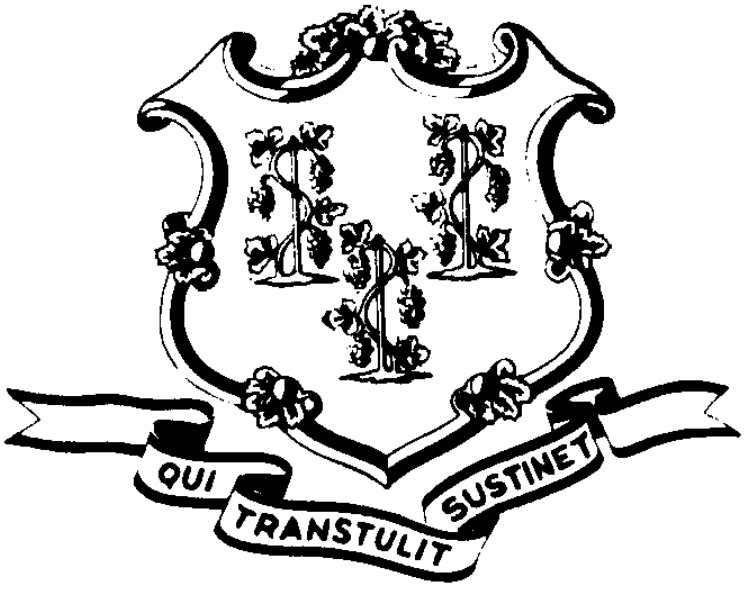
Compliance Supplement

to the

State Single Audit Act

For Fiscal Years Beginning On or After

July 1, 2018



State of Connecticut
Office of Policy and Management
Office of Finance
Municipal Finance Services

COMPLIANCE SUPPLEMENT
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GENERAL INFORMATION

The Compliance Supplement is effective for audits of fiscal years beginning on or after July 1, 2018, and supersedes all previous compliance supplements including previous updates issued by the Connecticut Office of Policy and Management (OPM). Every effort has been made to provide the most current information related to programs and program contacts.

The programs contained in this Compliance Supplement are identified by the Core-CT coding. If you encounter a program that is not in the Compliance Supplement for which the Core-CT coding is not available from the grantee, please contact the respective State agency for the Core-CT number. The Core-CT number is usually an 18 digit code representing the fund, state department and special id for the program (for example: 12009-OPM20600-17005). The Core-CT number should be used to identify programs listed on the Schedule of Expenditures of State Financial Assistance and on the Schedule of Findings and Questioned Costs. Some agencies have expanded the CORE-CT used to identify programs. You will notice an additional 3 or 5 digits in the number assigned to some programs. Be sure to match the name of the program as well as the CORE-CT number to the entity's program before identifying the proper compliance supplement to use. For unique situations where additional guidance is necessary to identify a grantor agency's program, that guidance will be provided in Part 2 of the Supplement in the section that pertains to the programs of the particular agency.

The Supplement is based on the latest revisions to the Connecticut State Single Audit Act (hereafter referred to as the "Act"). The Act and the Regulations for implementing the Act are included in Parts 7 and 8, respectively, of the Supplement.

The concept of a State Single Audit is based upon the Federal Government's Single Audit. For this reason, many of the provisions and guidelines provided in the Act, the Regulations to the Act and this Supplement are similar to the Federal Government's requirements and guidelines. Auditors should be aware however, that there are **distinct** and **significant differences** between the Federal Single Audit Act and the Connecticut State Single Audit Act. For this reason, it is important that the auditor be aware of the requirements and guidelines necessary to perform a Connecticut State Single Audit or a program audit in accordance with the Act and its Regulations.

KEY ASPECTS FOR CONDUCTING A STATE SINGLE AUDIT

- A State Single Audit is required when expenditures of state financial assistance equal or exceed $300,000 in the auditee's fiscal year.

- In conducting a State Single Audit, the auditor should be familiar with the State Single Audit Act and its regulations and the State Single Audit Compliance Supplement.

- The Compliance Supplement contain: details of the risk based approach, program identification numbers, suggested audit requirements and other guidance for auditors.

- Similar to the federal process, state programs are separated into Type A and Type B and evaluated based on a risk assessment rather than on a numerical calculation. This method allows for a rotation of programs being tested each year. Major programs must be tested and must represent at a minimum 50% of non-exempt expenditures. There is no provision for being a "low risk auditee." Refer to Part 5 of the Supplement for details.

- Exempt programs are determined based on ongoing evaluations and are identified in Part 4 of the Compliance Supplement. Such programs cannot be considered major state programs.

- Details regarding the reporting of audit findings and questioned costs by the independent auditor and the preparation of corrective action plans by the entity under audit can be found in Section 4-236-25 of the Regulations to the State Single Audit Act and Part iii of the Compliance Supplement.

- State Single Audit reports are due six months after the auditee's fiscal year-end. Procedures for approving extensions allow OPM to request data and conduct meetings prior to approving a request for an extension of time for submittal of the State Single Audit report. The extension request must be made jointly by the organization's chief executive officer and the organization's independent auditor. Extensions granted for submittal of the audit report cannot exceed six-months in total from when the report was first due.

- The responsibility for payment of audit fees rests with the auditee when OPM assigns an auditor.

- The filing process, allows for a single filing of audit reports with the cognizant agency rather than each state agency.

UPDATE OF REQUIREMENTS

This Supplement identifies existing compliance requirements that the State of Connecticut expects to be considered as part of an audit required by the Act. For the programs contained herein, this Supplement provides a source of information for auditors to understand the State programs objectives, procedures, and compliance requirements relevant to the audit as well as audit objectives and suggested audit procedures for determining compliance with these requirements.

The Regulations to the Act state that state agencies are responsible to annually inform the Secretary of OPM of any updates needed to this Supplement. However, auditors should recognize that laws and regulations change periodically and that delays may occur between such changes and revisions to this Supplement. Moreover, auditors should recognize that there may be provisions of contract and grant agreements that are not specified in law or regulation and, therefore, the specifics of such are not included in this Supplement. The grant agreement may specify a certain matching percentage or set a priority for how funds should be spent (e.g., a requirement to not fund certain size projects). A State agency may also impose additional requirements on a recipient as part of the resolution of prior audit findings.

Accordingly, the auditor should: (1) perform reasonable procedures to ensure that compliance requirements are current and to determine whether there are any additional provisions of contract and grant agreements that should be covered by an audit under the Act and (2) update or augment the requirements contained in this Supplement where appropriate.

Reasonable procedures may include inquiry with a nonstate entity's management and review of the contract and grant agreements for programs selected for testing (i.e., major programs).

RESPONSIBILITY FOR OTHER REQUIREMENTS

Although the focus of this Supplement is on compliance requirements that could have a direct and material effect on a major program, auditors also have responsibility under *Generally Accepted Government Auditing Standards* (GAGAS) for other requirements when specific information comes to the auditor's attention that provides evidence concerning the existence of possible noncompliance that could have a material indirect effect on a major program.

OPM has initiated a system requiring the electronic submission of reports, eliminating the need to file with each state agency, and creating a central filing with OPM. This will improve access by state agencies and reduce the number of paper reports produced. The independent auditor must still submit a hardcopy of the report to OPM (the cognizant state agency). The official filing date of the Report is the date that the hardcopy is received by OPM.

OVERVIEW OF THIS SUPPLEMENT

Common Reporting Problems (Part ii)

This part of the Supplement identifies the most common reporting problems observed by OPM when conducting desk reviews of State Single Audit reports for the 2017-18 reporting period.

Audit Report Submission (Part iii)

This part of the Supplement provides information on the filing requirements under the State Single Audit Act, including information on filing audit reports electronically.

Compliance Requirements (Part 1)

Part 1 lists and describes the 6 types of compliance requirements and, (except for Special Tests and Provisions), the related audit objectives that the auditor shall consider in every audit conducted under the Act and its Regulations. An exception is program-specific audits performed in accordance with a State awarding agency's program-specific audit guide (if available). Suggested audit procedures are also provided to assist the auditor in planning and performing tests of the nonstate entity's compliance with the requirements of State programs. Auditor judgment will be necessary to determine whether the suggested audit procedures are sufficient to achieve the stated audit objectives and whether additional or alternative audit procedures are needed. It is the auditor's responsibility to determine the nature, timing, and extent of the audit procedures necessary to meet the audit objectives.

The compliance requirements for Special Tests and Provisions are unique to each State program; therefore, compliance requirements and suggested audit procedures for Special Tests and Provisions are not included in Part 1.

The common elements of an internal control system for the six types of compliance requirements are provided in Part 1. Part 1 does not include suggested audit procedures to test internal control because of the diversity of systems in place among nonstate entities. The auditor must determine appropriate procedures to test internal control on a case by case basis considering factors such as the nonstate entity's internal control, the compliance requirements, the audit objectives for compliance, the auditor's assessment of control risk, and the audit requirement to test internal control as prescribed in the Regulations to the Act.

Agency Program Requirements (Part 2)

For each State program included, Part 2 lists and describes program objectives, program procedures, and compliance requirements that are specific to the program. With the exception of Special Tests and Provisions, the auditor shall refer to Part 1 for the audit objectives and suggested audit procedures that pertain to the compliance requirements associated with the programs. Special Tests and Provisions are unique to each program; therefore the audit objectives and suggested audit procedures for each program are included in Part 2.

In conducting an audit of a major state program for a particular entity, the auditor should determine whether state financial assistance received under the major program was passed through to a subrecipient. If this occurred, Subrecipient Monitoring would be a compliance requirement that should be evaluated by the auditor for compliance requirement testing even though it may not be identified in Part 2 of the Supplement as a compliance requirement of the program (unless the supplement for the program specifically states that Subrecipient Monitoring is not applicable for the program).

The description of program procedures is general in nature. Some programs may operate somewhat differently than described due to: (1) The complexity of governing laws and regulations; (2) the administrative flexibility afforded nonstate entities; and, (3) the nature, size, and volume of transactions involved. Accordingly, the auditor should obtain an understanding of the applicable compliance requirements and program procedures in operation at the nonstate entity to properly plan and perform the audit.

Guidance for Auditing Programs Not Included in this Compliance Supplement (Part 3)

Part 3 provides guidance to auditors in identifying the compliance requirements and designing tests of compliance with such requirements of programs not included in this Supplement.

Exempt Programs (Part 4)

Major Program Determination (Part 5)

OPM Cost Principles (Part 6)

State Single Audit Act (Part 7)

State Single Audit Regulations (Part 8)

Sample State Single Audit Reports (Part 9)

Sample Schedule of Prior Audit Findings (Part 10)

Sample Corrective Action Plan (Part 11)

State Agency Contact List (Part 12)

Cognizant Agency Appointments (Part 13)

Notification of Appointment of Auditor (Part 14)

State Single Audit Extension Request Form (Part 15)

State Single Audit Filing Exemption Notification (Part 16)

State Agency Department Listing (Part 17)

Subrecipients and Contractors/Vendors (Part 18)

The items below have been required for the past several years and are again being presented in this Compliance Supplement to emphasize the required reporting.

- **Submission of a separate Corrective Action Plan:** The auditee is required to prepare in a document separate from the auditor's findings (including the Schedule of Findings and Questioned Costs) a corrective action plan to address each audit finding (financial statement findings and state award program findings) in the current-year audit report. The corrective action plan is to provide the name(s) of the contact person(s) responsible for the corrective action, the corrective action planned, and the anticipated completion date. If the entity under audit doesn't agree with the audit findings or believes that corrective action is not required, the entity shall explain this in the corrective action plan. The corrective action plan is to be filed on OPM's Electronic Audit Reporting System (EARS). This filing should occur at the same time as the audit reporting package is filed.
- **Summary Schedule of Prior Audit Findings:** The state grant recipient under audit is required to report on the status of its prior year audit findings in regard to both its state award programs and its financial statements. The Summary Schedule shall identify any prior year findings that are repeated in the current year and the reasons for the recurrence, along with adequate reference numbers to identify the prior year findings. If a prior year finding has been corrected, the Summary Schedule should make such a disclosure.
- **Amounts Passed-Through to Subrecipients:** State grant recipients are required to report the amounts that they have passed through to subrecipients by program on the face of the Schedule of Expenditures of State Financial Assistance. See the sample Schedule in part 9 of the Compliance Supplement.

The following is a summary of changes to programs in Part 2 of the compliance supplement.

SECTION 1
DEPARTMENT OF CHILDREN AND FAMILIES

1) The following grant has been ADDED

   a) 11000 – DCF91100-16140 INDIVIDUALIZED FAMILY SUPPORTS

2) The following grants have been DELETED

   a) 11000-DCF91100-12504 HOMELESS YOUTH
   b) 11000-DCF91100-16145 THE NEIGHBORHOOD YOUTH CENTER

SECTION 2
DEPARTMENT OF CORRECTION

This section has no deleted or new programs.

SECTION 3
DEPARTMENT OF DEVELOPMENTAL SERVICES

This section has no deleted or new programs.

SECTION 4
OFFICE OF EARLY CHILDHOOD

1) The following grant has been DELETED

   a) 11000-OEC64840-12495 COMMUNITY PLANS FOR EARLY CHILDHOOD

SECTION 5
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

This section has no deleted or new programs.

SECTION 6
DEPARTMENT OF EDUCATION

This section has no deleted or new programs.

SECTION 7
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION

This section has no deleted or new programs.

SECTION 8
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

This section has no deleted or new programs.

SECTION 9
OFFICE OF HIGHER EDUCATION

This section has no deleted or new programs.

SECTION 10
DEPARTMENT OF HOUSING

1) The following grants have been ADDED

a) 11000-DOH46920-16149-1200910 HOMELESS OUTREACH SERVICES

SECTION 11
JUDICIAL BRANCH

1) The following grants have been ADDED

a)	11000-JUD96114-16043-092	FOSTERING RESPONSIBILITY, EDUCATION AND EMPLOYMENT (FREE)
b)	11000-JUD96114-16138-093	JOURNEY HOUSE
c)	11000-JUD96114-16043-094	JUVENILLE STAFF SECURE RESIDENTIAL FACILITY (JSSRF)
d)	11000-JUD96114-12105-097 11000-JUD96114-12375-097	LINKING YOUTH TO NATURAL COMMUNITIES (LYNC)
e)	11000-JUD96114-16043-095	MULTISYSTEMIC THERAPY FOR TRANSITION AGE YOUTH (MST-TAY)
f)	11000-JUD96114-16043-096	TREATMENT FOSTER CARE OREGON-ADOLESCENT (TFCO-A)

2) The following grant has been DELETED

a)	11000-JUD96114-12375-085	MULTIDIMENSIONAL FAMILY THERAPY (MDFT)

SECTION 12
DEPARTMENT OF LABOR

1) The following grant has been DELETED

a)	12060-DOL40000-90615	EMPLOYMENT PROGRAM FOR YOUTH INVOLVED IN DCF

SECTION 13
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

1) The following grants have been ADDED

a)	11000-MHA53000-12278	JAIL DIVERSION
b)	11000-MHA53000-30179	HAMDEN BASED OUTPATIENT MENTAL HEALTH SERVICES

SECTION 14
OFFICE OF POLICY AND MANAGEMENT

1) The following grants have been ADDED

a)	12052-OPM20600-43740	PAYMENT IN LIEU OF TAXES (PILOT) ON EXEMPT PROPERTY OF MANUFACTURING FACILITIES IN DISTRESSED MUNICIPALITIES
b)	13019-OPM20870-40002 13019-OPM20350-40002 13019-OPM20870-43472	URBAN ACT

SECTION 15
DEPARTMENT OF PUBLIC HEALTH

This section has no deleted or new programs.

The BREAST AND CERVICAL CANCER DETECTION AND TREATMENT program is now the CANCER INTEGRATED HEALTH SCREENING AND TREATMENT program. CORECT #s have not changed.

SECTION 16
DEPARTMENT OF REHABILITATION SERVICES

This section has no deleted or new programs.

SECTION 17
CONNECTICUT STATE LIBRARY

This section has no deleted or new programs.

SECTION 18
DEPARTMENT OF SOCIAL SERVICES

1) The following grant has been DELETED

a)	11000-DSS60000-17083	COMMUNITY SERVICES (CSV)

SECTION 19
DEPARTMENT OF TRANSPORTATION

This section has no deleted or new programs.

PART ii - COMMON REPORTING PROBLEMS

The most common issue identified by state agencies continues to be that the amounts reported on the Schedule of Expenditures of State Financial Assistance for certain grant program expenditures were incorrect.

The auditee is responsible for the preparation of the Schedule of Expenditures of State Financial Assistance and the independent auditor is responsible for issuing an opinion on whether the Schedule is presented fairly in all material respects in relation to the auditee's financial statements taken as a whole. The independent auditor also has the responsibility under the State Single Audit (SSA) Act to determine the major state programs (an important aspect of conducting a State Single Audit); the Schedule of Expenditures of State Financial Assistance serves as the primary basis for the auditor making that determination. Therefore, appropriate major program determination by the auditor is highly dependent on the accuracy and completeness of the information that makes up the Schedule of Expenditures of State Financial Assistance. See chapter 7 of the AICPA audit guide, Government Auditing Standards and Single Audits for further information.

An issue that has emerged on a more frequent basis are cases where a pass-through entity has provided $300,000 or more in state financial assistance to one of its subrecipients and where the subrecipient expended such financial assistance in its fiscal year triggering the need for a State Single Audit to be conducted of the subrecipient. OPM is working with state grantor agencies to gain an understanding as to the reason why subrecipients meeting the State Single Audit requirement expenditure threshold are not having State Single Audits conducted until being notified that a State Single Audit is required, which is well after the statutory due dates of the audit reports. In addition, the State Single Audit Report of the pass-through entity that provided the state financial assistance, frequently does not reflect an audit finding related to subrecipient monitoring.

A high amount of reporting problems continue to be observed in State Single Audit reports for the 2017-18 reporting period. Outdated reporting can be minimized by following the sample reports provided in the most current editions of the State Single Audit Compliance Supplement and the AICPA Audit Guide, "Government Auditing Standards and Single Audits". Auditors can ensure correct auditing and reporting under the State Single Audit Act by keeping up-to-date with the latest changes to the State Single Audit Act, the information provided in the State Single Audit Compliance Supplement and Statement on Auditing Standards issued by the AICPA that affect State Single Audits. The following are the most common problems found during the desk reviews of the 2017-18 reports:

Schedule of Expenditures of State Financial Assistance

- Incorrect, incomplete or no Core-CT numbers used to identify state programs listed on the Schedule.
- Federal programs listed on the Schedule.
- The Notes to the Schedule were missing or were incomplete.
- Incorrect state financial assistance expenditure amounts reported for certain state programs listed on the Schedule.
- Exempt programs are not identified as exempt on the Schedule.
- Programs that are not exempt are identified as exempt on the Schedule.
- State financial assistance programs were left off the Schedule.
- There are several state agencies that provide grant funds under the program name Small Town Economic Assistance Program (STEAP). On several occasions it was observed that the incorrect grantor agency for expenditures under STEAP was identifed on the Schedule.
- Amounts passed-through to subrecipients from each grant program reported on the Schedule were not disclosed.

Schedule Of Findings And Questioned Costs

- The dollar threshold amount used to distinguish between Type A and Type B programs is incorrect.
- The dollar threshold amount used to distinguish between Type A and Type B programs is missing.
- A Type A program that was not audited in any of the two prior years was not identified as a major program on the Schedule.
- A state program with two components listed under the same supplement is identified on the Schedule of Expenditures of State Financial Assistance under two line items (identical Core-CT numbers). Only one of the two line items is identified on the Schedule of Findings and Questioned Costs as a major program. (The line-item expenditure amounts of both components of the program should have been aggregated in determining a major program and both components of the program identified on the Schedule as a major program).
- The programs identified as major, do not meet the 50% coverage requirement of the State Single Audit Act.
- Amounts reported for major programs in the Schedule of Expenditures of State Financial Assistance and the Schedule of Findings and Questioned Costs do not agree.
- The Schedule refers to the Independent Auditor's Opinion on the financial statements and/or the Independent Auditor's Opinion on compliance over major state programs as an unqualified opinion rather than as an unmodified opinion.
- The Independent Auditor's Opinion on the financial statements was modified but the Schedule indicates that the opinion was unmodified.

