



# HUMAN SERVICE AGENCY FINANCIAL REVIEWS & AUDITS

## INFORMATIONAL DOCUMENT FOR CITY GRANT RECIPIENTS

Each September, the City's Contract Accounting Specialist sends out a reminder for agencies to provide their audits / financial statements to the City for our records. We get many questions about this and have developed this document to provide some general guidance.

The reason the City needs this information is that we are required by state and federal agencies to ensure fiscal responsibility on the part of ourselves as well as any agencies that receive funding from the City. City contracts require funded agencies to meet obligations of [2 CFR 200](#), including adherence to generally accepted accounting principles as part of their agency operations. The City reserves the right to scrutinize agency records as part of our monitoring responsibilities and request additional financial statements from agencies. Agencies who choose not to respond timely to the City's requests for information will be viewed as a heightened risk and may have invoiced held until the information is received.

The following guidance is general, and there may be exceptions to this (for example, if a written extension is granted by the IRS or through the Federal Audit Clearinghouse operating on behalf of the Office of Management and Budget, or if a request to the City is made and granted). In addition, agencies with prior monitoring concerns or findings, or with high staff turnover, may be expected to meet the higher standard than would otherwise be expected based on their expenditures.

**Single Audit Requirement** – Agencies that expend \$750,000 or more in federal funds in a given year are required by 2 CFR 200 to complete a single audit and upload it to the Clearinghouse within nine months of the end of their fiscal year. This includes a Schedule of Expenditures of Federal Awards (SEFA) and a listing of Findings & Questioned Costs. The City requires a copy of the full audit statement as submitted to the Clearinghouse by September 30 each year.

**Audited Financials Requirement** – Agencies that expend \$1,000,000 or more in a year, inclusive of federal funds, and \$50,000 or more in grants/loans from the City per year covering at least 2 years, but are not required to submit a single audit, are required to provide a **standard audit** with auditor assurances concerning internal controls at least every other year and a 990 in the years they are not required to provide an audit. This is due to the City by September 30 each year.

**External Financial Review** – Agencies that expend between \$400,000 and \$1,000,000 per year, receive \$25,000 or more in grants/loans from the City per year covering at least 2 years, and are not covered by the above 2 requirements, are required to provide an auditor's review every three years. The review must include assurances as to internal controls. A 990 is required in the years where a review is not required. These should be submitted by September 30 each year.

**990 Fillings** – Agencies who do not fall into any of the categories above are required to provide an annual 990 by September 30 each year. Agencies who file only a 990 annually should expect a City monitoring visit with a focus on internal controls at least bi-annually.

Please contact your City Contract Manager or administrative staff in the Planning and Community Development Department if you need more specific information.