general fund” referring to the 5% designated to cover the administration cost.

The county clerks shall retain five percent (5%) of all monies collected for such stamps as their cost of administration ~~and shall pay the same into the county general fund.~~

Resources

- <https://www.sai.ok.gov/>
 - Bulletins.
 - Forms.
 - SEFA resources.
 - Financial statement template.
 - Audits.
 - Current Chart of Accounts/Standard Operating Procedures.

ABOUT THE AGENCY

MEET CINDY BYRD

CONTACT US



OKLAHOMA STATE AUDITOR & INSPECTOR

Cindy Byrd, CPA



AUDIT REPORT SEARCH:

e.g. Oklahoma City

SEARCH



ONLINE AUDIT FILING



CONTINUING PROFESSIONAL EDUCATION (CPE)

OK.GOV

AUDIT REPORTS

INVESTIGATIVE AND PERFORMANCE AUDITS

COUNTY SERVICES

PUBLICATIONS & FORMS

AUDITS OF INTEREST

HOW TO:

Resources: <http://www.agecon.okstate.edu/ctp/>

to Oklahoma's ... Oklahoma State Auditor ... Title 19 Statutes Citationized Google http--www.ecapitol.net- Bing Oracle PeopleSoft Enterpr... OMES Mesonet Local Condition... Oklahoma Department of ... OSCN The Oklahoma Sup... Rc

Duties and Responsibilities	boards, help create published materials, and sometimes participate directly in instruction.	(6 hours) <i>class is full</i>
Certification Guidelines		
County Treasurers		
Duties and Responsibilities		
Certification Guidelines		
County Assessors		
Certification Guidelines		
CLEET Accreditation		
Handbooks		
Related Publications		
Resources		
Links		
Program Contributors		
Rural Development		

The County Training Program benefits from the oversight and direction provided by the Commission on County Government Personnel Education and Training mandated in the Oklahoma State Statutes. Commission members consist of the President of OSU, the State Auditor and Inspector, the President of the County Officers and Deputies Association, the Director of the Department of Transportation, and the Chairman of the Tax Commission.

Certification programs have been established for each elected office. Certification programs range from three-level programs for County Commissioners, County Clerks, and County Treasurers to a single level of certification for Court Clerks. County

Sept. 27, 2019
Treasurer Duties Review 2
(6 hours)

Oct. 1, 2019
Purchasing Procedures 1 (6 hours)
class is full

Oct. 2, 2019
Purchasing Procedures 2 (6 hours)
class is full

Oct. 2, 2019
Court Clerk New Officer or Refresher Course

Oct. 10, 2019
Overview of County Government (6 hours)

The End

Questions?

Schedule of Expenditures of Federal Awards

What is a SEFA?

- Schedule of Expenditures of Federal Awards

What authority makes Counties Responsible for the Schedule of Expenditures of Federal Awards?

§200.510(b) states in part:

“The auditee (THE COUNTY) must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must also include the total Federal awards expended as determined in accordance with §200.502 - Basis for determining Federal awards expended.”

Schedule of Expenditures of Federal Awards

Recipients must:

1. Keep track of all funds received and expended.
2. Ensure internal controls are in place with county staff.
3. Maintain compliance with provisions of contracts & grants.
4. Prepare financial statements & SEFA.



Schedule of Expenditures of Federal Awards

OSAI has a deadline of August 31st for receiving the SEFA.

Why is the deadline important? Why do we care?

- Federal requirements
- OSAI has to plan audits

Schedule of Expenditures of Federal Awards

What is reported on the SEFA?

- All federal awards awarded to the County.
- CFDA numbers.
- All receipts.
- All expenditures.
- Balances of federal awards.

NOTE: Record FEDERAL amounts only.

Examples of Federal Grants

- FEMA
- CDBG
- Payments in Lieu of Taxes
- Flood Control
- Law Enforcement Block Grants
- Violence Against Women
- BIA

Schedule of Expenditures of Federal Awards

Who is responsible for completing the SEFA?

- The person designated by the Board of County Commissioners.