- The Independent Auditor's Opinion on compliance over major state programs was modified for one major program and unmodified for the remaining major programs but the Schedule indicates that the opinion on compliance was unmodified for all major programs.
- Inconsistencies between findings reported in the Schedule of Findings and Questioned Costs and in the internal control and compliance reports.
- Part II (financial statement findings) and/or III (state program findings) of the schedule indicate that there were findings but does not describe the findings or reference where the findings can be found in the Report.
- There is no indication that a finding that is being repeated from the prior year's report is a repeated finding.

Summary Schedule of Prior Audit Findings

- The prior year's State Single Audit Report disclosed several significant deficiencies and reportable instances of noncompliance affecting major state programs and several significant deficiencies and reportable instances of noncompliance affecting the entity's financial statements. The current year's State Single Audit Reporting Package included a Summary Schedule of Prior Audit Findings describing the status of the audit findings from the prior year that affected the entity's state financial assistance programs but the status of the audit findings from the prior year that affected the entity's financial statements is not described. The Summary Schedule in the current year's State Single Audit Reporting Package should have described the status of both the audit findings from the prior year that affected the entity's major state programs and the audit findings from the prior year that affected the entity's financial statements.

Corrective Action Plan

- The State Single Audit Report disclosed audit findings for which a corrective action plan was required to have been filed as part of the audit reporting package submitted but such a corrective action plan was not filed with the audit reporting package. In several cases, when contacted by OPM, the auditee appeared to incorrectly believe that the brief statement provided on the Schedule of Findings and Questioned Costs under the subheading "Management's Response" or "Management's Corrective Action Plan" met the requirments for a corrective action plan under the provisions of the State Single Audit Act. Corrective action plans are required when audit findings are identified on the Schedule of Findings and Questioned Costs that affect the nonstate entity's state grant programs or the nonstate entity's financial statements. It is not acceptable for the corrective action plan to be included as part of the Schedule of Findings and Questioned Costs.

  Although it is the auditee's responsibility to prepare the required corrective action plan for its inclusion in the audit report package, failure to include the corrective action plan with the audit report package can lead to additional work for the independent auditor. If a corrective action plan was required but

was not filed with the audit report package uploaded to EARS, auditors will have to upload the corrective action plan on behalf of their clients at a later date on EARS and the audit report package will not be considered complete until the corrective action plan is filed. Auditors should therefore remind their clients of the need to prepare a fully developed corrective action plan for submission as part of the audit report package to be filed when audit findings requiring a corrective action plan are identified in the audit.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

- The Independent Auditor's report on the Financial Statements includes a modified opinion. Therefore, the report should reference a modified opinion in the introductory paragraph.
- The language provided in the internal control section of the Report is not in conformace with the latest AICPA reporting guidance, including the clarity standards.
- The language provided in the compliance section of the Report is not in conformace with the latest AICPA reporting guidance, including the clarity standards.
- The Report includes a “restricted use" alert instead of a “purpose” alert.

Report On Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and On Internal Control Over Compliance in Accordance with the State Single Audit Act

- The compliance section of the Report does not conform with the latest guidance provided in the State Single Audit Compliance Supplement.
- The internal control section of the Report does not conform with the latest guidance provided in the State Single Audit Compliance Supplement.

Independent Auditor’s Report on the Financial Statements

- The Independent Auditor’s Report is not signed.
- The Independent Auditor’s Report is not dated or does not identify the city and state where the auditor practices.
- The *Auditor’s Responsibility* section of the Independent Auditor’s Report does not indicate that the audit was conducted in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
- The Independent Auditor’s Report does not include a section that contains a statement that the auditor has issued a report on the consideration of the entity’s internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters.

Miscellaneous

- The State Single Audit package (e.g. Municipal Audit Questionnaire, tranmsittal letter) indicates that a separate management letter was issued, but the management letter is not included in the reporting package submitted.
- A paper copy of the State Single Audit report was submitted to OPM as the cognizant state agency but an electronic version was not uploaded to OPM's electronic audit reporting system (EARS).
- An electronic version of the State Single Audit report package was uploaded to OPM's EARS but a paper copy of the report package was not submitted to OPM, as the cognizant state agency.
- The State Single Audit report that was previously submitted to OPM was revised by the independent auditor, but a revised report was not submitted to OPM and filed on OPM's electronic audit reporting system (EARS).
- OPM identified and communicated to the independent auditor a problem noted in its review of the State Single Audit report and indicated that the problem should be corrected by the independent auditor in the subsequent year's report. A review of the subsequent year's report indicate continued incorrect reporting.
- Reference numbers are not used when referencing audit findings.

PART iii - AUDIT REPORT SUBMISSION INFORMATION

STATE SINGLE AUDIT

Pursuant to Sections 4-230 through 4-236 of the Connecticut General Statutes as amended by P.A. 09-7, each municipality, audited agency, tourism district and not-for-profit organization with a fiscal year beginning on or after July 1, 2009, that expends state financial assistance equal to or in excess of three hundred thousand dollars in any such fiscal year of the entity, shall have a single audit made for such fiscal year in accordance with the provisions of the above-referenced General Statutes. If total state financial assistance expended for the fiscal year is for a single state program, a program-specific audit may be conducted in lieu of a single audit provided such audit is allowed under the provisions of C.G.S. 4-231. Cognizant agencies must be notified of the Independent Auditor appointed to conduct the audit. Such notification must be made by the entity to be audited not later than thirty days before the end of the fiscal year of the entity. The Office of Policy and Management is the cognizant agency for municipalities, tourism districts, other governmental entities and nonprofit organizations under the State Single Audit Act. Refer to Part 13 of this Compliance Supplement for a listing of other cognizant agencies.

STATE SINGLE AUDIT - REPORTING PACKAGE

The State Single Audit report package must be filed by the auditee's independent auditor within 30 days of completion of the audit report, if possible, but no later than six months after the end of the audit period unless an extension of time has been granted by the cognizant agency to file the State Single Audit report. As delineated in Section 4-236-25 of the Regulations to the State Single Audit Act, the State Single Audit reporting package to be submitted to the cognizant agency shall include the audited financial statements of the auditee, the State Single Audit reports and schedules, including reports prepared in accordance with applicable government auditing standards, the separately issued management letter, the corrective action plan prepared by the auditee to address the audit findings identified in the State Single Audit report, and the Summary Schedule of Prior Audit Findings prepared by the auditee, if applicable.

CORRECTIVE ACTION PLAN

Grant recipients are responsible for preparing a corrective action regarding audit findings reported in their State Single Audit Reports. The corrective action plan should include the name of the person responsible for corrective action, a detailed description of the planned corrective action, and the anticipated completion date for implementing the corrective action and resolving the audit finding. Although some elements of the corrective action plan is frequently summarized within the State Single Audit report and reported as "management's response" to an audit finding, a fully detailed corrective action plan is required to be reported separately from the audit findings reported in the State Single Audit report. Therefore the corrective action plan should not be included in the Schedule of Findings and Questioned Cost but must be included in the audit reporting package submitted to the cognizant agency. Audit findings for which a corrective action plan is required include the following:

- Findings related to the financial statements required to reported in accordance with Government Auditing Standards (including significant deficiencies, material weaknesses, reportable/material instances of noncompliance and material abuse);
- Findings related to major state financial assistance programs required to be reported in accordance with the State Single Audit Act (including significant deficiencies, material weaknesses, and reportable/material instances of noncompliance);
- Known questioned costs exceeding one-thousand dollars regarding a type of compliance requirement of a major state program or known questioned costs exceeding one-thousand dollars for a state program not audited as a major program;
- Significant instances of abuse material to a major state program or abuse that is less than material to a major state program, but for which, in the auditor's judgment, is of sufficient importance to communicate to management and those charged with governance;
- The circumstances why the independent auditor's report on compliance over major state programs is other than an unmodified opinion (unless already reported as an audit finding); and
- Instances where the results of audit follow-up procedures reveals that the summary of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit finding.

Each recipient should prepare its corrective action plan in a timely manner and present the corrective action plan to its independent auditor for inclusion in the State Single Audit reporting package submitted to the cognizant state agency. As a best practice, OPM recommends that the corrective action plan and the summary schedule of prior audit findings be presented on the auditee's letter head. See Parts 10 and 11 of this Compliance Supplement for a sample format of the summary schedule of prior audit findings and corrective action plan, respectively.

OTHER AUDITING REQUIREMENTS

Municipalities and certain other municipal entities are required to file a financial audit report with OPM on an annual basis. The filing requirements for these entities are delineated in the Municipal Auditing Act as codified in Connecticut General Statutes, Section 7-391 through 7-397.

The federal government requires that certain governmental and nonprofit entities undergo a federal single audit of their federal awards expended on an annual basis. Federal awards can be provided directly by the federal government or as pass through funds from the State of Connecticut or other recipients. Federal expenditure thresholds for requiring a federal single audit are provided in OMB Uniform Guidance - Audit Requirements for Federal Awards dated December 26, 2013.

ELECTRONIC AUDIT REPORT SYSTEM (EARS)

EARS is a web site made available by the Municipal Finance Services Section of the Office of Policy and Management (OPM) to provide independent auditors an ***electronic process for uploading audit reports*** of their clients on-line. State grantor agencies and the public will be able to access and view the reports that have been filed on EARS.

The filing on EARS for all parts of the audit reporting package to be submitted to OPM is mandatory. On occasion, management letters and corrective action plans may not be available by the time the financial and State Single Audit reports are issued. In such circumstances, when these items are unavailable to be filed with the remaining portions of the State Single Audit Report package, they may be filed separately at a later date with OPM by the auditee's independent auditor by uploading such items on EARS using the "Upload a Management Letter" or "Upload a Corrective Action Plan" feature.

Although EARS was first developed for the filing of State Single Audit reports, it has been reconfigured to allow for the filing of financial audit reports and federal single audit reports that would normally be filed with OPM or other state agencies whether or not a State Single Audit report is being filed. Further information is available on the EARS website.

In regard to the filing of State Single Audit reports, OPM as the cognizant state agency for most entities that are required to file a State Single Audit report does still require that a hardcopy of the audit report package to be submitted to its Office by the required filing date in state law. State grantor agencies have agreed to use the State Single Audit Report package filed on-line on EARS in lieu of receiving a hardcopy of the reporting package from their grantees. State Single Audit reports should be filed on-line no later than the required filing date under state law (6-months subsequent to the entity's fiscal year end or the extension date granted by the cognizant state agency).

The Electronic Audit Reporting System (EARS) can be accessed by going to the EARS website at: https://www.appsvcs.opm.ct.gov/Auditing/Home.aspx. **Please contact the Municipal Finance Services Section of the Office of Policy and Management at 860-418-6400 if you should encounter any problems or have any questions.**

PART 1

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANGAGEMENT
STATE SINGLE AUDIT ACT
COMPLIANCE CRITERIA

The following are the elements of compliance under the State Single Audit Act:

- ◊ Activities and costs allowed or unallowed
- ◊ Eligibility
- ◊ Matching, level of effort, or earmarking
- ◊ Reporting
- ◊ Subrecipient monitoring
- ◊ Special tests and provisions

Internal Control

In general, the auditor must plan the testing of internal control over compliance for major programs to support a low level of control risk for the assertions relevant to the compliance requirements for each major program. Professional standards do not define or quantify a low assessed level of control risk. Therefore, the auditor must use professional judgement to determine the procedures necessary to obtain a low level of control risk. If internal control over compliance for some or all of the compliance requirements for a major program are likely to be ineffective in preventing or detecting noncompliance, the auditor shall follow AICPA guidance.

Because of the diversity of systems employed by recipients of state awards, audit procedures to test internal control are not presented in this manual. The auditor must determine appropriate procedures to test internal control on a case by case basis. Common elements of an internal control system are presented below.

Compliance

Information on individual program compliance issues is presented in the Compliance Supplement in order to assist the auditor in developing an understanding of issues, which the grantor agency has identified as critical to ensuring compliance with applicable laws, regulations, contracts and agreements.

Audit procedures are provided below to assist auditors in planning and performing tests of compliance with requirements of State programs. Auditor judgment will be necessary to determine whether the suggested audit procedures are sufficient to achieve the stated audit objective and whether additional or alternative audit procedures are needed.

The suggested procedures are in lieu of specifying audit procedures for each of the programs included in the Compliance Supplement. This approach simplifies and reduces repetition of information, which is common to grant programs.

A. TYPES OF ACTIVITIES AND COSTS ALLOWED OR UNALLOWED

Specific requirements for activities and costs allowed or unallowed are determined for each State program based on laws, regulations, and the provisions of contract or grant agreements pertaining to the program. For programs included in the Compliance Supplement, the specific requirements are contained therein. For programs not included in the supplement, the auditor shall review the provisions governing the operation of the program and develop audit procedures to ensure that the program is administered in accordance with applicable laws, regulation, contract and or grant agreement which could have a direct and material effect on the program being audited.

Audit Objectives

Determine whether funds received under State awards were expended only for allowable activities and costs. Providers of health and human services contracts must follow OPM Cost Standards. OPM Cost Accounting Standards were issued in September 2006. If the Grantee's contracts were amended to modify funding, or were new contracts that started on or after January 1, 2007, the OPM Cost Accounting Standards must be followed.

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

Internal Control

Internal Control Considerations

Internal control over allowable activities and costs must be evaluated and tested by the auditor. A description of the components of internal control and examples of characteristics common to a system over activities and costs allowed or unallowed are presented below. The following does not represent a checklist of required internal control characteristics. An auditee could have adequate internal control even though some or all of the characteristics included below are not present. Auditors must use professional judgement in determining the most appropriate and cost effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with State program requirements**.**

- Control objectives
  - Provide reasonable assurance that State awards are expended only for allowable activities and costs
  - Costs are reported in accordance with the Cost Allocation Plan.
- Control environment
  - Management sets reasonable budgets for State and non-State programs so that no incentive exists to miscode expenditures
  - Organization-wide cognizance of need for separate identification of allowable State costs.
  - Management provides personnel approving expenditures with a list of allowable and unallowable expenditures
  - Management is made aware of the CAP.
- Risk assessment
  - Key manager has a sufficient understanding of staff, processes, and controls to identify where unallowable activities or costs could be charged to a State program and not be detected
  - Key management has a sufficient understanding of staff, processes and controls to determine that the cost allocation plan has been implemented properly.
- Control activities
  - Accountability provided for charges and costs between State and non-State activities
  - Process in place for timely updating of procedures for changes in activities allowed.
  - Computations checked for accuracy
  - Supporting documentation compared to list of allowable and unallowable costs
  - Adequate segregation of duties
  - Accountability for authorization is fixed in an individual who is knowledgeable of the requirements for determining activities allowed
  - Procedures to prepare an annual CAP and to amend the CAP due changing programs
  - Supporting documentation of direct and allocated costs in accordance with the CAP.
- Information and communication
  - Reports, such as a comparison of budget to actual provided to appropriate management for review on a timely basis.
  - Establishment of internal and external communication channels on activities.

- ◊ Training programs, both formal and informal, provide knowledge and skills necessary to determine activities and costs allowed.
- ◊ Interaction between management and staff regarding questioned costs.
- ◊ Grant agreements and other pertinent information available to staff responsible for determining activities and costs allowed under the State program.
- ◊ CAP is communicated to staff annually and upon modification of the CAP.

◊ Monitoring

- ◊ Management reviews supporting documentation of allowable activities and costs
- ◊ Comparisons made with budget and expectations of allowable activities
- ◊ Analytic reviews and audits performed
- ◊ Management reviews charges to programs to determine adherence to the CAP.

Audit Requirement

The auditor is responsible for performing tests to document that the auditee's assertions are being utilized. The extent and content of such tests are to be developed by the auditor based on professional judgement.

Compliance

Suggested Audit Procedures

1. Allowability of specific transactions and activities
   - ◊ Identify the types of activities and costs which are either specifically allowed or prohibited by the laws, regulations, and the provisions of contract or grant agreements pertaining to the program.
   - ◊ Select a sample of transactions and perform procedures to verify that the transactions were for an allowable activity or cost, and are reasonable and necessary.
   - ◊ The auditor should be alert for transfers of funds from program accounts which may have been used to fund unallowable activities or costs.

2. Test the Cost Allocation plan for the following:
   A. The plan has been developed in accordance with the OPM Cost Standards;
   B. The plan has been approved annually by the governing board;
   C. Actual costs are charged to State programs in accordance with the plan.

3. If the program has subrecipients, test a sample of approved subrecipient agreements to verify that the activities and costs covered by the agreement were allowable.

B. ELIGIBILITY

Specific requirements for eligibility are determined for each State program based on laws, regulations, and the provisions of contract or grant agreements pertaining to the program. For programs included in the Compliance Supplement, eligibility requirements are contained therein. This compliance requirement specifies the criteria for determining the individuals, groups of individuals, or subrecipients that can participate in the program and the amounts for which they qualify. For programs not included in the supplement, the auditor shall review the provisions governing the operation of the program and develop audit procedures to ensure that the program is administered in accordance with applicable laws, regulation, and contract and or grant agreement which could have a direct and material effect on the program being audited.

Audit Objectives

Determine whether only eligible individuals or groups of individual participated in the program, subawards (if any) were made only to eligible subrecipients, and that amounts provided to or on behalf of eligible participants were calculated in accordance with program requirements.

Internal Control

Internal Control Considerations

Internal control over eligibility must be evaluated and tested by the auditor if they are relevant to the program being audited. A description of the components of internal control and examples of characteristics common to a system over eligibility are presented below. The following does not represent a checklist of required internal control characteristics. An auditee could have adequate internal control even though some or all of the characteristics included below are not present. Auditors must use professional judgement in determining the most appropriate and cost effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with State program requirements**.**

- ◊ Control objectives
  - ◊ Provide reasonable assurance that only eligible individuals and organizations receive assistance under State award programs, that sub-awards are made only to eligible subrecipients, and that amounts provided to or on behalf of participants were calculated in accordance with program requirements.
- ◊ Control environment
  - ◊ Staff size and competence provides for proper making of eligibility determinations.
  - ◊ Realistic caseload/performance targets established for eligibility determination.
  - ◊ Lines of authority clear for determining eligibility
- ◊ Risk assessment
  - ◊ Identification of risk that eligibility information prepared internally or received from external sources could be incorrect.
  - ◊ Conflict of interest statements are maintained for individuals who determine eligibility
  - ◊ Process for assessing risks resulting from changes to eligibility determination system.
- ◊ Control activities
  - ◊ Written policies provide direction for making and documenting eligibility determinations.
  - ◊ Procedures to calculate eligibility amounts consistent with program requirements.
  - ◊ Eligibility objectives and procedures clearly communicated to employees.
  - ◊ Authorization signatures on eligibility documents periodically reviewed.
  - ◊ Access to eligibility records limited to appropriate persons.
  - ◊ Criteria checklists used in making eligibility determinations.

- ◊ Verification of accuracy of information used in eligibility determination.
- ◊ Procedures to ensure the accuracy and completeness of data used to determine eligibility requirements.

◊ Information and communication
- ◊ Information system meets needs of eligibility decision makers and program management.
- ◊ Processing of eligibility information subject to edit checks and balancing procedures.
- ◊ Training programs inform employees of eligibility requirements.
- ◊ Channels of communication exist for people to report suspected eligibility improprieties.
- ◊ Management receptive to suggestions to strengthen eligibility determination process.
- ◊ Documentation of eligibility determinations in accordance with program requirements.

◊ Monitoring
- ◊ Periodic analytical reviews of eligibility determinations performed by management.
- ◊ Program quality control procedures performed.
- ◊ Periodic audits of detailed transactions.

Audit Requirement

The auditor is responsible for performing tests to document that the auditee's assertions are being utilized. The extent and content of such tests are to be developed by the auditor based on professional judgement.

Compliance

Suggested Audit Procedures

1. Eligibility of individuals
   - ◊ Perform procedures to ascertain if the entity's records/database includes all individuals receiving benefits during the audit period (e.g., that the population of individuals receiving benefits is complete).
   - ◊ Select a sample of individuals receiving benefits and perform tests to ascertain if the:
     - ◊ Specific individuals were eligible in accordance with the compliance requirement of the program.
     - ◊ Benefits paid to or on behalf of the individuals were calculated correctly and in compliance with the requirements of the program.
     - ◊ Benefits were discontinued when the period of eligibility expired.

2. Eligibility of subrecipients
    - ◊ If the determination of eligibility is based upon an approved application or plan, obtain a copy of this document and identify the applicable eligibility requirements.
    - ◊ Select a sample of the awards to subrecipients and perform procedures to verify that the subrecipients were eligible and amounts awarded were within funding limits.

C. MATCHING, LEVEL OF EFFORT, OR EARMARKING

Specific requirements for matching, level of effort, and earmarking are determined for each State program based on laws, regulations, and the provisions of contract or grant agreements pertaining to the program. For programs included in the Compliance Supplement, matching, level of effort and earmarking requirements are contained therein. This compliance requirement specifies the criteria for determining the following elements:

- ◊ *Matching* – requirement to provide cash or in-kind contributions (usually non-State) of a specified amount or percentage to match a State award.
- ◊ *Level of effort* – requirement for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-State or State sources for specified activities to be maintained from period to period, and (c) State funds to supplement and not supplant non-State funding of services.
- ◊ *Earmarking* – requirements that specify the minimum and/or maximum amount or percentage of the program's funding that must/may be used for specified activities, including funds provided to subrecipients.

For programs not included in the supplement, the auditor shall review the provisions governing the operation of the program and develop audit procedures to ensure that the program is administered in accordance with applicable laws, regulation, contract and or grant agreement which could have a direct and material effect on the program being audited.

Audit Objectives

Determine whether:

- ◊ *Matching* – minimum amount or percentage of contributions or matching funds was provided.
- ◊ *Level of Effort* – specified service or expenditure levels were maintained.
- ◊ *Earmarking* – minimum or maximum limits for specified purposes were met.

Internal Control

Internal Control Considerations

Internal control over matching, level of effort and earmarking must be evaluated and tested by the auditor if relevant to the program being audited. A description of the components of internal control and examples of characteristics common to a system over these elements are presented below. The following does not represent a checklist of required internal control characteristics. An auditee could have adequate internal control even though some or all of the characteristics included below are not present. Auditors must use professional judgement in determining the most appropriate and cost effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with State program requirements

- ◊ Control objectives
  - ◊ Provide reasonable assurance that matching, level of effort, or earmarking requirements are met using only allowable funds or costs which are properly calculated and valued.
- ◊ Control environment
  - ◊ Commitment from management to meet matching, level of effort, and earmarking requirements
  - ◊ Budgeting process addresses/provides adequate resources to meet goals
  - ◊ Written policies exist which outline responsibilities for determining required amounts or limits, methods of valuing non-cash items (in-kind), allowable costs that may be claimed, methods of accounting for and documenting amounts used in calculations.
- ◊ Risk assessment
  - ◊ Identification of areas where estimated values will be used
  - ◊ Management has sufficient understanding of the accounting system to identify potential recording problems.
- ◊ Control activities
  - ◊ Evidence obtained such as a certification from the donor, or other procedures performed to identify whether matching contributions are from non-State sources, involve State funding (directly or indirectly), and were used for another State-assisted program.
- ◊ Information and communication
  - ◊ Accounting system capable of:
    - ◊ Separately accounting for data used to support matching, level of effort, or earmarking amounts or limits or calculation.
    - ◊ Ensuring that expenditures or expenses are properly classified and recorded only once as to their effect on matching, level of effort, or earmarking.

- ◊ Documenting the value of "in-kind" contributions including, basis for local labor, payroll records or confirmation from other organizations for services provided by their employees, and quotes, published prices, or independent appraisals used as the basis for donated items.

- ◊ Monitoring
  - ◊ Supervisory review of matching, level of effort, or earmarking activities performed to assess the accuracy and allowability of transactions and determinations, e.g., at the time reports on State awards are prepared.

Audit Requirement

The auditor is responsible for performing tests to document that the auditee's assertions are being utilized. The extent and content of such tests are to be developed by the auditor based on professional judgment.

Compliance

Suggested Audit Procedures

1. Matching
   - ◊ Perform tests to verify that the required matching contributions were met.
   - ◊ Ascertain the sources of matching contributions and perform tests to verify that they were from an allowable source.
   - ◊ Test records to corroborate that the values placed on in-kind contributions are in accordance with program requirements and the terms of the award.

2. Level of effort – maintenance of effort
   - ◊ Identify the required level of effort and perform tests to verify that the level of effort requirement was met
   - ◊ Perform tests to verify that only allowable categories of expenditures or other effort indicators were included in the computation and categories are consistent from year to year
   - ◊ Perform procedures to verify that the amounts used in the computation were derived from the books and records from which the audited financial statements were prepared.
   - ◊ Perform procedures to verify that non-monetary effort indicators were supported by official records.

3. Level of effort – supplement not supplant
    - ◊ Ascertain if the entity used State funds to provide services which they were required to make available under Federal, State, or local law and were also made available by funds subject to a supplement not supplant requirement.
    - ◊ Ascertain if the entity used State funds to provide services which were provided with non-State funds in the prior year

4. Earmarking
    - ◊ Identify the applicable percentage or dollar requirements for earmarking.
    - ◊ Perform procedures to verify that the amounts recorded in the financial records met the requirement.
    - ◊ When earmarking requirements specify a minimum percentage or amount, select a sample of transactions supporting the specified amount or percentage and perform tests to verify proper classification to meet the minimum percentage or amount.
    - ◊ When the earmarking requirements specify a maximum percentage or amount, review the financial records to identify transactions for the specified activity which were improperly classified in another account (e.g., if only 10 percent may be spent for administrative costs, review accounts for other than administrative costs to identify administrative cost which were improperly classified elsewhere and cause the maximum percentage or amount to be exceeded).

D. REPORTING

Recipients should use the standard financial reporting forms or such other forms as may be authorized by the State grantor agency. Forms may include financial, performance, and special reporting. Accrual or modified accrual basis of accounting (recognition of commitments and encumbrances) is generally required for reporting financial results of a State award. Generally, grantees maintain records on a cash basis and when appropriate record encumbrances and other commitments within the accounting system. Program end adjustments are normally required to convert such records to the appropriate reporting standards. For programs included in the Compliance Supplement, the specific requirements are contained therein. For programs not included in the supplement, the auditor shall review the provisions governing the operation of the program and develop audit procedures to ensure that the program is administered in accordance with applicable laws, regulation, contract and or grant agreement which could have a direct and material effect on the program being audited.

Audit Objectives

Determine whether required reports for State awards include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with program requirements.

Internal Control

Internal Control Considerations

Internal control over reporting must be evaluated and tested by the auditor if relevant to the program being audited. A description of the components of internal control and examples of characteristics common to a system over reporting are presented below. The following does not represent a checklist of required internal control characteristics. An auditee could have adequate internal control even though some or all of the characteristics included below are not present. Auditors must use professional judgement in determining the most appropriate and cost effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with State program requirements.

- ◊ Control objectives
  - ◊ Provide reasonable assurance that reports of State awards include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements.
- ◊ Control environment
  - ◊ Persons preparing, reviewing, and approving the reports possess the required knowledge, skills, and abilities.
  - ◊ Management's attitude toward reporting promotes accurate and fair presentation.
  - ◊ Appropriate assignment of responsibility and delegation of authority for reporting decisions.

- ◊ Risk management
  - ◊ Mechanisms exist to identify risks of faulty reporting caused by such items as lack of current knowledge of, inconsistent application of, or carelessness or disregard for standards and reporting requirements of State awards.
- ◊ Control activities
  - ◊ Written policy exists that establishes responsibility and provides the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments.
  - ◊ Tracking system which reminds staff when reports are due
  - ◊ The general ledger or other reliable records are the basis for the reports.
  - ◊ Supervisory review of reports performed to assure accuracy and completeness of data and information.
  - ◊ Appropriate accounting method is utilized.
- ◊ Information and communication
  - ◊ An accounting or information system that provides for the reliable processing of financial and performance information for State awards.
- ◊ Monitoring
  - ◊ Communications from external parties corroborate information included in the reports.
  - ◊ Periodic comparison of reports to supporting records

Audit Responsibility

The auditor is responsible for performing tests to document that the auditee's assertions are being utilized. The extent and content of such tests are to be developed by the auditor based on professional judgement.

Compliance

Suggested Audit Procedures

1. Review applicable laws, regulations, and the provisions of contract or grant agreements pertaining to the program for reporting requirements. Determine the types and frequency of required reports. Obtain and review State awarding agency, or pass-through entity, instructions for completing the reports.
   - ◊ For financial reports, trace the amounts reported to accounting records that support the audited financial statements and the schedule of expenditures of State awards and verify agreement or perform alternative procedures to verify the accuracy and completeness of the reports and that they agree with the accounting records.

- ◊ For performance and special reports trace the data to records that accumulate and summarize data and perform test of the underlying data.
- ◊ Test the selected reports for completeness
  - ◊ For financial reports, review accounting records and ascertain if all applicable accounts were included in the sampled reports.
  - ◊ For performance and special reports, review the supporting records and ascertain if all applicable data elements were included in the sampled reports.
- ◊ For financial reports, ascertain the accounting basis used in reporting the data (cash or accrual)
- ◊ For performance and special reports, determine the criteria and methodology used in compiling and reporting the data.
- ◊ Perform appropriate analytical procedures and ascertain the reason for any unexpected differences.
  - ◊ Compare current period reports to prior year reports.
  - ◊ Compare anticipated results
- ◊ Obtain written representation from management that the reports provided to the auditor are true copies of the reports submitted or electronically transmitted to the State awarding agency or pass-through entity in the case of a subrecipient.

E. SUBRECIPIENT MONITORING

In conducting an audit of a major state program for a particular entity, the auditor should determine whether state financial assistance received under the major program was passed through to a subrecipient. If this occurred, Subrecipient Monitoring would be a compliance requirement that should be evaluated by the auditor for compliance requirement testing.

A pass-through entity is responsible for (a) identifying to the subrecipient the State award information such as program identification number, proper title of program, and State source of funding, (b) monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, (c) ensuring required audits are performed and requiring the subrecipient to take prompt corrective action on any audit findings, and (d) evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable State regulations.

Audit Objectives

Determine whether the pass-through entity:

- ◊ Identified State award information and compliance requirements to the subrecipient.
- ◊ Monitored subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements.
- ◊ Ensured required audits are performed and requires appropriate corrective action on monitoring and audit findings.
- ◊ Evaluated the impact of subrecipient activities on the pass-through entity.

Internal Control

Internal Control Considerations

Internal control over subrecipient monitoring must be evaluated and tested by the auditor if relevant to the program being audited. A description of the components of internal control and examples of characteristics common to a system over subrecipient monitoring is presented below. The following does not represent a checklist of required internal control characteristics. An auditee could have adequate internal control even though some or all of the characteristics included below are not present. Auditors must use professional judgement in determining the most appropriate and cost effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with State program requirements.

- ◊ Control objectives
  - ◊ Provide reasonable assurance that State award information and compliance requirements are identified to subrecipients, subrecipient activities are monitored, subrecipient audit findings are resolved, and the impact of any subrecipient noncompliance on the pass-through entity is evaluated.
- ◊ Control environment
  - ◊ Management's commitment to monitoring subrecipients.
  - ◊ Organizational structure and ability to provide the necessary information flow to monitor subrecipients.
  - ◊ Knowledge, skills, and abilities needed to accomplish subrecipient monitoring.
- ◊ Risk assessment
  - ◊ Key managers understand the subrecipient's environment, systems, and controls sufficient to identify the level and methods of monitoring required.
  - ◊ Mechanisms exist to identify risks arising from external sources affecting subrecipients, such as risks related to economic conditions, political conditions, regulatory changes, etc.
  - ◊ Mechanisms exist to identify and react to changes in subrecipients, such as financial problems, that could lead to diversion of grant funds, loss of essential personnel, organizational restructuring, etc.
- ◊ Control activities
  - ◊ Identify to subrecipients applicable State award information.
  - ◊ Include in agreements the requirements to comply with the compliance requirements applicable to the State program including the audit requirements.

- ◊ Subrecipient's compliance with audit requirements monitored using techniques such as inquiry and discussions whether thresholds requiring an audit under the State Single Audit Act have been met, assuring that the subrecipient submits any audit reports to appropriate agencies.
- ◊ Subrecipient's compliance with State program requirements monitored using techniques such as reviewing subrecipient reports, monitoring budgets, performing site visits, and offering technical assistance where needed.
- ◊ Written policies and procedures
  - ◊ Process and procedures for monitoring
  - ◊ Communication of State award requirements
  - ◊ Audit report process

◊ Information and communication
- ◊ Standard award documents used by the entity
  - ◊ Listing of State requirements that the subrecipient must follow.
  - ◊ Description of program and identification of State program identification numbers.
  - ◊ A statement signed by an official of the subrecipient, stating that the subrecipient was informed of, understands, and agrees to comply with the applicable compliance requirements.
- ◊ A recordkeeping system is in place to assure that documentation is retained for the time period required by the recipient.
- ◊ Procedures are in place to provide channels for subrecipients to communicate concerns to the pass-through entity.

◊ Monitoring
- ◊ Establish a tracking system to assure timely submission of required reporting, such as financial reports, performance reports, audit reports, on-site monitoring reviews of subrecipients, and timely resolution of audit findings.
- ◊ Supervisory reviews performed to determine the adequacy of subrecipient monitoring.

Audit Requirement

The auditor is responsible for performing tests to document that the auditee's assertions are being utilized. The extent and content of such tests are to be developed by the auditor based on professional judgement.

Compliance

Suggested Audit Procedures

1. Discuss subrecipient monitoring with the pass-through entity's staff to gain an understanding of the scope of monitoring activities, including the number, size, and complexity of awards to subrecipients.

2. Test award documents to ascertain if the pass-through entity made subrecipients aware of the award information and requirements imposed by laws, regulations, and the provisions of contract or grant agreements pertaining to the program.

3. Review the pass-through entity's documentation of subrecipient monitoring to ascertain if the pass-through entity monitored that subrecipients used State funds for authorized purposes and takes actions in response to monitoring findings.

4. Verify that the effects of subrecipient noncompliance are properly reflected in the pass-through entity's records.

5. Verify that the pass-through entity receives audit reports for subrecipients required to have an audit in accordance with the State Single Audit Act, issues timely management decisions on audit and monitoring findings, and requires subrecipients to take timely corrective action on deficiencies identified in audits and subrecipient monitoring.

F. SPECIAL TESTS AND PROVISIONS

Specific requirements for special tests and provisions are unique to each State program and are found in the laws, regulations, and the provisions of contact or grant agreements pertaining to the program. For programs included in the Compliance Supplement, the specific requirements are contained therein. For programs not included in the supplement, the auditor shall review the provisions governing the operation of the program and develop audit procedures to ensure that the program is administered in accordance with applicable laws, regulations, contract and or grant agreement which could have a direct and material effect on the program being audited.

PART 2

PROGRAMS AND ADMINISTERING DEPARTMENTS

SECTION 1

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF CHILDREN AND FAMILIES

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Department of Children and Families
BOARD AND CARE FOR CHILDREN – ADOPTION
11000-DCF91100-16132

I. PROGRAM OBJECTIVES

This program recruits, registers and prepares families to make life long commitments to DCF children awaiting adoption.

II. PROGRAM PROCEDURES

The following services are paid fee-for-service and are not required to be tested for the State Single Audit:

- Permanency Placement

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
The allowed services are specified in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM cost accounting standards.

1.) The plan must be designed in accordance with OPM Cost Accounting Standards.
2.) The plan must be approved by the governing board.
3.) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

There are no Special Reporting requirements for the auditor to perform.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
BOARD AND CARE FOR CHILDREN – FOSTER
11000-DCF91100-16135

I. PROGRAM OBJECTIVES

This program provides assessment, behavioral management support, respite and other therapeutic services to foster children and their care takers or parents in order to stabilize the living situation and to avoid disruption.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Caregiver Support Team
- Child Abuse Center of Excellence
- Foster and Adoptive Family Support Groups
- Foster and Adoptive Parent Support Services
- Foster Family Support (Town of Bloomfield)
- Long Term Survivor Care
- Reunification and Therapeutic Family Time Services
- Sibling Connections Camp
- Wendy's Wonderful Kids

The following services are paid fee-for-service and are not required to be tested for the State Single Audit:

- Family and Community Ties Foster Care
- Therapeutic Foster Care
- Therapeutic Foster Care Medically Complex

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Department of Children and Families
BOARD AND CARE FOR CHILDREN – RESIDENTIAL
11000-DCF91100-16138

I. PROGRAM OBJECTIVES

This program provides the care and support to children from birth to the age 18 or until 21 if still in school. DCF makes payments for residential treatment services for those children not committed to DCF, but whose parents have limited financial resources.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Crisis Stabilization
- Multi-dimensional Family Therapy (MDFT)
- Safe Home - Short-Term Family Integration Treatment (S-FIT)
- Short Term Assessment and Respite (STAR)
- Therapeutic Group Home

The following services are paid fee-for-service and are not required to be tested for the State Single Audit:

- Supportive Work, Education, and Transition Program (SWETP)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
(2) Confirm with the related party that the transaction cost reported represents actual cost.

Department of Children and Families
BOND FUNDS
12052-DCF91100-xxxx

I. PROGRAM OBJECTIVES

The Commissioner of DCF is authorized to establish and contract for a variety of services and facilities to treat and care for children. Bonding funds provided under this program are intended to aid in the improvement and expansion of non-profit Child Guidance Clinics and non-profit Residential Facilities for Children.

II. PROGRAM PROCEDURES

The objectives of bonding funds issued by the Department of Children and Families is to provide grants-in-aid by means of an award letter to private non-profit mental health clinics and private non-profit residential facilities, permanent family residents, group homes and temporary shelters licensed by the Department for construction, alterations, repairs and improvements for health and safety or environmental improvements.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed are specific in the grantee's bonding award letter.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The amount of grantee participation, if any, is determined by project. Refer to the contract.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions to be performed by the auditor.

Department of Children and Families
CHILD WELFARE SUPPORT SERVICES
11000-DCF91100-16120

I. PROGRAM OBJECTIVES

This program allows DCF to increase the number of children living with parents or relatives and to support children in foster care to develop the necessary skills to successfully transition to adulthood. Individual agencies can contract under a master contract to provide child specific permanency services.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- One on One Mentoring
- Prison Transportation
- Work Learn Youth

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity’s advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
COMMUNITY BASED PREVENTION PROGRAMS
11000-DCF91100-16092

I. PROGRAM OBJECTIVES

This program seeks to prevent childhood and adolescent problems such as mental illness, child abuse, neglect, substance abuse, and premature sexual activity.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Child First Consultation and Evaluation
- Early Childhood Services-Child First
- Family Support Team
- Mental Health Consultation to Child Care
- Parenting Class
- Parenting Support Services
- Zero To Three Safe Babies Project

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity’s advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
COMMUNITY KIDCARE
11000-DCF91100-16141

I. PROGRAM OBJECTIVES

This program is an integrated behavioral health delivery system designed to serve children enrolled in the State of Connecticut sponsored health insurance programs for families.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Adolescent Community Reinforcement Approach / Assertive Continuing Care (A-CRA/ACC)
- Care Coordination
- Community Support Team/Community Transition Team
- Congregate Care Reduction Care Management Entity
- Emergency Mobile Psychiatric Services
- Emergency Mobile Psychiatric Services Statewide Call Center
- Family Based Recovery Consultation and Evaluation
- Functional Family Therapy (FFT)
- Intensive In-Home Child and Adolescent Psychiatric Services IICAPS-Consultation and Evaluation
- Multidimensional Family Therapy (MDFT)
- Multidimensional Family Therapy (MDFT) QA
- Multi-systemic Therapy (MST)
- Multi-systemic Therapy (MST) Consultation and Evaluation
- Multi-systemic Therapy (MST) - Building Stronger Families
- Multi-systemic Therapy (MST- Emerging Adults (EA)
- Multi-systemic Therapy (MST) - Problem Sexual Behavior
- Performance Improvement Center

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

If services are provided through subcontractors, verify the subcontracts contain the required provisions of Part 2. B.1(a) of the Purchase of Service Contract.

Suggested Audit Procedure

Review all subgrant contracts to determine the language required in Part 2B.1(a) of the Purchase of Service Contract template is included. The language can be found at http://www.ct.gov/OPM/lib/opm/finance/pos/pos_standardcontract_final_10-11-11.doc

Department of Children and Families
COVENANT TO CARE
11000-DCF91100-16144

I. PROGRAM OBJECTIVES

This program assists with stabilizing DCF involved families by assisting in meeting the basic needs of families identified by DCF social workers.