Responsibilities

COUNTY:	STATE AUDITOR:
Keep accurate records Prepare financial statements Assist SAI with audit steps	Perform timely audits Help counties with compliance Submit audit to Feds

Most Important Elements of The SEFA

All required elements of the SEFA can be found in the Code of Federal Regulations at:

Title 2, Subtitle A, Chapter II, Part 200

Schedule of Expenditures of Federal Awards

The Federal Office of Management and Budget is always changing something!



Schedule of Expenditures of Federal Awards

The Federal Office of Management and Budget
has issued:

The Uniform Grant Guidance (UGG)

Effective for the County's fiscal year audits for
July 1 through June 30, 2019 and future
periods.

Schedule of Expenditures of Federal Awards

What has changed?

- The threshold for an audit of federal funds is \$750,000.
- Previously this amount was \$500,000.

Schedule of Expenditures of Federal Awards

What has changed?

- Bigger emphasis placed on Internal Controls and reporting deficiencies.
- Requires the County to formally respond to the findings issued in the prior report and write a formal corrective action plan on how the findings will be corrected.

Schedule of Expenditures of Federal Awards

What has changed?

- Requires the grantor agency to perform more detailed monitoring.
- Grantor agencies for Counties include Oklahoma Emergency Management, Department of Commerce, Bureau of Indian Affairs.

Schedule of Expenditures of Federal Awards

What has changed?

- The compliance requirements related to many grant programs has changed.
- The County will be responsible for knowing what applies and designing internal controls to ensure compliance.

Schedule of Expenditures of Federal Awards

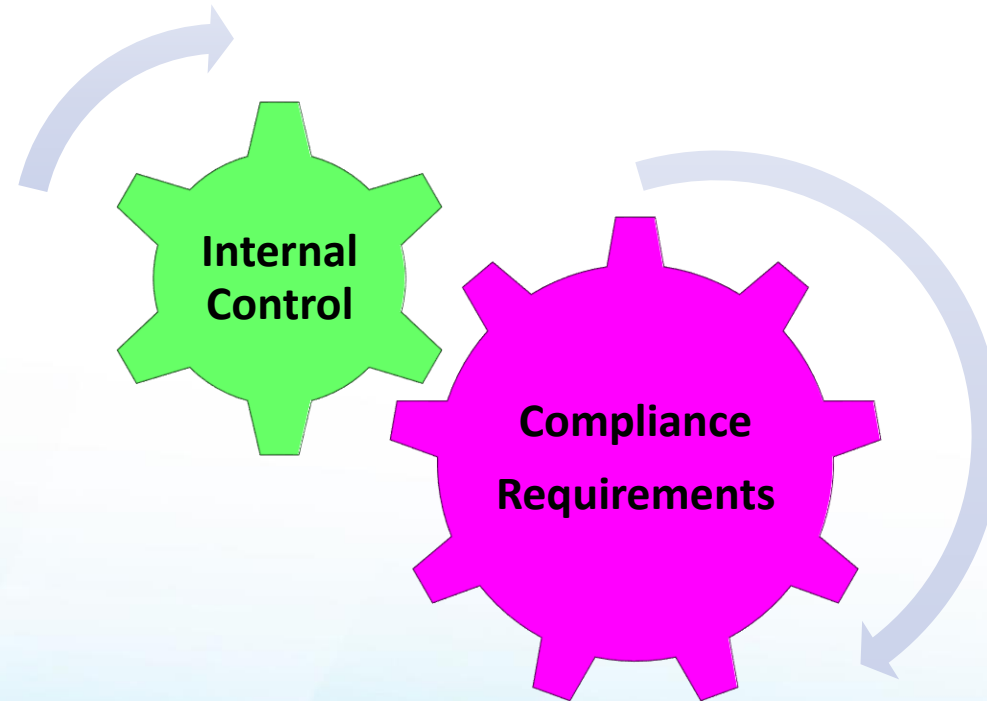
Where can you find the guidance?

- **Title 2, Subtitle A, Chapter II, Part 200**
- **Compliance Supplement for each fiscal year.**

**SEE HANDOUT
(Matrix & Compliance Supplement)**

Schedule of Expenditures of Federal Awards

There are two separate criteria associated with utilizing federal grant funds:



Federal Programs – Internal Control

The UGG states that nonfederal entities (Counties) must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with:

- Federal statutes
- Regulations
- Terms and conditions of the federal award

Federal Programs – Internal Control

Internal control over Federal programs means a process effected by an entity's management and other personnel designed to provide reasonable assurance regarding the achievement of the following objectives for Federal programs:

- a) Transactions are properly recorded and accounted for;
- b) Transactions are executed in compliance with laws, regulations, and grant requirements.