II. PROGRAM PROCEDURES

The state contracts with Covenant to Care for the following service:

- Adopt A Social Worker (AASW)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
The allowed services are specified in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
DAY TREATMENT CENTERS FOR CHILDREN
11000-DCF91100-16033

I. PROGRAM OBJECTIVES

This program assists with the behavioral health treatment and support service for children and youth with behavioral health needs who have returned from out of home care or are at risk of placement due to mental health issues or emotional disturbance.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Extended Day Treatment

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
DIFFERENTIAL RESPONSE SYSTEM
11000-DCF91100-12515

I. PROGRAM OBJECTIVES

This program allows DCF to implement a Family Assessment Response for cases referred through the DCF Careline that do not require investigation for serious abuse or neglect.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Community Support for Families

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
The allowed services are specified in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
FAMILY PRESERVATION SERVICES
11000-DCF91100-16111

I. PROGRAM OBJECTIVES

This program provides intensive in-home services to families in crisis with the goal of preventing the separation of the child from the family.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Intensive Family Preservation
- Reunification and Therapeutic Family Time Services

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
The allowed services are specified in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
FAMILY SUPPORT SERVICES
11000-DCF91100-12304

I. PROGRAM OBJECTIVES

This program identifies children and adolescents with complex behavioral health needs who require intensive treatment and support to ensure stability and success in a family community setting.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following service:

- Statewide Family Organization

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
The allowed services are specified in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to create and maintain sub-contracts for services supplied by non-employee Contractors. Sub-contracted services are described in the *Budget Narrative* section of the contract.

Suggested Audit Procedures

Review subcontracts to verify that written sub-contracts are on file, are signed, and current for the period under review. Rates of pay for contracted services are consistent with those reported in the Budget Narrative and recorded in agency records.

Department of Children and Families
FAMILY VIOLENCE OUTREACH & COUNSELING
11000-DCF91100-16097

I. PROGRAM OBJECTIVES

This program provides services to the victims of domestic violence and their children. The services included are crisis intervention, advocacy, counseling, support groups, development of a safety plan and treatment plan.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Intimate Partner Violence- Family Assessment Intervention Response
- Multisystemic Therapy: Consultation and Evaluation
- Multisystemic Therapy: Intimate Partner Violence

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
GRANTS FOR OUTPATIENT PSYCHIATRIC CLINICS FOR CHILDREN
11000-DCF91100-16024

I. PROGRAM OBJECTIVES

This program provides mental health and psychiatric services for children, youth and families. These services are established in order to decrease the prevalence and incidence of mental illness, emotional disturbance, and social dysfunction.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Cognitive Behavioral Intervention for Trauma in School (CBITS)
- Juvenile Sexual Treatment
- New Haven Trauma Coalition
- Outpatient Psychiatric Clinic for Children

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

No grant shall exceed two-thirds of the ordinary recurring operating expenses of the clinic or community mental health facility.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to create and maintain sub-contracts for services supplied by non-employee Contractors. Sub-contracted services are described in the *Budget Narrative* section of the contract.

Suggested Audit Procedures

Review subcontracts to verify that written sub-contracts are on file, are signed, and current for the period under review. Rates of pay for contracted services are consistent with those reported in the Budget Narrative and recorded in agency records.

Department of Children and Families
HEALTH ASSESSMENT AND CONSULTATIONS
11000-DCF91100-16008

I. PROGRAM OBJECTIVES

This program provides comprehensive multidisciplinary evaluations that include mental health, medical and dental evaluations for children placed in DCF custody for the first time.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Multidisciplinary Evaluation (MDE) Clinic (Foster Care Clinics)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
INDIVIDUALIZED FAMILY SUPPORTS
11000-DCF91100-16140

I. PROGRAM OBJECTIVES

This program seeks to provide support services to families in order to limit the instances of child removal, and increase kinship activities.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Fatherhood Engagement Services

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
The allowed services are specified in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
JUVENILE JUSTICE OUTREACH SERVICES
11000-DCF91100-16043

I. PROGRAM OBJECTIVES

This program provides a range of community monitoring and support services for youth committed as delinquent and living in their home communities.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Multidimensional Family Therapy (MDFT) QA
- Multi-systemic Therapy (MST) Consultation & Evaluation

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
REGIONAL BEHAVIORAL HEALTH CONSULTATION
11000-DCF91100-12570

I. PROGRAM OBJECTIVES

This program is to improve access to treatment for children with behavioral health or psychiatric problems, and to promote productive relationships between primary care and child psychiatry to support selective utilization of scarce resources. The program is designed to increase the competencies of Primary Care Providers to identify and treat behavioral health disorders in children and adolescents and to increase their knowledge/awareness of local resources designed to serve the needs of children and youth with these disorders.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Access Mental Health

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
The allowed services are specified in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
SUBSTANCE ABUSE TREATMENT
11000-DCF91100-16116

I. PROGRAM OBJECTIVES

This program provides a continuum of substance abuse treatment services to youth experiencing problems related to substance use/abuse.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Adolescent Community Reinforcement Approach / Assertive Continuing Care (A-CRA/ACC)
- Family Based Recovery (FBR)
- Fetal Alcohol Spectrum Disorder (FASD) and Substance Exposed Infants (SEI)
- Multi-systemic Therapy (MST)
- Multi-systemic Therapy (MST) - Building Stronger Families (BSF)
- Multi-systemic Therapy (MST) - Consultation and Evaluation
- Multidimensional Family Therapy (MDFT)
- Multidimensional Family Therapy (MDFT) – QA
- SAFE Family Recovery
- Substance Abuse Prevention

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity’s advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
SUPPORT FOR RECOVERING FAMILIES
11000-DCF91100-16102

I. PROGRAM OBJECTIVES

This program assists and supports families who are at risk of child removal due to substance abuse, incarceration or homelessness.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Supportive Housing

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
The allowed services are specified in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM cost accounting standards.

1) The plan must be designed in accordance with OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Children and Families
TREATMENT & PREVENTION OF CHILD ABUSE
11000-DCF91100-16064

I. PROGRAM OBJECTIVES

This program seeks to limit the incidence of child abuse through education, intervention, and treatment efforts.

II. PROGRAM PROCEDURES

The state contracts with not for profit organizations for the following services:

- Child Abuse Centers of Excellence
- Early Childhood Services-Child First
- Fatherhood Engagement Services
- Multidisciplinary Team
- Reunification and Therapeutic Family Time Services
- Therapeutic Child Care (Trauma Informed)
- Parenting Support Services

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The allowed services are specified in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM cost accounting standards.

1.) The plan must be designed in accordance with OPM Cost Accounting Standards.
2.) The plan must be approved by the governing board.
3.) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, levels of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Contractor shall annually submit an interim fiscal report no later than March 31 for contracts written on a state fiscal year. The interim fiscal report shall be in the form prescribed by the Department, shall be prepared on an accrual basis and shall report the actual income and expenditures for each funded program for the period July 1 through February 28 (or February 29 during leap year). Such reports shall identify staff by name and position. The Contractor shall submit an annual financial report no later than September 30. The annual financial report shall be in the form prescribed by the Department and shall report the actual income and expenditures for each Department-funded program for the period July 1 through June 30. The annual financial report shall agree with the Contractor's internal financial records and the Schedule of Expenditures included in the Single Audit submission or to the annual audited financial statements, as applicable.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 2

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF CORRECTION

LEGAL SERVICES TO PRISONERS..... 1

NONRESIDENTIAL PROGRAMS 3

RESIDENTIAL PROGRAMS (HALFWAY HOUSES) 5

Department of Correction
LEGAL SERVICES TO PRISONERS
11000-DOC88000-16042

I. PROGRAM OBJECTIVES

The Legal Services to Prisoners program is a state funded program designed to provide offenders housed in Connecticut correctional facilities, whether sentenced from this state or another state and offenders sentenced in this state but housed in other states with access to the civil judicial system, through a variety of activities. Access to court does not include representation before the court or any administrative body or the filing of an appearance in civil cases, unless otherwise required by court decree or requested by the Commissioner of the Department of Correction.

II. PROGRAM PROCEDURES

Offenders may access the services of this program at any facility. Procedures, forms and formats are determined by Departmental Administrative Directives, Facility orders and the process established by the provider. Services to offenders is limited to assisting offenders concerning legal problems and strategies; the giving of legal advice and discussion of legal alternatives with offenders; assistance in the drafting of documents and materials related to judicial proceedings; advising offenders as to how to proceed in court; strategizing with offenders concerning presenting cases in court; advising offenders concerning appropriate responses to motions or pleadings filed by their adversary in court; discussing with and assisting offenders in decisions and actions related to the taking of appeals from lower court decisions; discussing with and assisting offenders with general legal questions concerning their incarceration; assisting offenders in identifying specific legal problems pertaining to their incarceration; and other related services. Services will be defined and limited to those identified in contractual agreements with providers.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowable services include:

(1) Assistance in drafting documents
(2) Advising offenders on legal procedure
(3) Answering offender legal questions
(4) Assisting in identifying specific legal problems
(5) Assisting with the preparation and organization of evidence
(6) Providing representation, as required or requested by the Commissioner
(7) Other services allowed for by contractual terms and conditions

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit fiscal and programmatic reports as required by the contract.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Correction
NONRESIDENTIAL PROGRAMS
11000-DOC88000-16173

I. PROGRAM OBJECTIVES

Nonresidential programs provide services to incarcerated and released offenders throughout the state. The contractor acts as a broker, advocate, referral agent, and counselor in obtaining necessary supportive services from its own and other public and private agencies. The contractor will coordinate activities with and provide services to Department of Correction institutional and community programs, in compliance with Department guidelines and directives.

II. PROGRAM PROCEDURES

Individuals are placed with private, non-profit community organizations contracted to the Department of Correction and located throughout the state. The range of services provided, where appropriate, include Behavioral Health, Employment Services, Social Reunification and Support Services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowable services include:

(1) Substance Abuse Assessment, Treatment and Education
(2) Mental Health Assessment, Treatment and Referral
(3) Anger Management Treatment
(4) Job Development
(5) Job Training
(6) Job Retention
(7) Domestic Violence Treatment
(8) Family, group and individual counseling
(9) Social Reunification
(10) Life skills Management
(11) Financial Management
(12) Community Linkage

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Matching, level-of-effort, and/or earmarking requirements will be identified in individual agreements.

D. Special Reporting Requirements

Compliance Requirements

1. The contractor will submit fiscal and programmatic reports as required by the contract.
2. The contractor must submit a detailed reconciliation of the final program expenditure amounts by each State contract, reported to the Corrections Department on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Correction
RESIDENTIAL PROGRAMS (HALFWAY HOUSES)
11000-DOC88000-16173

I. PROGRAM OBJECTIVES

Residential Programs (Halfway Houses) are provided by private, nonprofit community or locally-based organizations which offer Work Release, Substance Abuse, Mental Health, Women and Children, Temporary Supportive Housing, Scattered-Site Supportive Housing, and Sex Offender treatment services for offenders released into the community prior to completion of their sentence. Services are to be provided in a safe and secure environment, in accordance with Department of Correction guidelines and directives.

II. PROGRAM PROCEDURES

Offenders are placed in a network of private, nonprofit community or locally-based organizations contracted by the Department of Correction and located throughout the state. The individuals receive a structured supportive and supervised living environment on a seven day-per-week, 24 hour-per-day basis. The individuals participate in either inpatient substance abuse programs or other programs that enable them to work during the day and return in the evening. Employed individuals are required to pay rent, contribute to the Victim's Compensation Fund, participate in a savings plan, help support dependents, and participate in re-entry planning.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowable services include:

(1) Residential care
(2) Employment services
(3) Educational and vocational services
(4) Counseling services
(5) Substance abuse treatment and education
(6) Mental health treatment and referral
(7) Supervision
(8) Transportation
(9) Recreation
(10) Housing
(11) Financial Planning
(12) Reunification
(13) Aftercare

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Matching, level-of-effort, or earmarking requirements will be identified in individual agreements.

D. Special Reporting Requirements

Compliance Requirements

1. The contractor must submit fiscal and programmatic reports as required by the contract.
2. The contractor must submit a detailed reconciliation of the final program expenditure amounts by each State contract, reported to the Corrections Department on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 3

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF DEVELOPMENTAL SERVICES

COMMUNITY RESIDENTIAL PROGRAM 1

EMPLOYMENT OPPORTUNITIES AND DAY SERVICES 9

FISCAL INTERMEDIARIES 15

Department of Developmental Services
COMMUNITY RESIDENTIAL PROGRAM

12060 DDS50000 90678
11000-DDS50000-12213
11000-DDS50000-12493

I. PROGRAM OBJECTIVES

The Community Residential Services account funds community-based residential programs. The programs that are purchased directly by the DDS through a Purchase of Service contract are:

1) Community-based living arrangements operated by private residential providers;

2) Individualized Home Supports services provided by private residential providers;

3) Personal Supports;

4) Clinical Behavioral Support Services (formerly Consultative Services);

5) Healthcare Coordination;

6) Community companion homes, and community companion home support;

7) Continuous Residential Support provided by private residential providers;

8) Shared Living;

9) Private residential schools which help to provide an educational and residential program for individuals with intellectual disabilities, particularly when local school districts are unable to provide the appropriate education in the community.

The programs that are purchased directly by the DDS participant through a Vendor Service Authorization and reimbursed by a Fiscal Intermediary are:

1) Individualized Home Supports services provided by private residential providers;
2) Personal Supports;
3) Nutrition (formerly Consultative Services);
4) Independent Support Broker (formerly FICS);
5) Clinical Behavioral Support Services (formerly Consultative Services);
6) Healthcare Coordination;
7) Adult Companion Services;
8) Respite Services;
9) Shared Living.

II. PROGRAM PROCEDURES

(1) Community-Based Living Arrangements:

- The Department of Developmental Services ("DDS") contracts with not-for-profit and for-profit organizations as well as individuals for direct-care services, administrative and general expenses, other professional expenses, transportation, and other direct-care related expenses necessary for the operation of community-based residences for individuals with intellectual disabilities.

- The DDS only funds the costs associated with providing services for residents. Funding for the room- and board-related costs is received through Social Security and SSI benefits, and through assistance from the Department of Social Service's Aid to the Disabled program ("DSS/AD").

(Regulations, Section 17-313b) and (Section 17a-218, CGS)

(2) Individualized Home Supports: The Department funds Individualized Home Supports services including assistance in the acquisition, improvement and/or retention of skills and provides necessary support to achieve personal habilitative outcomes that enhance an individual's ability to live in their community as specified in the plan of care. This service includes a combination of habilitative and personal support activities as they would naturally occur during the course of a day.

(3) Community Companion Homes:

- This program provides funding to families or individuals licensed by DDS or DCF to share their homes with and provide support for up to three persons who are eligible for DDS services. In addition, regions may contract with provider organizations or individuals to provide management and recruitment, training and a variety of supports and interventions.

- DDS makes service payments directly to individuals and families who are licensed to operate community training homes. Contracts with provider organizations or individuals to provide management and recruitment, training and other supports and interventions are made under PSAs and Master Contracts.

(4) Continuous Residential Supports:

- This program provides funding to assist in the acquisition, improvement and/or retention of skills and provides necessary supports to achieve personal habilitative outcomes that enhance an individual's ability to live in their community as specified in the plan of care. This service includes a combination of habilitative and personal support activities as they would naturally occur during the course of a day.

- Settings categorized as continuous residential supports must be a setting other than a family home and have the following:
  - Readily available third shift staff awake or asleep.
  - Supports available throughout non-work hours though some time alone as approved by the team would be allowed.
  - Some individuals could require less support but live in the setting where the supports are provided.

(5) Personal Support: The Department funds Personal Supports services including assistance necessary to meet the individual's day-to-day activity and daily living needs and to reasonably assure adequate support at home and in the community to carry out personal outcomes. Cueing and supervision of activities is included.

(6) Nutrition (formerly Consultative Services): Clinical assessment and development of special diets, positioning techniques for eating; recommendations for adaptive equipment for eating and counseling for dietary needs related to medical diagnosis for participants and paid support staff.

(7) Independent Support Broker (formerly FICS): Support and Consultation provided to individuals and/or their families to assist them in directing their own plans of individual support.

(8) Clinical Behavioral Support Services (formerly Consultant Services): Clinical and therapeutic services which are not covered by the Medicaid State Plan, necessary to improve the individual's independence and inclusion in their community. Professional clinical services include:

- Assess and evaluate the behavioral and clinical need(s);
- Develop a behavioral support plan that includes intervention techniques as well as teaching strategies for increasing new adaptive positive behaviors, and decreasing challenging behaviors addressing these needs in the individual's natural environments;
- Provide training to the individual's family and the support providers in appropriate implementation of the behavioral support plan and associated documentation; and
- Evaluate the effectiveness of the behavioral support plan by monitoring the plan on a monthly basis, and by meeting with the team one month after the implementation of the behavior plan, and in future three month intervals. The service will include any changes to the plan when necessary and the professional(s) shall be available to the team for questions and consultation.

(9) Healthcare Coordination: Assessment, education and assistance provided by a registered nurse to those waiver participants with identified health risks, who, as a result of their intellectual disability, have limited ability to identify changes in their health status or to manage their complex medical conditions. These participants have medical needs that require more healthcare coordination than is available through their primary healthcare providers to assure their health, safety and well-being. The RN Healthcare Coordinator completes a comprehensive nursing assessment on each participant and develops an integrated healthcare management plan for the participant and his/her support staff to implement. Supports provided includes, but is not limited to, the following: train/retrain staff on interventions, monitor the effectiveness of interventions, coordinate specialists, evaluate treatment recommendations, review lab results, monitor, coordinate tests/results, and review diets.

(10) Adult Companion Services: The Department funds Personal Supports services including non-medical care, supervision, and socialization provided to an adult. Service may include assistance with meals and basic activities of daily living and/or completion of light housekeeping tasks, which are incidental to the care and supervision of the individual. This service is provided to carry out personal outcomes identified in the Individual Plan. This service does not entail hands-on nursing care, except as permitted under the Nurse Practice Act (CGS 20-101).

(11) Respite: The Department funds services provided to individuals unable to care for themselves; furnished on a short-term basis because of the absence or need for relief of those persons normally providing the care.

(12) Shared Living: Shared Living is a residential option that matches a participant with a Shared Living life sharer/provider. Shared Living is an individually tailored service developed based on the support needs of the participant. Ideally, no more than two DDS participants with a shared living provider. (Prior approval will be required for more than two participants) DDS participants must have their own bedroom.

Shared Living is available to participants who need daily structure and supervision. Shared Living includes supportive services that assist with the acquisition, retention, or improvement of skills related to living in the community. This includes such supports as: adaptive skill development, assistance with activities of daily living (ADLs) and instrumental activities of daily living (IADLs), connect to local resources such as adult educational opportunities, social and leisure skill development, protective oversight and supervision.

Shared Living integrates the participant into the usual activities of family and community life. In addition, there will be opportunities for learning, developing and maintaining skills including in such areas as ADL's, IADL's, social and recreational activities, and personal enrichment. The Qualified Provider provides regular and ongoing oversight and supervision to the life sharer. The life sharer /provider lives with the participant at the residence of the participant's choice.

(13) The following services are paid fee-for-service and are not required to be tested for the State Single Audit:

- Private residential schools which help to provide an educational and residential program for individuals with intellectual disabilities.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

1) OPM Cost Accounting Standards must be followed.
2) Program Service Authorizations are required to provide residential services. Program Service Authorizations for residential programs identifies the types of programs that are being funded, the types of services being funded, and the number of service units. Services funded through a Purchase of Service contract will be supported by an Operational Plan (OP-PLAN) which provides a budgetary expectation for the funding awarded.
3) Services allowed are specified in the grantee's contract with the DDS.

Regulations, Section 19a-483b-1

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

1) Contractors with a Purchase of Service contract shall submit an eight (8) month expense report.
2) Contractors with a Purchase of Service contract of $ 300,000 or more are required to file an Annual Report of Residential and Day Services with the DDS no later than the October 15 following the end of the contract period.
3) Contractors with a Purchase of Service contract of less than $ 300,000 but more than $ 100,000 are required to submit an End of Year Expense Report.
4) Entities that are only reimbursed for services purchased directly by the DDS participant through a Vendor Service Authorization by a Fiscal Intermediary shall submit an End of Year Expense Report.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions to DDS. Contractors with a Purchase of Service contract for $ 300,000 or more must report related party transactions on the Annual Report of Residential and Day Services Related Party Disclosure Form. Transactions with the related party are required to be reported at cost, no profit is allowed. Transactions are to be reported in accordance with CLA Rate Setting Regulations Section 17-313b-1-(19) and Section 313b-3(5). Reporting of a Related party transaction on the Annual Report of Residential and Day Services does not satisfy the requirement for receiving a prior approval from DDS in accordance with the department's "Independent Contractor/Consultant Ethics Compliance Protocol issued effective July 1, 2000".

Suggested Audit Procedures

1) Determine through inquiry and analysis whether all related party transactions have been reported and have received prior approval from DDS. Any undisclosed related party transactions must be reported as a finding.
2) Confirm with the related party that the transaction cost reported on Related Party Disclosure Form represents cost in accordance with CLA Rate Setting Regulations Section 17-313b-1(19) and Section 313b-3(5).

Compliance Requirement

Client funds from SSA, SSI, DSS and other sources must be maintained in accordance with DDS' "Guidelines for the Handling of Client Personal Funds By Private Residential Providers". The guidelines can be found in Section 4.5.2 of the DMR/DSS Operations Manual for Parent Organizations Providing Residential and Day Programs for Individuals with Developmental Services.

Suggested Audit Procedures

1) Obtain and review the agency's policies and procedures for the handling of resident personal monies and personal assets.
2) Conduct substantive audit test of resident's personal funds and assets to ensure residential; operational units are in compliance with the Agency's and DDS's policies and procedures regarding handling, safe handling and accuracy of resident's funds and assets.

Compliance Requirement

The entity is required to comply with the State of Connecticut's Ethics Commission's statutes contained in the Connecticut General Statutes 1-86e. The Department of Developmental Services' "Independent Contractor/Consultant Ethics Compliance Protocol issued effective July 1, 2000" established Ethics Protocols applicable to DDS contractors. Any non-compliance to the DDS Ethics Protocols must be reported as a finding.

Suggested Audit Procedures

Conduct tests of employee personnel files, expenditures of client personal monies, and related party transactions to determine if the Department's Ethics Protocols, have been complied with.

Compliance Requirements

All DDS entities are approved to provide supports to individuals with intellectual disabilities through a Program Service Authorization. Program Service Authorizations state the types of services to be provided. The Authorization will identify the types of services being funded, the number of hours and days service is to be provided, the rate to be billed for each hour or day of service, and the name of the individual whose services are being funded. Providers will bill only for services that are actually provided.

Suggested Audit Procedures

Billing must be based on documented hours of service in accordance with the DDS Guidelines for Provider Documentation dated September 12, 2011. Conduct audit tests on monthly billings to determine that hours billed are supported by documentation.

Compliance Requirements

Entities that received funding related to Special Act 18-5 (AN ACT CONCERNING MINIMUM EMPLOYEE WAGES FOR PROVIDERS OF STATE-ADMINISTERED SERVICES FOR PERSONS WITH INTELLECTUAL DISABILITIES) shall populate a Microsoft Excel form provided by the department. The completed form shall meet the following criteria:

1) Shall include all wages and hours by employee for DDS-funded positions for all of Fiscal Year 2019. Total wages and hours before and after minimum wage bill implementation shall be reported separately.
2) For Entities required to submit an End of Year Expense Report: Total DDS-funded wages on the template must equal total DDS-funded wages listed on line 36 of the Review Tab.
3) For Entities required to submit an Annual Report of Residential and Day Services: Total DDS-funded wages on the template must equal total DDS-funded wages listed under number 14 of the Reconciliation of Financial Statements to the Annual Report.
4) Regular, overtime, holiday, and bonus wages and hours shall be reported separately for each employee.

Suggested Audit Procedures

Records shall be randomly sampled to validate that hours and wages have been reported correctly and that all employees are paid no less than $14.75 per hour after the noted date of implementation of wage increases.

Department of Developmental Services
EMPLOYMENT OPPORTUNITIES AND DAY SERVICES

11000-DDS50000-16108
11000-DDS50000-12493

I. PROGRAM OBJECTIVES

The Employment Opportunities and Day Services account funds community and facility based vocational and day programs (Regulations, Section 17a-217). These community-based programs offer DDS participants opportunities for meaningful, purposeful activity that are age appropriate. The programs that are purchased directly by the DDS through a Purchase of Service contract are:

(1)Group Supported Employment;
(2)Individual supported Employment;
(3)Prevocational;
(4)Individualized Day Support;
(5)Transportation;
(6)Day Support Options;
(7)Clinical Behavioral Support Services;
(8)Senior Supports and
(9)Adult Companion Services.

The programs that are purchased directly by the DDS participants through a Vendor Service Authorization and reimbursed by a Fiscal Intermediary are:

(1)Group Supported Employment;
(2)Individual supported Employment;
(3)Sheltered Employment;
(4)Individualized Day Support;
(5)Transportation;
(6) Day Support Options;
(7) Clinical Behavioral Support Services;
(8)Adult Companion Services;
(9)Transition Services;
(10) Senior Supports and
(11) Respite Services.

II. PROGRAM PROCEDURES

(1) Group Supported Employment:

The Department funds employment, training, and supervision of groups of individuals with disabilities through manufacturing or service contracts with an employer or in small business settings. Working in an integrated setting with a typical work force, individuals are employed in typical business settings at wage rates which are commensurate with those paid to workers who do not have a disability for essentially the same type, quality, and quantity of work in accordance with Department of Labor regulations. Individuals in these programs usually work in groups of eight or fewer persons and are preferably on the payroll of the employer.
On the job supports are available, such as job site training, transportation, family support, or any service necessary to achieve and maintain the group employment.

(2) Individual Supported Employment:

The Department funds employment programs where the person with a disability receives ongoing support in an integrated business setting, has his or her own job and earns a wage that is the prevailing wage or one that is commensurate with wages paid to workers who do not have a disability for essentially the same type, quality, and quantity of work in accordance with requirements of the Department of Labor. Working in an integrated setting, the person has his or her own job and evaluation is based upon individual performance. Participants of these types of programs are preferably on the payroll of the employer. Participants receive the appropriate supports such as job site training, transportation, and family support in order to maintain the placement.

(3) Prevocational:

Supports provided to Participants in a facility that is not integrated with the general workforce, where the Participant is supervised in producing goods or performing services to third parties. A Participant is paid at a wage that is commensurate with workers who do not have a disability for essentially the same type, quality, and quantity of work in accordance with the regulations of the Connecticut Department of Labor and U.S. Department of Labor.

(4) Day Support Options:

The Department funds programs that offer age appropriate opportunities for persons with Developmental Services to experience valued adult roles and to make personal choices. Activities include leisure, recreation, and skill building with a community focus and provide opportunities to establish meaningful relationships with other community members. Programs are designed to promote and enhance a positive image of the program participants.

(5) Individualized Day Support:

The Department funds services and supports provided to individuals tailored to their specific personal outcomes related to the acquisition, improvement, and/or retention of skills and abilities to prepare and support an individual for work and/or community participation and/or meaningful retirement activities, or for an individual who has their own business, and could not do so without this direct support. This service originates from the home and is not provided in or from a facility-based day program. The service is generally delivered in the community.

(6) Transportation:

The Department funds services offered in order to enable individuals served under the Waivers to gain access to waiver and other community services, activities and resources, specified by the plan of care.

(7) Clinical Behavioral Support Services (formerly Consultant Services):

Clinical and therapeutic services which are not covered by the Medicaid State Plan, necessary to improve the individual's independence and inclusion in their community. Professional clinical services include:

- Assess and evaluate the behavioral and clinical need(s);
- Develop a behavioral support plan that includes intervention techniques as well as teaching strategies for increasing new adaptive positive behaviors, and decreasing challenging behaviors addressing these needs in the individual's natural environments;
- Provide training to the individual's family and the support providers in appropriate implementation of the behavioral support plan and associated documentation; and
- Evaluate the effectiveness of the behavioral support plan by monitoring the plan on a monthly basis, and by meeting with the team one month after the implementation of the behavior plan, and in future three month intervals. The service will include any changes to the plan when necessary and the professional(s) shall be available to the team for questions and consultation.

(8) Adult Companion Services:

The Department funds Personal Supports services including non-medical care, supervision, and socialization provided to an adult. Service may include assistance with meals and basic activities of daily living and/or completion of light housekeeping tasks, which are incidental to the care and supervision of the individual. This service is provided to carry out personal outcomes identified in the Individual Plan. This service does not entail hands-on nursing care, except as permitted under the Nurse Practice Act (CGS 20-101).

(9) Respite:

The Department funds services provided to individuals unable to care for themselves; furnished on a short-term basis because of the absence or need for relief of those persons normally providing the care.

(10) Transition Services:

Employment related supports that result in the participant finding competitive, integrated employment in the community. This is a time limited service that occurs primarily in the community. Supports include but are not limited to career exploration/discovery, job-seeking skills and strategies, community-based educational coursework, job shadowing, informational interviews, financial management, and health and fitness activities that help impact better employment outcomes.

(11) Senior Supports:

Supports based out of the person's home provided for older individuals, or individuals who have needs that closely resemble those of an older person, who desire a lifestyle consistent with that of the community's population of similar age or circumstances. Senior Supports consist of a variety of activities that are designed to assist the individual in maintaining skills and stimulating social interactions with others.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) OPM Cost Accounting Standards must be followed.
(2) Program Service Authorizations are required to provide employment and day services. The Program Service Authorization will identify the types of day programs that are being funded, the types of services being funded, and the number of service units. Services funded through a Purchase of Service contract will be supported by an Operational Plan (OP-PLAN) which provides a budgetary expectation for the funding awarded.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.
(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

(1) The Contractor shall file an eight (8) month expense report with the appropriate Department of Developmental Services ("DDS") regional office.

(2) Contractors with a Purchase of Service contract for $ 300,000 or more must file an Annual Report of Residential and Day Services no later than the October 15, following the end of the contract period.

(3) Contractors with a Purchase of Service contract of less than $ 300,000 but more than $ 100,000 are required to submit an End of Year Expense Report.
(Regulations, Section 17-313b-3)

(4) Entities that are only reimbursed for services purchased directly by the DDS participant through a Vendor Service Authorization by a Fiscal Intermediary shall submit an End of Year Expense Report.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions to DDS. Contractors with a Purchase of Service contract for $ 300,000 or more must report related party transactions on the Annual Report of Residential and Day Services Related Party Disclosure Form. Transactions with the related party are required to be reported at cost, no profit is allowed. Transactions are to be reported in accordance with CLA Rate Setting Regulations Section 17-313b-1-(19) and Section 313b-3(5). Reporting of a related party transaction on the Annual Report of Residential and Day Services does not satisfy the requirement for receiving a prior approval from DDS in accordance with the department's "Independent Contractor/Consultant Ethics Compliance Protocol issued effective July 1, 2000".

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported and have received prior approval from DDS. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported on Related Party Disclosure Form represents cost in accordance with CLA Rate Setting Regulations Section 17-313b-1(19) and Section 313b-3(5).

Compliance Requirement

The entity is required to comply with the State of Connecticut's Ethics Commission's statutes contained in the Connecticut General Statutes 1-86e. The Department of Developmental Services' "Independent Contractor/Consultant Ethics Compliance Protocol issued effective July 1, 2000" established Ethics Protocols applicable to DDS contractors. Any noncompliance to the DDS Ethics Protocols must be reported as a finding.

Suggested Audit Procedures

Conduct tests of employee personnel files and related party transactions to determine if the Department's Ethics Protocols have been complied with.

Compliance Requirement

All DDS entities are approved to provide supports to individuals with intellectual disabilities through a Program Service Authorization. Program Service Authorizations for private organizations state the types of services to be provided. The Authorization will identify the types of services being funded, the number of hours and days service is to be provided, the rate to be billed for each hour or day of service, and the name of the individual whose services are being funded. Providers will bill only for services that are actually provided.

Suggested Audit Procedures

Billing must be based on documented hours of service in accordance with the DDS Guidelines for Provider Documentation dated September 12, 2011. Conduct audit tests on monthly billings to determine that hours billed are supported by documentation.

Compliance Requirements

Entities that received funding related to Special Act 18-5 (AN ACT CONCERNING MINIMUM EMPLOYEE WAGES FOR PROVIDERS OF STATE-ADMINISTERED SERVICES FOR PERSONS WITH INTELLECTUAL DISABILITIES) shall populate a Microsoft Excel form provided by the department. The completed form shall meet the following criteria:

(1) Shall include all wages and hours by employee for DDS-funded positions for all of Fiscal Year 2019. Total wages and hours before and after minimum wage bill implementation shall be reported separately.
(2) For Entities required to submit an End of Year Expense Report: Total DDS-funded wages on the template must equal total DDS-funded wages listed on line 36 of the Review Tab.
(3) For Entities required to submit an Annual Report of Residential and Day Services: Total DDS-funded wages on the template must equal total DDS-funded wages listed under number 14 of the Reconciliation of Financial Statements to the Annual Report.
(4) Regular, overtime, holiday, and bonus wages and hours shall be reported separately for each employee.

Suggested Audit Procedures

Records shall be randomly sampled to validate that hours and wages have been reported correctly and that all employees are paid no less than $14.75 per hour after the noted date of implementation of wage increases.

Department of Developmental Services
FISCAL INTERMEDIARIES

11000-DDS50000-16108
12060 DDS50000 90678
11000-DDS50000-12493
11000-DDS50000-12340

I. PROGRAM OBJECTIVES

The Fiscal Intermediaries (FI) provide management and administrative support to consumers, families, providers, and the department, which includes the handling of payments to vendors who provide goods and services. The Department funds the administrative costs to the FI based on the Fees and Schedule of Payments outlined in the Purchase of Service contract between the Department and the FI. The fees are based on the types of expenses each consumer will receive from the FI. Typically, the fees are paid monthly to the FI for each participant.

II. PROGRAM PROCEDURES

The Department of Developmental Services enters into contracts with FIs to provide administrative and management oversight to participants under the Self Direction Program.

Payments for the administrative services are made to the FI through Purchase of Service contracts between the FI and the Department.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.

1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Fiscal Intermediary must submit Monthly Medicaid Billing Reports to the Department of Administrative Services; Aggregate Monthly Expenditure Report to DDS Central Office; and End of Year Budget Expenditure Reports to Central Office and the Regions.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to have tests performed as outlined in the FI Agreed Upon Procedures.

Suggested Audit Procedures

Determine through inquiry and analysis if all test steps have been met and been sufficiently performed by the FI.

Compliance Requirement

The entity is required to comply with the State of Connecticut's Ethics Commission's statutes contained in the Connecticut General Statutes 1-86e. The Department of Developmental Services' "Independent Contractor/Consultant Ethics Compliance Protocol issued effective July 1, 2000" established Ethics Protocols applicable to DDS providers. Applicable sections of the Ethics Protocols reviewed by DDS that related to the FI's are "hiring of immediate family members" and "related party transactions". Any noncompliance to the DDS Ethics Protocols must be reported as a finding.

Suggested Audit Procedures

Determine through inquiry and Conduct tests of employee personnel files and related party transactions to determine if the Department's Ethics Protocols, have been complied with.

SECTION 4

INDIVIDUAL PROGRAMS OF THE OFFICE OF EARLY CHILDHOOD

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Office of Early Childhood
BIRTH-TO-THREE PROGRAM

11000-OEC64855-12192
12060-OEC64855-20513
12060-OEC64855-26227

I. PROGRAM OBJECTIVES

The Office of Early Childhood (OEC) funds support services for infants and toddlers who are enrolled in the Connecticut Birth to Three System. These supports include any of the 17 services listed in the Federal Individuals with Disabilities Education Act, Part C.

(Section 17a-248 CGS)

II. PROGRAM PROCEDURES

OEC, through the Birth to Three Central office, enters into contracts with providers for supports to infants and toddlers with disabilities. The range of services includes any of the 17 services listed in the Federal Individuals with Disabilities Education Act, Part C.

Payments for these services are made to the service provider through Purchase of Service contracts or purchase orders between the provider of service and OEC.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The auditor is not expected to test for types of services and costs allowed or disallowed.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

There are no Special Reporting Requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report the total third party reimbursement received during the fiscal year to the OEC's third party billing contractor. This requirement ended with services provided on or after November 1, 2017.

Suggested Audit Procedures

Determine through appropriate tests of revenues and cash receipts that remittances from insurance companies applicable to services rendered to **Birth to Three** participants have been reported to the OEC's third party billing contractor and on the **Birth to Three** invoice.

Office of Early Childhood
CARE 4 KIDS
11000-OEC64840-16147

I. PROGRAM OBJECTIVES

This Connecticut Child Care Subsidy program (Care 4 Kids) is administered by the Office of Early Childhood (OEC) and it provides child care subsidy to low to moderate income families in Connecticut. The overall goal of the program is to increase the availability, affordability and quality of child care services for families with a parent or caretaker who is either:

- Working;
- Attending high school; or
- Receiving cash assistance under the Temporary Family Assistance (TFA) program from the Department of Social Services and is participating in an approved education, training or other job preparation activity.

II. PROGRAM PROCEDURES

OEC contracts with the United Way of Connecticut (UWC) to operate the Care 4 Kids Subsidy program. UWC determines family's eligibility based on the following requirements:

- Families must live in Connecticut.
- Parent (s) must be working or attending a temporary family cash assistance (Jobs First) approved education or training activity.
- Gross family income is under 50% of the state median income guideline.
- Children must be under the age of 13 or if the child has special needs, under the age of 19.
- Providers accepting the subsidy must be licensed by the OEC Division of Licensing or be a relative or take care of the child in the child's home or if a non-relative is providing care in the provider's home, care may only be fewer than three (3) hours per day.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

As defined in C.G.S. Section 17b-749, and The Regulations of Connecticut State Agencies 17b-749-01 to 17b-749-23.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contract requires the following reports be filed within 15 days of the end of the month:

- Bureau Health Nutrition Report
- DCF Foster Care Report
- Audit Monthly Report
- Active UI
- Reports of dues and payments

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Providers must be licensed by the OEC Division of Licensing or be a relative or take care of the child in the child's home. If a non-relative is providing care in the provider's home, care may only be fewer than three (3) hours per day.

Suggested Audit Procedures

Review center and participant files for adherence to prescribed procedures for licensing or relationship to/location of child.

Office of Early Childhood
CHILD DAY CARE (CDC)
11000-OEC64840-16274-83012

I. PROGRAM OBJECTIVES

To provide financial assistance in developing and supporting the operation of child daycare centers for children disadvantaged by reasons of economic, social or environmental conditions, provided no such financial assistance shall be available for the operating costs of any such daycare center unless it has been licensed by the Commissioner of Office of Early Childhood (OEC) pursuant to Section 19a-80.
(Section 8-210(b) and 17b-730, CGS)

II. PROGRAM PROCEDURES

The state may enter into a contract with a municipality or human resource development agency or a nonprofit corporation for state financial assistance.
(Sections 8-210(b), CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Child care provided must be for specifically agreed upon categories of care. (See OEC Contract, Part I, A).
(2) Financial assistance may provide reimbursement for enrolled children or support the renovation and remodeling of physical facilities (8-210(b)). (See OEC Contract, Part I, A.)
(3) Each center that the contractor supports with contract funds must be licensed by (OEC). (See OEC Contract, Part I, A.)

B. Eligibility

Compliance Requirements

(1) Contractors are required to enroll children of families whose gross family income is below 75% of the state median income guideline as further defined below:

a. When a family's income reaches or exceeds the 75% state median income level, the child may remain in the program as long as the family pays the applicable fee.
(See OEC Contract, Part I, A.)

b. Contractors shall determine family income eligibility before enrollment and at least annually thereafter.
(See OEC Contract, Part I, A.)

c. Contractors shall require families to report changes in income of fifty dollars or more per week and shall determine family income eligibility based on the reported changes.
(See OEC Contract, Part I, A.)

d. Gross income shall be calculated based on the best estimate of family income. Income received monthly or more frequently shall be annualized based on the amount received in the four-week period immediately before the date of the income calculation. Income received less frequently than monthly shall be averaged over the period it covers. If the income fluctuates in an unpredictable manner, the income shall be averaged over a longer, more representative period. If income is received regularly according to a schedule, the income shall be annualized based on the payment schedule.

i. Individuals whose income is derived through employment under the term of an employment contract shall have income annualized over the term of the employment contract period.

ii. If income is expected to change or when a family member is beginning new employment or changing work schedules, gross income shall be calculated based on the best estimate of the family's income over the next six (6) months. The Contractor shall use all available documentation to make such calculations.

iii. Self-employed individuals shall have their calculation based on the prior year's U.S. Individual Income Tax Return or Connecticut Resident Income Tax Return or current business records, whichever is more reflective of the projected earnings. Standard business deductions shall be allowed in accordance with federal Internal Revenue Service tax requirements. To be deductible, a business expense must be both ordinary and necessary. An ordinary expense is one that is common and accepted in the trade of business. A necessary expense is one that is helpful and appropriate for the trade or business. An expense does not have to be indispensable to be considered necessary

(2) Contractors may provide services only to families who reside in the State. Except that families that reside in the States of MA, NY and RI who work in CT and receive child care subsidy from their state of residence which may be used in CT may receive services.
(See OEC Contract, Part I, A.)