Federal Programs – Compliance Requirements

- Specific requirements outlined in the grant document.
- Compliance requirements applicable to all grants:
 - Activities Allowed
 - Allowable Costs
 - Matching

Federal Programs – Compliance Requirements

How do you know what requirements apply to your grant?

- Grant Agreement (FEMA PW, CDBG Grant)
- <https://beta.sam.gov/>
(formerly <https://www.cfda.gov/>)

Federal Programs – Compliance Requirements

How do you know what the requirements apply to your grant?

- OMB Federal Compliance Supplement
- Website:
<https://www.whitehouse.gov/omb/management/office-federal-financial-management/>

Federal Programs – Compliance Requirements

How do you know what the requirements apply to your grant?

Grant Agreement (FEMA PW, CDBG Grant)

OMB Federal Compliance Supplement

**Now that we've become familiar with the SEFA,
let's discuss FEMA...**

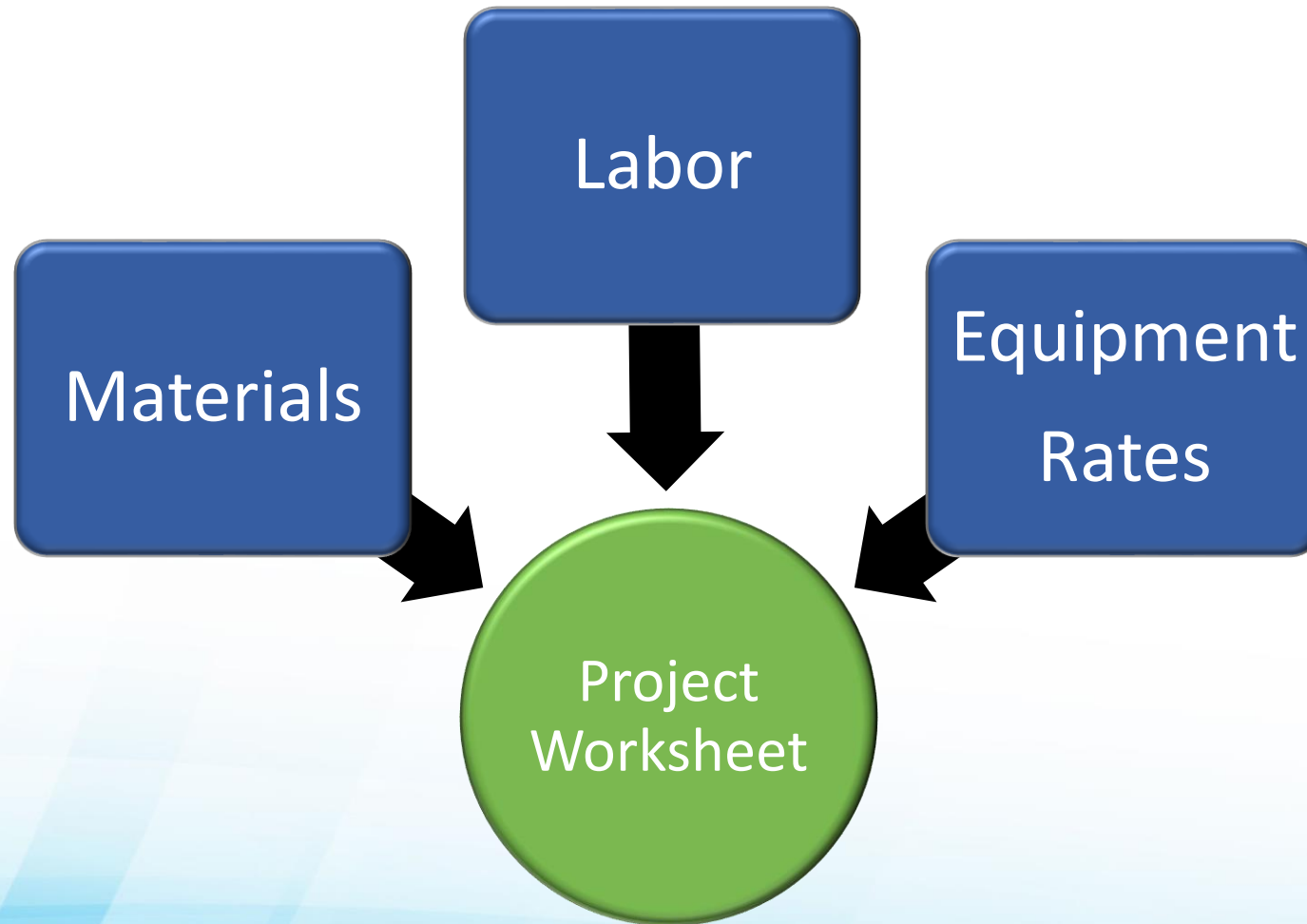
Federal Emergency Management Agency

Why is FEMA reporting so difficult?

- Reporting FEMA expenditures is much more than completing documentation for each project worksheet....

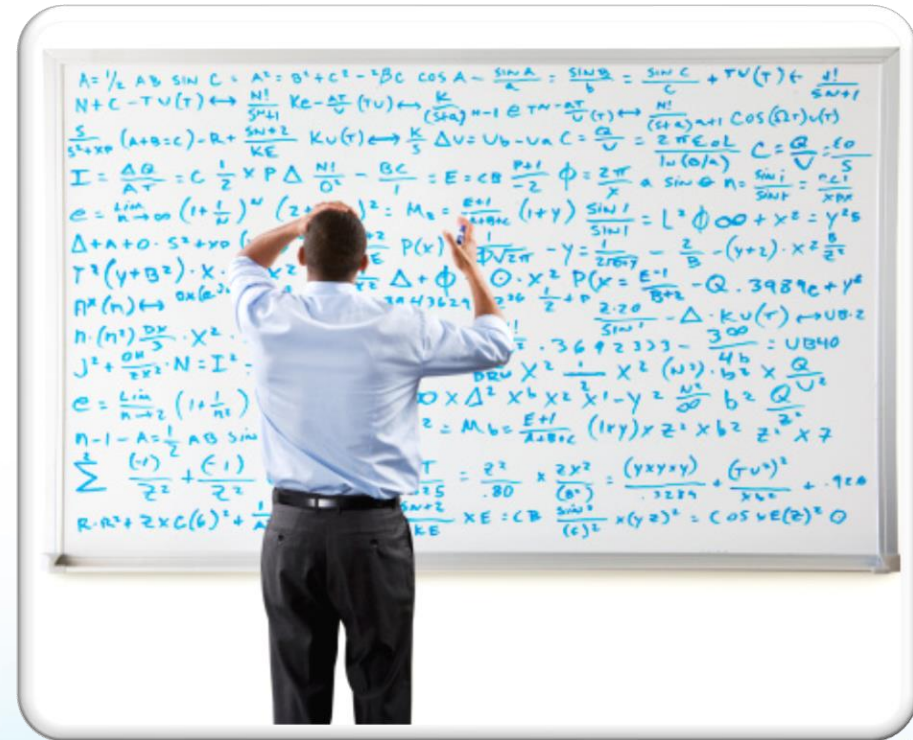


Documentation for PWs:



The Problem...

- More than one disaster, & many project worksheets (PW) for each disaster.
- Each District/Officer maintains information for the PW.
- The County Officers have not designated one person to compile the SEFA.



ORGANIZATION is the KEY!

1. Maintain ledgers for each disaster declared.

- This can be done by each office!

2. On June 30, review ledgers and compile all expenditures for that fiscal year.

Schedule of Expenditures of Federal Awards

- The SEFA covers July 1 to June 30
- FEMA projects cover several months
- Project worksheets from all Highway Districts must be compiled and put on one schedule.

Schedule of Expenditures of Federal Awards

More Helpful Tips...

1. Utilize the ledger templates provided by OSAI.
2. Keep the ledgers up-to-date.
3. If you have questions, call OSAI for technical assistance.

Let's Get Started....