(3) Of families enrolled, at least 80% of enrolled children's families shall be employed for pay.
(See OEC Contract, Part I, A.)
(4) Accreditation Requirement
(See OEC Contract, Part I, B. 1 through 3)
(5) Contractors are required to obtain and retain a valid birth certificate for all enrolled children.
(See OEC Contract, Part I, A.)

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Funds remaining at the end of the contract are to be returned to OEC or, at the discretion of OEC, be retained and used by contractors as a part of a new contract period if a new similar contract is executed.
(See OEC Contract, Part I, C.)

D. Special Reporting Requirements

Compliance Requirements

Contractors, at a minimum, shall submit:

- Program Status Reports (OEC-CDC PSR and PSR-E) for each program period as defined by the Office of Early Childhood.
(OEC). (See OEC Contract, Part I, D.)
(7 CFR, Part 210.8)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the Contract.
(See OEC Contract, Part I)

Suggested Audit Procedures

Obtain a copy of each contract, review special conditions and test for compliance.

Compliance Requirements

(1) Contractors must charge fees in accordance with the OEC approved Child Day Care Fee Schedule except that if the child of a family who is an eligible Child Care Assistance Program (CCAP) uses services, the contractor must accept the CCAP determined parent copayment as the fee.
(See OEC Contract, Part I, A and C and the OEC Fee Schedule.)

(2) Contractors are required to make available infant and toddler and/or preschool child care services for a minimum of ten (10) hours per day for five (5) days per week. School age child care services shall be provided to extend the day beyond the school hours and shall be available for at least three (3) hours a day, five (5) days a week when school is in session and ten (10) hours per day five (5) days per week when school is not in session.
(See OEC Contract, Part I, A.)

(3) Contractors are required to provide specific numbers of children to be served.
(See OEC Contract, Part I, A, 9.)

(4) Contractors are required to list vacant eligible and appropriate state supported child care slots with the United Way of Connecticut - Child Care Info-Line.
(See OEC Contract, Part I, A.)

(5) The Contractor agrees that it shall register or ensure that its staff register with the Connecticut Office of Early Childhood Professional Development Registry.

(6) Contractors are not permitted to allow purchased or otherwise funded slots to be supported by any other state or federal child care grant-in-aid program, including but not limited to, OEC's School Readiness, Head Start or Family Resource Center programs, child care grant-in-aid programs of the Connecticut Department of Children and Families or programs of the U.S. Department of Health and Human Services.
(See OEC Contract, Part I, A, 4.)

Suggested Audit Procedures

(1) Review center and participant files for adherence to prescribed procedures for determination of eligibility.

(2) Test related records to ensure the proper fees were charged, collected and reported accurately.

(3) Test related records to ensure the proper subsidies were collected and reported accurately.

(4) Test related records to ensure that no other excluded child care grant-in-aid program supported the child care slots identified in the contract

Office of Early Childhood
EARLY CHILDHOOD FACILITIES GRANT PROGRAM FOR MINOR CAPITAL IMPROVEMENTS
12052-OEC64845-43582

I. PROGRAM OBJECTIVES

Sections 9(e)(4) of Public Act 12-189 as amended by Section 72 of Public Act 14-98 and Section 13(h)(2) of Public Act 13-239 as amended by Section 75 of Public Act 14-98 establish a grant program for bond funding sponsors, of school readiness programs and state-funded child care centers for facility improvement and minor capital repairs to the portions of the facilities that house school readiness programs and state-funded child day care centers.

II. PROGRAM PROCEDURES

Grant applications will be considered to help address building and site deficiencies, and to promote the health, safety, and learning of children in appropriate environments. Funds will be granted for facility improvements and minor capital repairs to businesses or entities that currently accept School Readiness or Child Day Care funding, for facilities where children are currently located or will be relocated. The commissioner shall give preference to applications from programs located outside of public school buildings as well as projects that correct code violations and where a safety concern has been identified.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Projects are limited to permanent upgrades and/or physical improvements to facilities and funds may not be used for general operating purposes or consumable supply expenses. Work/items which would not be eligible for grant consideration include, but are not limited to: Computers, fax machines, printers, copy machines, etc.; routine building maintenance and maintenance supplies; cleaning; equipment repairs and other minor repairs; salaries of in-house maintenance staff and other school staff; gardening and landscaping undertaken as beautification projects.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching level of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Grantees must submit a final report when the project is completed. The final report will include, but not be limited to, final expenditure information, a project close-out checklist, evidence that the work has been reviewed and approved by the local building official (if applicable), copies of permits issued during the course of construction, all change orders issued, documentation which supports competitive bidding requirements and pictures of the altered space at the conclusion of the project.

OEC will hold back five percent (5%) of each award, pending confirmation of final project expenditures. Grantees may draw down up to ninety-five percent (95%) of the grant over the course of the project.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Pursuant to Section 15 of Public Act 12-189 and Section 38 of Public Act 07-7 JSS, there is a repayment provision for this grant should the property no longer be used for/by the program for which the grant was intended and paid. Repayment shall be made in an amount equal to the amount of the grant, except that the repayment amount shall be reduced by ten percent (10%) for each full year of the ten-year period that the program remained in operation in the facility. In accordance with these provisions of the law, the state shall place a lien, equal to the amount of the award, on the property.

Grantees must demonstrate that their improved space will continue to be used for the granted purposes for ten years. In instances where this time period is breached, grants will be subject to repayment. Each grantee, upon award, will be required to enter into a contract with OEC. The contract contains language about repayment of a prorated portion of the grant, should the facility no longer be used for the program-related purpose for which funds were received.

Suggested Audit Procedure

Determine that the facilities financed under Section 15 of Public Act 12-189 and Section 38 of Public Act 07-7 JSS continues to be utilized for eligible activities.

Office of Early Childhood
EVEN START FAMILY LITERACY PROGRAM
11000-OEC64840-12569

I. PROGRAM OBJECTIVES

To provide educational services to parents and children together. The program was federally-designed to improve the educational opportunities of low income families and break the cycle of poverty. The Even Start Family Literacy program helps children and families achieve the academic standards set forth by the state and uses scientifically-based research to develop and implement quality instructional programs that:

- Enrich language development, extend learning and support high levels of educational success for children birth to age seven (7) and their parents;
- Provide literacy services of sufficient hours and duration to make sustainable changes in a family;
- Provide integrated instructional services for families where children and their parents learn together to develop habits of life-long learning; and,
- Support families committed to education and to economic independence.

II. PROGRAM PROCEDURES

1. After federal funding for this program was cut at the close of FY 2011, Even Start became fully funded by the State of Connecticut in FY 2012.

    a. Funding for this program for FY2017 was $437,713 for three (3) sites (Middletown, New London and Torrington).
    b. The program is operated by partner organizations that represent early childhood (School Readiness, Head Start) and adult education (Regional).

2. In order for participating families, adults and children to meet literacy and educational goals, programs must offer:

    a. At least 30 hours per month of adult education;
    b. Over 12 hours per month of parenting education, interactive literacy and home-based instruction;
    c. Over 90 hours per month of early childhood education for children three (3) years of age and older or over 60 hours per month for infants and toddlers;
    d. Summer programming to maintain contact with families and to ensure that literacy skills are practiced and advanced.

3. Literacy and educational goals include:

   a. It is expected that 50 to 65 percent of the Even Start children birth through kindergarten-bound will meet the reading readiness standards for their age group.
   b. It is expected that 40 percent or more of the adults will meet adult literacy goals in adult Basic Education or English as a Second Language reading and 60 per cent of the adults in a high school diploma or GED program will make progress toward attaining a high school diploma or its equivalency.
   c. It is expected that 40 to 60 percent of the parents will meet standards for skill development in family literacy such as reading to child, encouraging child to read with them at home, etc.

4. Even Start programs establish and maintain family records that include family and individual goals and progress. Assessments are conducted on a periodic basis to mark progress for adults in adult education and parenting and on children in early childhood. Assessments are used to inform curriculum for both classroom and home-based instruction.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant proposal and budget. Allowed services include:

- Adult Education classes ranging from basic education and ESL work to General Education Development (GED) preparation.
- Early Childhood Education provides age-specific classes for children birth to age seven (7)
- Parenting Education consists of classes designed to teach parents to become full partners in their children's education
- Parent and Child Literacy Activities facilitate in-class learning between parents and their children
- Home-based Literacy provides for each family to be visited at home once a month by Even Start staff to link lessons taught in the classroom to practical applications at home.

B. Eligibility

Compliance Requirements

Even Start Family Literacy program families are identified through an eligibility checklist and weighted intake form. A family's income (less than 100% the poverty level), housing, DCF status and current supports are considered as well as the adults' level of literacy and the child's opportunity to participate in quality early childhood programming.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Programs are required to self-assess; participate in compliance review process and to evaluate program components and participant outcomes. They must use curricula approved and recommended by the U.S. Department of Education, CT Department of Education, accrediting agencies such as National Association for the Education of Young Children (NAEYC), etc. Reports are completed and submitted mid-year and at end-of-year to the independent evaluator.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Early Childhood
HEAD START SERVICES GRANT PROGRAM
AND
HEAD START LINK
11000-OEC64840-16101

I. PROGRAM OBJECTIVES

1. To provide funds to support services to Head Start programs and children participating in the federal Head Start Program.
2. To expand existing Head Start programs, to increase the number of children served.

II. PROGRAM PROCEDURES

1. An approved application and grant award letter is issued by OEC to grantees.
2. Grant award letters are issued by OEC to 13 grantees for Head Start programs in 16 towns each with 900 or more children on the Temporary Assistance for Needy Families (TANF) program as of 06/96.
3. Each of the 26 Federal Head Start Programs is eligible to apply for a portion of grant funds based on a competitive process focused on innovative and/or evidence-based activities that are deemed necessary as a result of the program's community needs assessment. Activities should be designed to close the achievement/preparation gap and target vulnerable populations as defined by the Federal Head Start Act (revised 2007). Applications and budgets are submitted to OEC for approval. Programs with deficiencies as identified by the Federal Head Start review are not able to apply for this portion of the funding. This requirement may be waived if a letter is obtained from the Office of the Administration for Children & Families (ACF) Region I office confirming that the deficiencies have been corrected.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowable costs are identified in the approved line items as represented on Form ED114, (budget).

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Early Childhood
NURTURING FAMILIES NETWORK
11000-OEC64800-12603-83007

I. PROGRAM OBJECTIVES

The Nurturing Families Network is a statewide system of continuous care designed to promote positive parenting and reduce the incidences of child maltreatment. The Nurturing Families Network helps first-time parents manage the myriad of challenges that come with bringing a child into the world. Families are enrolled in the program beginning prenatally whenever possible or shortly after the baby's birth. Nurturing Families Network is a voluntary program offered within thirty-six (36) community-based organizations throughout the state. The programs are located in or have a Memorandum of Agreement (MOA) with all of the state's 23 birthing hospitals. All components of the Nurturing Families Network provide parent education, help in life skills and managing problems and referrals to appropriate agencies. The level of services they provide and the complexities of the problems they address vary significantly. The Nurturing Families Network has three (3) primary components: Nurturing Connections, Nurturing Parenting Groups and Home Visiting. Nurturing Connections provides telephone support to lower-risk families after the birth of the child for up to six (6) months. Nurturing Parenting Groups are community-based. Through this component, parenting education and support are offered to promote positive parent child relationships and reduce social isolation. Home visiting provides Parents as Teachers evidenced based intensive parent education and support in the home to high-risk families for up to five (5) years.

II. PROGRAM PROCEDURES

Funds are made available through a contract to community-based organizations to provide services, case management, parent education or developmental assessment. Eligibility and program services are detailed within the contracts.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services and costs allowed are those shown in the approved grant.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Cost allocation plans are required by the OPM Cost Accounting Standards.

- The plan must be designed in accordance with the OPM Cost Accounting Standards.
- The plan must be approved by the governing board.
- Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Quarterly and final program and income/expense reports are required to be submitted by the grantee. Reports are to be submitted within thirty (30) days after the end of the following periods: six months, nine months and twelve months or as specifically stated by the OEC.

Compliance Requirements

All written program and budget revision requests must be approved in writing by the OEC prior to implementation. Final revision requests for major changes to Program and/or budget should be submitted to OEC no later than 45 days before the end of the contract period. Any revisions over which the Contractor has no authority/influence, and which occur during the last 45 days must receive prior written OEC approval.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Allowable annual budget variances:

Individual salary variances within OEC -funded program cost centers, up to 15%. All other line item expenses within OEC funded program cost centers, up to 20% of each line item.

The contractor may request approval from OEC to exceed the above stated limits for variances, provided that request is submitted on the appropriate Budget revision forms. OEC will provide written acknowledgement of the budget revision.

Suggested Audit Procedures

Check income/expense reports against budget to verify that no line item variance exceeds the limits noted above.

Office of Early Childhood
SCHOOL READINESS IN COMPETITIVE GRANT MUNICIPALITIES
11000-OEC64840-16274-83013

I. PROGRAM OBJECTIVES

The purpose of the grant program is to provide financial support to Priority schools, exclusive of the State's priority school districts, and to towns ranked 1-50 in ascending order according to town wealth whose school district is not a priority school. The support is for expansion and development of part-day, school-day and/or full-day, full-year slots for three (3) and four (4) year old children. School readiness slots for three (3) and four (4) year old children are:

- At a minimum, a part-day, part-year slot at two and one half (2½) hours per day for 180 days; and/or
- A full-day, full-year slot providing early care education for a minimum of ten (10) hours per day for 50 weeks and/or
- A school-day, school-year slot for six (6) hours per day for 180 days.

II. PROGRAM PROCEDURES

The state grants funds to towns or LEAs on a competitive basis as described in CGS Section 10-16p(d)(1)(2). Grantees distribute funds to sub-grantees including private, non-profit organizations, for profit organizations and LEA-sponsored programs to create new or additional licensed or approved child care and education slots for children ages three (3) and four (4) years. All programs must be licensed or appropriately approved by the state to conduct a child care or preschool education program. Funds are allocated to grantees to provide or contract to provide for the development of preschool slots.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant proposal and budget.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

For grantees Form ED141 (Statement of Expenditure) is due September 1st following the end of the grant period. If grantees contract with subgrantees for the development of preschool slots, the subgrantees must submit a Monthly Service Delivery Report within five (5) working days after the close of the Reporting Period.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Each program must have a valid license issued by the Department of Health, or be exempt from licensing by an appropriate state authority. Public school programs are exempt from licensing.

Suggested Audit Procedures

Determine that each program is licensed by the Department of Health, or is exempt.

Compliance Requirements

Funding from the state cannot exceed $4,500 per year for a two and one half (2½) hour slot; $6,000 for school-day, school-year slots and $8,670 (FY 15) and $8,924 (FY 16-17) per year for full-day, year-round slots.

Suggested Audit Procedures

By review of supporting documentation and Monthly Service Delivery reports which are submitted by each program to the grantee, determine that the type of slot(s) children are enrolled in are the type of which the subgrantee is receiving funding for.

Compliance Requirements

OEC General Policy (GP) document B02, page 5, Part II-K provides guidance regarding the charging of family fees for School Readiness programs. All fees from families received by the School Readiness Council sub-grantees shall be used to support the School Readiness program.

All fees from families received by SRC sub-grantees shall be used to support the School Readiness program in the fiscal year they are collected, except that fees collected from May and June may be used in the next fiscal year; Sub-grantees may set up a separate non-interest bearing account to hold family fees collected by the School Readiness program.

Suggested Audit Procedures

Determine that each program has procedures in place to govern the charging of fees to families for school readiness programs and that fees are collected and properly expended and reported.

Office of Early Childhood
SCHOOL READINESS IN PRIORITY SCHOOL DISTRICTS
11000-OEC64840-16274-83014

I. PROGRAM OBJECTIVES

The purpose of the grant program is to provide financial support to Priority School District towns for expansion and development of part-day, school-day, extended day and/or full-day, full-year slots for three (3) and four (4) year old children. School readiness slots for three (3) and four (4) year old children are:

- At a minimum, a part-day, part-year slot at two and one half (2½) hours per day for 180 days; and/or
- A school-day slot at six (6) hours per day for 180 days;
- An extended day slot that wraps around a part-day, part-year program, not funded by the School Readiness grant program, to provide at least ten (10) hours of continuous care; and/or
- A full-day, full-year slot providing early care education for a minimum of ten (10) hours per day for 50 weeks.

II. PROGRAM PROCEDURES

The State grants funds to towns or LEAs designated as Priority School Districts as described in CGS Section 10-16p(c). Grantees distribute funds to sub-grantees including private, non-profit organizations, for profit organizations and LEA-sponsored programs to create new or additional licensed or approved child care and education slots for children ages three (3) and four (4) years. All programs must be licensed or appropriately approved by the state to conduct a child care or preschool education program. Funds are allocated to grantees to provide or contract to provide for the development of preschool slots.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant proposal and budget.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

For grantees Form ED141 (Statement of Expenditure) is due September 1st following the end of the grant period. If grantees contract with subgrantees for the development of preschool slots, the subgrantees must submit a Monthly Service Delivery Report within five (5) working days after the close of the Reporting Period.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Each program must have a valid license issued by OEC, or be exempt from licensing by an appropriate state authority. Public school programs are exempt from licensing.

Suggested Audit Procedures

Determine that each program is licensed by OEC, or is exempt.

Compliance Requirements

Funding from the state cannot exceed $4,500 per year for a two and one half (2½) hour slot; $2,772 per year for extended-day slots (slots that combine with care provided by a non-school readiness grant source to provide up to ten (10) hours of care per day, year round); $6,000 for school-day, school-year slots and $8,670 (FY 15) and $8,924 (FY 16 and 17) per year for full-day, year-round slots.

Suggested Audit Procedures

By review of supporting documentation and Monthly Service Delivery reports which are submitted by each program to the grantee, determine that the type of slot(s) children are enrolled in are the type of which the subgrantee is making a claim for reimbursement.

Compliance Requirements

Amounts expended for start-up, administration and audit costs must be approved by the Office of Early Childhood.

Suggested Audit Procedures

Review supporting documentation (including letters of authorization from the Office of Early Childhood) and determine the amounts allowed for start-up, administration and audit costs. Review Form ED141 and supporting documentation to determine that expenditures are in accordance with OEC – approved levels.

Compliance Requirements

OEC General Policy (GP) document B-02 page 5, Part II-K provides guidance regarding the charging of family fees for school readiness programs. All fees from families received by the School Readiness Council sub-grantees shall be used to support the School Readiness program.

All fees from families received by SRC sub-grantees shall be used to support the School Readiness program in the fiscal year they are collected, except that fees collected from May and June may be used in the next fiscal year; Sub-grantees may set up a separate non-interest bearing account to hold family fees collected by the School Readiness program.

Suggested Audit Procedures

Determine that each program has procedures in place to govern the charging of fees to families for school readiness programs and that fees are collected and properly expended and reported.

Office of Early Childhood
SCHOOL READINESS QUALITY ENHANCEMENT
11000-OEC64845-16158

I. PROGRAM OBJECTIVES

This program is administered by the Office of Early Childhood (OEC) and allows School Readiness communities to create and/or maintain local services that enhance the quality of early care and education programs that support children families, and child care providers within their city or town.
(C.G.S. Section 17b-749c)

II. PROGRAM PROCEDURES

OEC directly contracts with a municipality, board of education or community organization designated by the Mayor/Superintendent. The local School Readiness Council, as appointed by the Mayor and Superintendent of Schools, makes recommendations as to the types of services and/or programs that will be funded. OEC provides guidance to the types of services and approval.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
As defined in C.G.S. Section 17b-749c, or as delineated in formal policy by OEC.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements
Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Early Childhood
SMART START
12052-OEC64840-43626

I. PROGRAM OBJECTIVES

Smart Start is intended to serve the following purpose as specified in Public Act 14-41:

"To reimburse local and regional boards of education for capital and operating expenses related to establishing or expanding a preschool program under the jurisdiction of the board of education for the town."

II. PROGRAM PROCEDURES

Local and regional boards of educations are able to apply for funds to expand current preschool programs to include additional children or to develop new preschool programs. Funding must be used to support enrollment in preschool programs that are at minimum school-day and school-year in duration (i.e., a minimum of six (6) hours/day and 180 days/year).

Local or regional boards of education must demonstrate an unmet need to be considered eligible to apply either through a determination of unmet need by the OEC or through their own data analysis.

This grant is intended to serve additional children who would not otherwise be able to enroll in a preschool program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowable costs are identified in the approved line items as represented on Form ED114, (budget).

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 5

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

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Department of Economic and Community Development
BROWNFIELD REMEDIATION PROGRAM
12052-ECD46260-43403

I. PROGRAM OBJECTIVES

The Office of Brownfield Remediation and Development (OBRD) is a dedicated office within DECD with the primary mission to be a one stop resource for brownfield development in Connecticut. As such, OBRD coordinates the state's response for brownfield assistance to communities and businesses. Brownfield redevelopment projects are usually long term and have a variety of complicated environmental, legal, and financial obstacles to overcome.

The following are the current Brownfield Funding Programs being offered:

Municipal Grant Program: A competitive program for municipalities and municipal entities to assist with brownfield redevelopment projects in their communities that will make a significant economic impact. Only municipalities and municipal entities are eligible to apply.

Targeted Brownfield Development Loan Program: This program provides financial assistance in the form of low-interest loans to applicants who seek to develop property. Loans are available to manufacturing, retail, residential or mixed-use developments, expansions or reuses.

II. PROGRAM PROCEDURES

Any municipality, corporation, business or individual is eligible to apply for Brownfield funds except a person or entity that has created or continues to contribute to the contamination of a site. In such cases, the person(s) or entity must arrange sponsorship from the municipality where the site is located. Grants/Loans under this program are made periodically on a competitive basis.

Application Components:

- To make a complete application for a Municipal Brownfield Grant/Loan, applicants should expect to provide project information to DECD including but not limited to:

    - A description of the proposed project, including potential redevelopment uses, where applicable
    - An explanation of the expected benefits of the project
    - Information concerning the financial and technical capacity of the applicant(s) to execute the proposed project
    - A project budget (including additional non-State sources of funds that will be contributed to the project)
    - A description of the environmental condition of the brownfield

Eligible Uses of Funding:

- Costs associated with the investigation, assessment, remediation and development of a brownfield, including but not limited to:

    - Soil, groundwater and infrastructure investigation
    - Assessment
    - Remediation
    - Abatement
    - Hazardous materials or waste disposal
    - Long-term groundwater or natural attenuation
    - Other forms of institutional controls
    - Attorney's fees
    - Planning, engineering and environmental consulting
    - Building and structural issues (including demolition, asbestos abatement, PCB removal, contaminated wood or paint removal or other infrastructure remedial activities)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Costs/Services allowed are described in the grantee's Assistance Agreement with the Department of Economic and Community Development and the approved Project Financing Plan and Budget documents.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements. Loans shall have terms and conditions and be subject to eligibility and loan approval criteria as determined by the commissioner. Such loans shall be for a period not to exceed twenty years.

D. Special Reporting Requirements

Compliance Requirements

1. Submission of regular written progress reports setting forth in detail the work performed and including copies of all studies, reports and plans generated in connection with the Project is required by the grantee.

2. Submission of certain other reports may be required by the grantee under the contract agreement.

3. The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at http://www.ct.gov/ecd/cwp/view.asp?a=1096&q=249670. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
ENDANGERED PROPERTY GRANTS
12060-ECD46840-90455

I. PROGRAM OBJECTIVES

The objective of the Endangered Property Grants program is to assist municipalities and non-profit cultural organizations by providing funding for the preservation of historic resources threatened with imminent loss or destruction.

II. PROGRAM PROCEDURES

The state grants funds to municipalities and 501(c)(3) and 501(c)(13) non-profit organizations to assist with the preservation of resources listed on the State or National Register of Historic Places threatened with imminent loss or destruction. Grant funds are used for acquisition, rehabilitation, stabilization, restoration, and adaptive reuse.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Grant funds may be used for

a) Purchasing/stabilizing a property;
b) Purchasing an option to acquire a property;
c) Attorney's fees and expenses that are directly related to the process of acquiring or purchasing an option to acquire a property; and
d) Studies to assess the basic structural integrity, architectural integrity and/or immediate stabilization needs of a property.

Grant funds may not be used to pay for attorney's fees and expenses that are <u>not</u> directly related to an outright purchase of an endangered property; activities associated with the salvage and/or resale of parts of historic buildings, structures or objects.

As stated in the Grant Contract expenses incurred for work performed prior to the grant award date are not allowed.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Grantees must, at a minimum, provide project funds on a dollar-for-dollar matching basis for all grant funds received pursuant to a grant award. The grantee may not use funds received from other departments or agencies of the State of Connecticut to satisfy this requirement, except for federal funds.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
HISTORIC ASSETS
12052-ECD46000-40390-095

I. PROGRAM OBJECTIVES

The purpose of the Historic Assets Grant Fund programs is to contribute to the state's overall historic preservation plan. It encourages quality tourism by supporting the installation or restoration of supportive improvements to historical assets. Historical assets refers to any building, structure, object, or site that is significant in American history, architecture, archeology, or culture, or property used in connection therewith. Supportive improvements may include, but shall not be limited to, parking lots, office space, sanitary facilities, utilities necessary to make a building functional, information booths, provisions for the handicapped, improvements necessary to bring such asset into conformance with local ordinances, or any other improvements necessary to return the property to a state or utility provided that any such supportive improvement shall not alter, destroy, or detract from the distinctive historical, aesthetic, archaeological, architectural, cultural, or stylistic qualities or characteristics of the historic asset or its environment.

(Section 32-6a, CGS)

II. PROGRAM PROCEDURES

The state contracts with municipalities and not-for-profit organizations for the installation or restoration of supportive improvements to historical assets. The grant is awarded to the grantee out of state bond appropriations.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The grantee's Assistance Agreement specifies the allowed and disallowed services. (Section 32-1c, CGS) and (Regulations, Section 32-6a-8)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The Assistance Agreement may include a matching requirement. (Regulations, Section 32-6a-8)

D. Special Reporting Requirements

Compliance Requirements

Programmatic and financial reports may be required under the Assistance Agreement.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
HISTORIC PRESERVATION ACTIVITIES GRANTS
12060-ECD46840-90455

I. PROGRAM OBJECTIVES

The objective of the Historic Preservation Activities Grants program is to assist municipalities and non-profit organizations by providing funding for historic preservation-related identification, evaluation, registration, education, promotion, planning and other historic preservation activities consistent with the provisions of C.G.S., Section 4-66aa.

II. PROGRAM PROCEDURES

The SHPO grants funds to municipalities and 501(c)(3) and 501(c)(13) non-profit cultural organizations to undertake one or more activities which contribute to the successful implementation of the state and federal historic preservation programs and activities of the SHPO conducted pursuant to C.G.S., Section 10-409 to 10-415, inclusive.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Grant funds may only be used for SHPO approved identification, evaluation, education, registration, education promotion, planning and other activities related to historic preservation.

Grant funds may not be used to pay for activities other than those consistent with the provisions of C.G.S., Section 4-66aa which have been approved by the SHPO as specified above.

As stated in the project Grant Contract costs incurred for work performed prior to the grant award date are not allowed.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Grantees may be required to match grant funds with cash; when match is required, the grantee may not use funds received from or paid for by other departments or agencies of the State of Connecticut to satisfy this requirement, except for federal funds.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
HISTORIC RESTORATION FUND
12060-ECD46840-90455
12060-ECD46840-45241

I. PROGRAM OBJECTIVES

The objective of the Historic Restoration Fund is to help municipalities and non-profit organizations preserve historic resources.

II. PROGRAM PROCEDURES

The State Historic Preservation Office (SHPO) grants funds to 501(c)(3) and 501(c)(13) non-profit organizations and municipalities for the acquisition, rehabilitation, stabilization, restoration, adaptive use, and/or archaeological investigation of properties listed on the State or National Register of Historic Places pursuant to C.G.S., Section 10-411.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Grant funds may be used for construction costs, acquisition of historic properties, provision of archaeological services, provision of required project signs, project-related photography costs, and audits to be provided to the SHPO by the grantee.

Grant funds may not be used to pay for work performed by architects, engineers, or other professional consultants, except for archaeologists and conservators meeting the professional standards and requirements of the SHPO, who are employed by the grantee during the course of the grant period, even if such professional expertise is required by the SHPO or is necessary to execute project work in conformance with the terms of the project funding agreement.

As stated in the project Grant Contract, costs for work performed prior to the grant award date are not allowed.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Grantees must, at a minimum, provide project funds on a dollar-for-dollar matching basis for all grant funds received pursuant to a grant award. The grantee may not use funds received from other departments or agencies of the State of Connecticut to satisfy this requirement, except for federal funds.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
MANUFACTURING ASSISTANCE ACT
(MUNICIPAL DEVELOPMENT PROJECTS AND BUSINESS DEVELOPMENT PROJECTS)

12034-ECD46000-40221-099

12035-ECD46000-40226-099

12035-ECD46000-40228-099

12060-ECD46000-90503-099

I. PROGRAM OBJECTIVES

The Municipal Development Project, Business Development Project, and Non-Profit Development Project provides loans and/or grants, including, but not limited to, the reasonable cost of feasibility studies, engineering, appraisals, market studies and related activities. Assistance is also provided for the acquisition of real property, machinery or equipment, or any combination thereof, the construction of site and infrastructure improvements, the construction, renovation and demolition of buildings, relocation expenses for the purpose of assisting a manufacturing or economic base business to locate, contract, renovate or acquire a facility. Such other reasonable expenses necessary or appropriate for the initiation, implementation and completion of the project, including, but not limited to administrative expenses and business support services.

(Sections 32-222 and 32-223 , CGS)

II. PROGRAM PROCEDURES

The State contracts with eligible applicants, municipally designated agencies (economic development commissions, redevelopment agencies, and not-for-profit development corporations) to share on a pro-rata basis eligible expenditures related to the preparation of a project plan or planning documents/studies deemed necessary by the Department of Economic and Community Development ("DECD"). This includes contractual services and administration items.

The State contracts with eligible applicants for services related to property acquisition, demolition or disposition, infrastructure development, construction, improvement and expansion of a facility, acquisition of machinery or equipment, relocation expenses, administration expenses, business support services, business relocation, engineering and related services, marketing, short-term interest costs, and other reasonable expenses necessary for implementation of the project.

(Section 32-222 (a), (f), (k), (m), & (n) CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used for costs items specified in the latest approved Assistance Agreement and attachments and the Financing Plan and Budget.

(Sections 8-190 and 32-1c, CGS)
(Sections 8-195(a),(b),(c), 32-222, and 32-223, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

A minimum match of 50% (fifty percent) of the total project cost is required with the following exceptions:

a) Targeted investment community – a minimum match of 10% (ten percent) of the total project cost;
b) Joint Ventures between 2 (two) or more municipalities, which are not designated as targeted investment communities, – a minimum match of 25% (twenty-five percent) of the total project cost,
c) Joint Ventures between 2 (two) or more municipalities at least one of which is a targeted investment community, - 25% (twenty-five percent) of the cost allocable to the municipality which is not a targeted investment community and, - 10% (ten percent) of the cost allocable to the municipality which is a targeted investment community,
d) Defense Diversification projects – 10% (ten percent) if the project involves a municipal development or the acquisition or development or both, of real property for an unspecified occupant, and – no match for any other Defense Diversification Project.

(Section 8-196 and 32-223, CGS)

D. Special Reporting Requirements

Compliance Requirements

(1) Submission of the following reports is required by the grantee.
- Annual Financial Report.
- Requisitions for payment of State funds.

(2) Submission of certain other reports may be required by the grantee under the Assistance Agreement. DECD requires a semi-annual Balance Sheet and Statement of Program Cost 30 days after June 30th and December 31st until expiration of the Financing Plan and Budget.

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
REGIONAL ECONOMIC DEVELOPMENT PROJECTS
12034-ECD46000-40224-092

I. PROGRAM OBJECTIVES

The Regional Economic Development Program provides grants for projects that will promote economic diversification, stability and growth. In addition, those such improvements, acquisitions and projects are a particularly effective investment of state funds because of their relative immobility in an increasingly global economy; such improvements, acquisitions and projects are particularly needed in communities experiencing significant military and industrial job losses; and regional cooperation in the planning and development of such improvements, acquisitions and projects is desirable and should be encouraged.

(Section 32-326, CGS)

II. PROGRAM PROCEDURES

The state contracts with eligible applicants for services related to property acquisition development, infrastructure development, residential or business relocation, administration, engineering and related services, marketing, short-term interest costs, and off-site development or any other project, which in the sole discretion of the Commissioner will significantly enhance economic diversification, stability, growth or scientific knowledge. Pass through grants and loans may be provided to companies located in these projects.

(Section 32-327(4), CGS)

Joint projects conducted by regional agencies are eligible for assistance.

"Agency" means any regional economic development commission formed under Sections 7-136 and 7-137, other regional development commission or corporation formed under any other provision of the General Statutes or any special act, any regional planning agency organized under the provisions of Chapter 127, regional council of governments organized under Sections 4-124i to 4-123p, inclusive, or any regional council of elected officials organized under the provisions of Chapter 50 for planning and implementation of regional economic development.

(C.G.S. 32-327 (2))

The total financial assistance under this act for any agency or project shall not exceed twenty million dollars of state funds plus any federal funds that the commissioner applies to the project.

(Section 32-328(d), CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Municipal, State, Federal and private funds may be used for cost items specified in the latest approved financing plan and budget and Project Assistance Agreement.

(2) These costs include but are not limited to:

- Land acquisition
- Renovation
- Engineering permits
- Rehabilitation
- Infrastructure development
- Business Relocation
- Physical development
- Administration
- Demolition
- Marketing
- Residential or site work
- Short-term interest borrowing
- Construction

Any other project, which in the sole discretion of the Commissioner will significantly enhance economic diversification, stability, growth, or scientific knowledge.

(Section 32-327(4), CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The maximum level of financial assistance to a project will be not more than ninety percent of total project costs in targeted investment communities, not more than seventy-five percent of total project costs in the case of a project in a region that includes a targeted investment community or not more than sixty-six and two-thirds percent of total project costs in the case of a project in a region that does not include a targeted investment community.

D. Special Reporting Requirements

Compliance Requirements

Submission of the following reports is required by the grantee:

(1) Requisitions for payment of state funds along with documentation describing the expenditure.
(2) Notification to the Commissioner of any material adverse change in condition of grantee.
(3) Notification to the Commissioner of any default under the projects documents or any other document.
(4) Any other special reporting requirement stated in the grantee's Assistance Agreement.
(5) DECD requires a semi-annual Balance Sheet and Statement of Program Costs from grantees 30 days after June 30th and December 31st until the expiration of the Financing Plan and Budget.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
SMALL BUSINESS ASSISTANCE REVOLVING LOAN PROGRAM
12060-ECD46200-35443

I. PROGRAM OBJECTIVES

The Small Business Assistance Revolving Loan Program provides Connecticut's small businesses with the financial resources they need to operate and grow in the State. The State contracts with the Connecticut Credit Consortium (Lending Partners) to administer this loan program. Under this program Connecticut-based businesses with less than fifty employees are eligible for loans and lines of credit of up to $500,000. A loan may be made with a rate of interest of not more than four percent (4%) per annum, with a term of no more than ten (10) years, and in a principal amount of not more than five hundred thousand dollars ($500,000.00).

(Public Act No. 10-75 Sections 6 and 7)

II. PROGRAM PROCEDURES

The State contracts with the Connecticut Credit Consortium (lending partners) to administer a revolving loan program by providing low interest loans to borrowers. At time of application with the lending partner, a borrower must be a Connecticut-based business (for-profit or not-for-profit) with less than fifty employees. Applicant must be in business at least twelve months prior to their application for funding and all applicants must be in good standing with all state and local taxes. Funds can be used by the Borrower for the purchase of new or used machinery and equipment, real estate acquisition, new facility construction, rehabilitation of existing facility, leasehold improvements, inventory and working capital (including training, R&D, and marketing). No refinancing of existing debt is allowed.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The auditor is not expected to test for types of services or costs allowed or disallowed.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements
The lending partner is required to submit the following reports to DECD:

(1) The Lender shall provide semi-annual reports on all enrolled loans it administers, due within 45 days after June 30 and December 31 for the duration of the Lender's participation in the program.
(2) A Loan Enrollment Request form (Exhibit A of Assistance Agreement) must be submitted to DECD not later than 10 days after the Lender has approved the loan in writing. DECD shall review the loan documentation and determine whether the loan is accepted for enrollment in the program and provide an acceptance letter to the Lender.
(3) A Lender Charge-Off Form (Exhibit B of Assistance Agreement) must be submitted to DECD within 30 days of the Lender's determination to charge off all or part of an Enrolled Loan.
(4) The Lender shall pay to DECD, no later than the 30th day of each January, as a return of principal, an amount equal to the sum of all repayments of principal received by the Lender from all borrowers during the prior calendar year (the "Annual Principal Repayment").

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
SMALL TOWN ECONOMIC ASSISTANCE PROGRAM (STEAP)
12052-ECD46000-42411-149

I. PROGRAM OBJECTIVES

The objectives of the Small Town Economic Assistance Program (STEAP) is to promote economic and community quality of life for localities ineligible for Urban Act bonds. Most towns with fewer than 30,000 people are eligible for the grants, which fund a wide range of physical development projects.

(Section 4-66g, CGS)

II. PROGRAM PROCEDURES

The state contracts with and provides bond funds to municipalities for economic development projects such as:

1) The construction or rehabilitation of commercial, industrial, and mixed use structures; and the construction, reconstruction, or repair of roads, access ways and other site improvements, or such other activities approved by the Department of Economic and Community Development ("DECD").
2) Urban transit;
3) Recreation and solid waste disposal projects;
4) Social service related projects, including day care centers, elderly centers, domestic violence and emergency homeless shelters, multi-purpose human resource centers, and food distribution facilities;
5) Affordable housing projects;
6) Pilot historical preservation and redevelopment programs that leverage private funds; and
7) Other kinds of urban development projects involving economic and community development, transportation, environmental protection, public safety, children and families and social service programs, and library renovations and improvements.

No Municipality may receive more than five hundred thousand dollars in any fiscal year under this program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed are specified in the grantee's Assistance Agreement with the DECD.
(Section 4-66g, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The amount of grantee participation, if any, is determined by project. The Assistance Agreement will identify if there is a matching share. It can be a specific amount or a percentage of cost.

(Section 4-66g, CGS)

D. Special Reporting Requirements

Compliance Requirements

The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at http://www.ct.gov/ecd/cwp/view.asp?a=1096&q=249670. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
SPECIAL ACT GRANTS

12052-ECD46000-40412-075	**12052-ECD46000-42873-075**
12052-ECD46000-40414-075	**12052-ECD46000-42881-075**
12052-ECD46000-40415-075	**12052-ECD46000-42891-075**
12052-ECD46000-40417-075	**12052-ECD46000-43075-075**
12052-ECD46000-40424-075	**12052-ECD46000-43080-075**
12052-ECD46000-40509-075	**12052-ECD46000-43246-075**
12052-ECD46000-42660-075	**12052-ECD46000-43263-075**
12052-ECD46000-42755-075	**12060-ECD46000-90503-075**
12052-ECD46000-42872-075	**12052-ECD-46000-42875-105**

I. PROGRAM OBJECTIVES

The objective of the Special Act Grants program is to provide specific, targeted economic development assistance to municipalities, as decided annually through the Special Act appropriation of the General Assembly.

(Section 8-151, CGS)

II. PROGRAM PROCEDURES

The state contracts for economic development with municipalities and not-for-profit agencies.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed are specified in the grantee's Assistance Agreement with the Department of Economic and Community Development.

(Sections 8-151 and 32-1c, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

A matching fund requirement, if any, is determined by project.
(Section 32-1c, CGS)

D. Special Reporting Requirements

Compliance Requirements

The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at http://www.ct.gov/ecd/cwp/view.asp?a=1096&q=249670. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.
(Section 32-1c, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
SPECIAL CONTAMINATED PROPERTY REMEDIATION AND INSURANCE FUND (SCPRIF)

12021-ECD46000-40063-090
12058-ECD46000-40564-090

I. PROGRAM OBJECTIVES

The Special Contaminated Property Remediation and Insurance Fund (SCPRIF) is a loan program designed to help municipalities and businesses address site contamination problems and to assist in the reuse of "brownfield" sites. The Department of Economic and Community Development (DECD) and the Department of Environmental Protection (DEP) jointly administer the new Special Contaminated Property Remediation and Insurance Fund (SCPRIF). This program was created as a vehicle to redevelop commercial and industrial property that is underutilized due to possible site contamination by providing assistance to quantify remediation costs. The program provides loans to complete environmental site assessments and for the demolition of existing structures necessary to prepare property for reuse.