FEMA

Project Worksheet:

- What type of project?
 - Large project
 - Prior to September 30, 2019 – \$128,900 and over
 - After September 30, 2019 – to be determined
 - Small project
 - Prior to September 30, 2019 – under \$128,900
 - After September 30, 2019 – to be determined

FEMA

Project Worksheet:

- What is the difference between large and small project requirements?
 - Large projects are funded on actual documented costs.
 - For small projects, if the project is completed for less than the award the county is allowed to use the excess for other projects.

FEMA

Project Worksheet:

- What category of work?
- How do I get started?

FEMA CATEGORIES AND EXAMPLES OF COMMON ELIGIBLE WORK

A	B	C	D	E	F	G
Debris Removal	Emergency Protective Measures	Roads & Bridges	Water Control Facilities	Buildings & Equipment	Utilities	Parks, Recreation, & Other
<p>Debris removal must be in the public interest and necessary to:</p> <ul style="list-style-type: none"> • Eliminate immediate threats to lives, public health & safety; • Eliminate immediate threats of significant damage to improved public or private property <p>Trees and Woody Debris Building Components Sand, Mud, Silt, & Gravel Removal of Temporary Levees</p>	<p>Search & Rescue Security Emergency Pumping Sandbagging Detour & Warning Signs EOC Activation Emergency & Temporary Repairs Overhead Power Lines Emergency Medical Facilities Emergency Evacuations Activities undertaken before, during and following a disaster to save lives, protect improved property</p>	<p>Roads</p> <ul style="list-style-type: none"> • Surfaces • Bases • Shoulders • Ditches • Drainage Structures • Low Water Crossings <p>Bridges</p> <ul style="list-style-type: none"> • Decking & Pavement • Piers • Girders • Abutments • Slope Protection • Approaches <p>Slope Failures</p>	<p>Dams and Reservoirs Levees Engineered drainage Channels Canals Aqueducts Sediment Basins Shore Protective Devices Irrigation Facilities Pumping Facilities</p>	<p>Buildings Structural Components Interior Systems</p> <ul style="list-style-type: none"> • Electrical • Mechanical • Contents 	<p>Water Treatment Plants Power Generation & Distribution Facilities</p> <ul style="list-style-type: none"> • Natural Gas Systems • Wind Turbines • Generators • Substations • Power Lines 	<p>Playground Equipment Swimming Pools Bath Houses Tennis courts Boat Docks Piers Picnic Tables Golf Courses Fish Hatcheries Mass Transit Facilities</p>

FEMA

Materials:

- Stock piles and inventory cards at barns
- Purchases from 6-month bids
- Items delivered directly to job site
- Requires good documentation

FEMA

Labor:

How do I report time?

FEMA

Labor:

Regular Employee (Full-Time, Part-Time, Seasonal)			
Type of Work	Category	Is Straight-Time Costs Allowed	Is Overtime Costs Allowed
Emergency - Debris removal	A	No	Yes
Emergency - Emergency Protective measures	B	No	Yes
Permanent - Roads/bridges	C	Yes	Yes
Permanent - Water control facilities	D	Yes	Yes
Permanent - Buildings/equipment	E	Yes	Yes
Permanent - Utilities	F	Yes	Yes
Permanent - Parks, recreational, & other facilities	G	Yes	Yes

FEMA

Temporary - Labor:

Temporary Employee (Hired to Perform Disaster Work)			
Type of Work	Category	Is Straight-Time Costs Allowed	Is Overtime Costs Allowed
Emergency - Debris removal	A	Yes	Yes
Emergency - Emergency Protective measures	B	Yes	Yes
Permanent - Roads/bridges	C	Yes	Yes
Permanent - Water control facilities	D	Yes	Yes
Permanent - Buildings/equipment	E	Yes	Yes
Permanent - Utilities	F	Yes	Yes
Permanent - Parks, recreational, & other facilities	G	Yes	Yes

FEMA

Equipment:

Can the County be reimbursed for equipment usage?

YES!

- Print FEMA equipment rate schedule and keep it as a reference.
- Since I am not issuing a purchase order...how are these funds accounted for?

FEMA

What are bidding requirements?

Follow your normal purchasing requirements.

FEMA

How do I record expenditures that occurred prior to being awarded the Project worksheet?

FEMA

Why are internal controls important and how can I meet this requirement?

Let's take a look at the forms!

FEMA

Activities allowed or unallowed (A)

- The allowed activities for the PA program are for the approved project as described on the PW and supporting documentation. The approved project may be repair or replacement of the damaged facility, an improved project, or an alternate project (44 CFR section 206.203).

FEMA

Allowable costs/Cost principles (B)

1. *Equipment Usage*

- Schedule of Equipment Rates published by FEMA
- The PA program restricts eligible direct costs for applicant-owned equipment used to perform eligible work to reasonable rates that were established under State guidelines, or when the hourly rate exceeds \$75, rates may be determined on a case-by-case basis by FEMA.

(44 CFR section 206.228(a)(1)).

FEMA

Allowable costs/Cost principles (B)

3. Force Account Labor Costs

- The straight- or regular-time salaries and benefits of a county's permanently employed personnel are not eligible in calculating the cost of eligible work for emergency protective services or debris removal under Sections 403 and 407 of the Stafford Act (42 USC 5170b and 5173, respectively).
- For performance of eligible permanent restoration under Section 406 of the Stafford Act (42 USC 5172), straight-time salaries and benefits of a subrecipient's permanently employed personnel are eligible (44 CFR section 206.228(a)(2)).

FEMA

Allowable costs/Cost principles (B)

4. *Insurance and Other Recoveries*

- Auditors are advised that there are likely to be amounts from insurance settlements, salvage, or other sources that must be considered in determining allowable costs because allowable costs must be net of applicable credits (42 USC 5155).

FEMA

Matching (G)

Costs must be on a shared basis, as specified in the FEMA-State Agreement.

In general, the minimum Federal share is 75 percent of eligible costs (44 CFR section 206.65).

The non-Federal share that is split between the State and each subrecipient may vary.

The accountability for meeting the matching requirement resides with the State and is determined at the time of project accounting as part of project closeout (i.e., the non-Federal share does not have to be met until the end of the project).

FEMA

Period of Performance (H)

Federal awards may specify a time period during which the non-Federal entity may use the Federal funds. Where a funding period is specified, a non-Federal entity may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency.

FEMA

Reporting (L)

Refer to requirements for reporting mandated by Oklahoma Emergency Management.

REMEMBER!

There are more stringent reporting requirements for large project worksheets vs. small project worksheets.

FEMA

Subrecipient Monitoring (M)

Generally not applicable for county government.

FEMA

Special tests and provisions (N)

Project Accounting

- For large projects, the State is required to make an accounting to FEMA of eligible costs.
- Similarly, the subrecipient must make an accounting to the State.
- In submitting the accounting, the entity is required to certify that reported costs were incurred in performance of eligible work, that the approved work was completed, that the project is in compliance with the provisions of the FEMA-State Agreement, and that payments for that project were made in accordance with the applicable payment provisions.

UPDATES

New Forms

- https://www.sai.ok.gov/county_services/
- Then select 'SEFA Resources' tab

POP QUIZ



QUESTIONS?

For a copy of this presentation,
please email bspencer@sai.ok.gov

WHAAAA?!?!?



New Change to FEMA Reporting:

If the County incurs expenditures in 2019 but FEMA does not award the Project Worksheet until 2020 – The County should report the expenditures incurred in 2019 and 2020 on the 2020 SEFA.

Also...a footnote should be included that states how much of the total expenditures were incurred in 2019.

QUIZ

What is the new dollar threshold for requiring a Federal Single Audit?

\$750,000 in County-Wide federal expenditures.

QUIZ

When did this new guidance – the UGG – take effect?

July 1, 2015

QUIZ

Who should approve all grant awards?

The Board of County Commissioners
in an open meeting.

QUIZ

Where does the County find the grant requirements?

- Grant Agreement
- OMB Compliance Supplement

QUIZ

Where can I find the CFDA number for my grant?

1. Grant documents
2. <https://beta.sam.gov/>
(formerly <https://www.cfda.gov/>)

QUIZ

If I expended funds in May 2019, but FEMA did not award my project worksheet until 2020 – which year should I report the expenditures on the County’s SEFA?

The expenditures should be reported on the County’s 2020 SEFA with a note reflecting how much was spent in 2019.