The objective of the program is to encourage public and private partnerships to jointly study, remediate, and redevelop previously used industrial and commercial properties. The program seeks to "level the playing field" for underutilized properties by clarifying the environmental conditions, preparing a work plan necessary to meet the appropriate environmental standards, and removing existing obstructions to reuse. The completion of these program activities will encourage private sector reuse of such sites by identifying obstacles to redevelopment. This program is being operated in a cooperative manner between DECD and DEP to assure that remediation and development issues are addressed in a coordinated manner. Loans awarded under this program may be forgiven under certain economic conditions.

II. PROGRAM PROCEDURES

Any municipality, corporation, business or individual is eligible to apply for SCPRIF funds except a person or entity that has created or continues to contribute to the contamination of a site. In such cases, the person(s) or entity must arrange sponsorship from the municipality where the site is located. Eligible activities include the preparation of Phase II Environmental Site Assessments, Phase III Environmental Site Investigations and Remedial Action Work Plans, and demolition activities including lead and asbestos abatement removal in "brownfield" areas that are necessary for property redevelopment. Any demolition activities must be subsequent to a Phase III Environmental Site Investigation.

Applications for financial assistance are approved by the SCPRIF Advisory Board, which in turn makes a recommendation for funding to the commissioner of DECD. DECD acts as a liaison with DEP staff during the review process. The recipient of SCPRIF funds will repay the state upon sale or lease of the property or upon approval of a final remedial action report in accordance with the terms of the program. In the event that the assessment determines that the redevelopment of the site is not feasible due to the cost of remediation, loans made under the program may be forgiven.

(Section 22a-133u, CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Costs allowed are described in the grantee's Assistance Agreement with the Department of Economic and Community Development and the approved project documents.

(2) These costs include but are not limited to:
- Phase II Environmental Site Assessments.
- Phase III Environmental Site Investigations of real property and Remedial Action Work Plans.
- Demolition activities necessary to prepare a property for redevelopment, including lead and asbestos abatement removal (any demolition activities must be subsequent to a Phase III Environmental Site Investigation).

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

1) Submission of regular written progress reports setting forth in detail the work performed and including copies of all studies, reports and plans generated in connection with the Project is required by the grantee.

2) Submission of certain other reports may be required by the grantee under the contract agreement.

3) The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at http://www.ct.gov/ecd/cwp/view.asp?a=1096&q=249670. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Economic and Community Development
URBAN ACTION BONDS

13019-ECD46000-41236-093(DECD)

13019-ECD46000-41240-093(DECD)

13019-ECD46000-41240-094(OPM)

I. PROGRAM OBJECTIVES

The objectives of the Urban Action Bonds program are to redirect, improve, and expand state activities that promote community conservation and development and improve the quality of life for urban residents of the state.

(Section 4-66c, CGS)

II. PROGRAM PROCEDURES

The state contracts with and provides bond funds to municipalities for economic development projects such as the construction or rehabilitation of commercial, industrial, and mixed use structures; and the construction, reconstruction, or repair of roads, access ways and other site improvements, or such other activities approved by the Department of Economic and Community Development ("DECD").

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed are specified in the grantee's Assistance agreement with the DECD.

(Section 4-66c, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The amount of grantee participation, if any, is determined by project. The Assistance Agreement will identify if there is a matching share. It can be a specific amount or a percentage of cost.

(Section 4-66c, CGS)

D. Special Reporting Requirements

Compliance Requirements

The Applicant shall provide a cumulative Statement of Program Cost and a Detailed Schedule of Expenditures to the Commissioner in the approved DECD project statement format as outlined in the most current Accounting Manual located at http://www.ct.gov/ecd/cwp/view.asp?a=1096&q=249670. This information will be required to be provided within ninety (90) days after the expiration date of the Project Financing Plan and Budget or earlier as determined by the Commissioner. Further information, such as supporting documentation (i.e. copies of invoices, cancelled checks, contracts etc.) for the expenditures charged may be requested from the applicant, as necessary.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 6

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF EDUCATION

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Department of Education
ADULT EDUCATION
11000-SDE64000-17030

I. PROGRAM OBJECTIVES

The Adult Education program provides learning opportunities and instruction for adults in Americanization and U.S. citizenship, limited English proficiency, and elementary and secondary school completion. (Section 10-69, CGS)

II. PROGRAM PROCEDURES

Municipalities provide, in local school districts, required educational offerings through current year funding. The state then reimburses districts for costs attributable to the provision of these services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Eligible costs include the costs of:

1. Teachers, including teacher aides
2. Administration, including the director
3. Clerical assistance
4. Printing
5. Instructional materials and equipment, including computer equipment.
6. Program supplies
7. Facility rental other than for facilities provided by a local or regional board of education
8. Staff development
9. Counselors
10. Transportation
11. Security
12. Child care services

(Section 10-67, CGS)

B. Eligibility

Compliance Requirements

Any person 17 years of age or over who is not enrolled in a public elementary or secondary school program is eligible for adult education courses.

(Section 10-67, CGS)

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

(Section 10-71(c), CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
AFTER SCHOOL PROGRAM
11000-SDE64000-17084

I. PROGRAM OBJECTIVES

The objective of the After School Program grant is to provide educational, enrichment and recreational activities for children in grades K-12, inclusive.

II. PROGRAM PROCEDURES

The program provides grants to local and regional boards of education, municipalities and not-for-profit organizations that are exempt from taxation under Section 501(c)(b) of the IRS Code of 1986.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those shown in the approved grant proposal and budget.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
ALLIANCE DISTRICT
11000-SDE64000-17041-82164

I. PROGRAM OBJECTIVES

Section 10-262u of the Connecticut General Statues establishes a process for identifying Alliance Districts and specifies the nature of the Alliance District Program. Connecticut's 33 lowest performing districts qualify as Alliance Districts. Pursuant to CGS 10-262u(c)(1) the Comptroller shall transfer all increases in ECS funding to the Commissioner of Education to be granted to districts through the Alliance District program.

The Alliance District Program shall:

(1) Establish objectives and performance targets for each Alliance District
(2) Enhance student achievement
(3) Increase the effectiveness of talent practices and evaluation programs
(4) Strengthen academic programs and increase reading mastery
(5) Strengthen the culture and climate of schools
(6) Optimize systems and processes that promote organizational efficiency

II. PROGRAM PROCEDURES

The state provides grants applications to the 33 Alliance Districts:

(1) Districts apply on an annual basis
(2) Districts are subject to monitoring, three (3) times annually, of program implementation, spending and results

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services include, but are not limited to:

(1) Tiered system of interventions for schools
(2) Ways to strengthen foundational programs in reading
(3) Additional learning time, extended day and extended year
(4) Talent strategy
(5) Training for school leaders and building organizational capacity
(6) Coordination with early childhood programs
(7) Cooperation with other government agencies and community organizations
(8) Any additional goals or categories as determined by the Commissioner.

B. Eligibility

The auditor is not expected to make tests for eligibility

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

All Alliance Districts will be asked to demonstrate programmatic commitment to the following priority areas:

1) Talent Strategy – specifically plans for training and support of teacher and leader coaching and evaluation
2) Academic Program – specifically plans for training and support of the Common Core Standards and improved instructional practice
3) Culture and Climate – specifically plans to increase attendance and reduce suspension rates
4) School Turnaround – specifically to demonstrate that districts are adequately funding and implementing targeted programs in all Turnaround, Focus and Review schools
5) Operations – specifically systems and processes to optimize the use of time and financial resources

Alliance districts must report all student data and must participate in quarterly progress monitoring meetings three (3) times annually.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
BILINGUAL EDUCATION
BILINGUAL EDUCATION ENGLISH LEARNER PILOT PROGRAM
11000-SDE64000-17042

I. PROGRAM OBJECTIVES

(a) The Bilingual Education grant program provides technical assistance in bilingual program development, implementation, and evaluation and financial assistance based on the number of eligible children as defined by statute.
(Section 10-17a through j, CGS)

(b) The Bilingual Education English Learner Pilot grant program enables selected districts to develop research-based language acquisition plans for English language learner students. Pilot grants must be developed in consultation with CSDE, public institutions of higher education and people with expertise in language acquisition. The plans must be research-based and take into account the demographics of the districts and the English learners that they serve. The regional education service centers that serve the region in which the pilot participants are located shall provide support with the implementation of the pilot program.
(Section 284 of Public Act 15-5 from the June 2015 Special Session)

II. PROGRAM PROCEDURES

The state provides grants to municipalities for bilingual education programs by the school district. The school districts may use the funds for any activities that relate to the planning, development, implementation, and evaluation of these bilingual education, state-required programs.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant proposal and budget.

Funds can be expended only as specified in the annual grant application.

Allowed services include, but are not limited to:

(a)

1. Preliminary assessment of a child's dominant language
2. English proficiency determination
3. Plans to implement bilingual programming
4. Measurement of a child's increased English proficiency
5. Program evaluation
6. Assessment of academic progress
7. Meetings with parents of eligible children
8. High School Programs
9. Materials
10. Professional development
11. Bilingual teacher hires
12. Bilingual tutor hires

(b)

1. Plans to implement pilot program
2. Measurement of a child's increased English proficiency
3. Program evaluation
4. Assessment of academic progress
5. Meetings with parents of children in pilot program
6. Materials
7. Professional development
8. Teacher hires for pilot program
9. Support staff hires for pilot program

B. Eligibility

Compliance Requirements

(1) The child must be enrolled in public schools in grades kindergarten to 12, inclusive.

(2) The child's dominant language must not be English.

(3) The child's proficiency in English must not be sufficient to assure equal educational opportunity in the regular school program.

(Section 10-17e, CGS)

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

All Programs

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

(a) The grantee must submit annually to the State Board of Education a progress report which shall include:

1. Measures of increased educational opportunities for eligible students, including language support services and language transition support services provided for such students.
2. Program evaluation and measures of the effectiveness of its bilingual education and English as a second language programs, including data on students in bilingual education programs and students educated exclusively in English as a second language program.
3. Certification by the Board of Education submitting the report that any funds received pursuant to this section have been used for the purposes specified.

(b) The grantee must submit annually to the State Board of Education a progress report which shall include:

1. Measures of increased educational opportunities for eligible students.
2. Program evaluation and measures of the effectiveness of English learner pilot program, including data on students in the English learner pilot program.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
CHARTER SCHOOLS
11000-SDE64000-16119

I. PROGRAM OBJECTIVES

A charter school is defined as a public, nonsectarian school which is established under a charter granted pursuant to state law; is organized as a nonprofit entity under state law; acts as a public agency; and operates independently of any local or regional board of education in accordance with the terms of its charter and the provisions of the charter school law.
(Sections 10-66aa through 10-66ll CGS)

II. PROGRAM PROCEDURES

The State Board of Education may grant charters for local and state charter schools.

A local charter school is a public school or part of a public school that is converted into a charter school, and is approved by the local or regional board of education of the school district in which it is located and by the State Board of Education. A state charter school is a new public school approved by the State Board of Education.

Applications for local charters must first be made to the local board of education of the district in which the school will be located. The local board must vote on the application after holding a public hearing and surveying the teachers and parents in the school district to determine if there is sufficient interest. If approved, the local board shall forward the application to the State Board of Education for a vote. Applications for state charters must be submitted to the State Board of Education which must vote on the application after holding a public hearing in the school district in which the school will be located, and soliciting comments from the boards of education in which the school is to be located and those contiguous thereto.

State charter schools receive a fixed per pupil amount from the state for each student enrolled in the school pursuant to Section 10-66ee (c)(1) of the Connecticut General Statutes, as amended. Local charter schools receive a negotiated per pupil amount of funding from the local boards of education in which the students attending the charter school reside. In addition, charter schools would generally be eligible for competitive state grants administered by the State Department of Education and, in accordance with federal law, for any federal funds available for the education of pupils attending public schools.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The auditor is not expected to test for allowed or disallowed services.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

The auditor is not expected to test for matching, level-of-effort, and/or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Financial and enrollment data for charter schools are reported via the (EFS) Education Financial System and PSIS (Public School Information System).

Compliance requirements and suggested audit procedures for the EFS and PSIS are included in a special review package issued by the State Department of Education, and are reported on separately.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Schools are required to have an employment agreement with each teacher.

Suggested Audit Procedures

Verify that the school has a written, individual employment agreement with each teacher.

Compliance Requirements

All real property owned by the school must be utilized for educational purposes only.

Suggested Audit Procedures

Verify that all real property owned by the school is being used for educational purposes only.

Department of Education
CHARTER SCHOOL FACILITY, GENERAL IMPROVEMENTS, AND DEBT REPAYMENT
12052-SDE64000-43003

I. PROGRAM OBJECTIVES

Section 10-66hh of the Connecticut General Statutes establishes a grant program to assist charter schools in (1) financing school building projects as defined in Section 10-282 of the Connecticut General Statutes (C.G.S.); (2) paying for general improvements to school buildings as defined in Subsection (a) of Section 10-265h; and/or (3) repaying debt incurred for school building projects.

II. PROGRAM PROCEDURES

Grant applications will be considered which will benefit schools over an extended period of time, such as the renovation of or improvements to a building for which a school has a long-term lease, payment toward the purchase of a building, or repayment of existing, outstanding principal debt. The commissioner shall give preference to applications that provide for matching funds from non-state sources.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

1. Provide for the financing of school building projects, as defined in Section 10-282, as amended, of the Connecticut General Statutes, for the construction, purchase, extension, replacement, renovation or major alteration of a building to be used for public school purposes.

2. Provides for the financing of general improvements to school buildings as described in C.G.S. Section 10-265h. These dollars are targeted for the types of repair and replacement work and other general improvements not covered by the existing school construction grant program.

Examples of the types of improvements that qualify include:

- Replacement of windows and doors;
- Replacement of boilers and other heating and ventilation components;
- Replacement of internal communication systems;
- Locker replacements;
- Ceiling and floor covering upgrades/replacements;
- Upgrade restrooms, including new fixtures;
- Upgrade or replacement of lighting fixtures;
- Replacing or installing security systems, including but not limited to, video surveillance devices and fencing; or
- Other work of a similar nature approved by the Commissioner of Education.

Examples of Ineligible Uses of Funds for Items 1 and 2:

- Routine building maintenance and maintenance supplies;
- Painting;
- Cleaning;
- Equipment repairs and other minor repairs; or
- Salaries of in-house maintenance staff and other school staff.

3. Provides for the repayment of debt incurred for school building projects. Pursuant to this item, the grant will fund outstanding principal on loans which may have been incurred for prior school building projects. The grant will not reimburse principal or interest which may have been paid in the past or for cash basis projects undertaken prior to the passage of this act.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
CHILD NUTRITION STATE MATCHING GRANT
11000-SDE64000-16211

I. PROGRAM OBJECTIVES

The Child Nutrition Program (School Lunch State Match) fulfills the requirements for state matching funds in the federal program to provide school children with a nutritional school lunch when they otherwise may lack adequate nutrition.
(Section 10-215, CGS)

II. PROGRAM PROCEDURES

The program provides grants to entities other than local governments that they in turn use to obtain agricultural commodities and other foods for consumption by children participating in the National School Lunch program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds can only be used to cover costs related to serving lunches meeting federal requirements to school children (7 CFR, Part 210.10).

Such related costs include:

1. Food
2. Equipment
3. Supplies
4. Costs related to employing service staff or volunteers

(Section 10-215, CGS)

B. Eligibility

Compliance Requirements

1) The individual recipient may be eligible for free or reduced priced meals through a variety of ways:

   a) Approval of an application submitted by his or her family;
   b) A determination of categorical eligibility which is automatic eligibility for free meals or free milk due to a child's (or any household member's) receipt of benefits under an Assistance Program, or a child's designation as Other Source Categorically Eligible. There are two ways children may be classified as categorically eligible:

      i) Participation in Assistance Programs: A child or any member of the household receives benefits from the following Assistance Programs: Supplemental Nutrition Assistance Program (SNAP), Temporary Family Assistance (TFA/TANF); or enrolled in Medicaid and meeting additional income restrictions; as determined through direct certification; or

      ii) Other Source Categorically Eligible designation: A child is documented as meeting the applicable definition, as defined by USDA, as:
         (1) Homeless, runaway, or migratory child;
         (2) Foster Child; or
         (3) Enrolled in a federally-funded Head Start or comparable State-funded Head Start or pre-kindergarten program.

   c) All proof of eligibility (including applications from households that were determined to be denied) must be retained by the facility for three years after the date of the final claim for the fiscal year to which they pertain, or longer for unresolved audit issues (7 CFR 245.6E).

2) The institution's food service must be not-for-profit.
3) The individual's family must meet income guidelines specified in the Federal Register.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Institutions must submit claims for reimbursement through the online claim system on a monthly basis.

(7 CFR, Part 210.8)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
COMMISSIONER'S NETWORK
11000-SDE64000-12547

I. PROGRAM OBJECTIVES

Public Act 12-116 establishes a Commissioner's Network to provide new resources and flexibilities to improve student achievement in the state's lowest performing schools. The Commissioner's Network is designed as a partnership between local stakeholders and the state and will serve as a vehicle for innovative initiatives, a platform for sharing effective practices, and a model for other schools and districts throughout the state.

The Commissioner's Network program:

1. Enhances student achievement and expands educational opportunities in schools with greatest need.
2. Provides support for lowest performing schools.

II. PROGRAM PROCEDURES

The state provides grants to eligible schools that apply or are chosen to apply:

1. Specific, dramatic, and transformative strategies in the following areas: family and community, school environment, leadership, teachers and staff, curriculum and instruction, use of time and use of data;
2. Specific academic, developmental, and other student goals to be met in three years, which are consistent with the school's performance targets in the state accountability system; and
3. Specific interim objectives to be met in each year that the school is in the Network.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Types of services allowed or disallowed are designated as approved line items on the grant application.

Such services include, but are not limited to:

1. Technology
2. Development
3. Evaluation
4. Staff development
5. Curriculum alignment
6. Management information system development
7. Supplement existing programs
8. Create new programs (within the established criteria)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
CONNECTICUT WRITING PROJECT (CWP)
11000-SDE64000-12261

I. PROGRAM OBJECTIVES

The CWP works to improve student writing and learning in classrooms K-12, to extend the uses of writing in all disciplines, to provide schools with effective professional development models and to identify, celebrate and enhance the professional role of successful classroom teachers. The Connecticut Writing Project also directly serves youth by hosting writing workshops.

II. PROGRAM PROCEDURES

The CWP offers three types of programs. Continuity programs serve the purpose of developing the leadership of teachers/consultants, and provide an ongoing professional community to teachers at the site. In-service programs provide professional development to teachers working in the regional location of the program. Summer Institutes offer opportunities for learning and leadership development.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those shown in the approved grant proposal and budget.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
EXTENDED SCHOOL HOURS PROGRAM GRANT
11000-SDE64000-17043-82054

I. PROGRAM OBJECTIVES

To provide funds for extended school building hours for public schools in Priority School Districts for academic enrichment, support, and recreation programs for students in the district.

II. PROGRAM PROCEDURES

Funds are administered by the Bureau of Health, Nutrition and Family Services. The grant amount to each of the Priority School Districts is determined by statute, based on the number of students in the district. Priority School Districts apply for funds, according to a pre-application process outlining the method by which the district will determine which schools will provide programs and how outside agencies and community-based organizations will be given the opportunity to compete for funds to run the programs. After approval of the "in districts competitive process" final applications are submitted to the Bureau of Health/Nutrition, Family Services and Adult Education.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

All programs shall:

1. offer both academic enrichment and support and recreation experiences in a specified school building during non-school hours,
2. be open to all resident students in the district,
3. be designed to ensure communication with the child's teacher and ties to the regular curriculum,
4. be clearly articulated with structured and specific experiences for children but able to accommodate the participation of a child who cannot attend every day,
5. provide for community involvement,
6. investigate the use of National Service Corps,
7. coordinate operations and activities with existing programs and agencies which operate such programs,
8. provide for parent involvement in program planning and the use of parents as advisors and volunteers and,
9. provide for business involvement and sponsorship.

Types of services allowed are designated as approved line items on the grant application.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
FAMILY RESOURCE CENTERS
11000-SDE64000-16110

I. PROGRAM OBJECTIVES

To promote the optimal growth and development of children and their families through the establishment of a comprehensive, integrated, community-based system of family support and early childhood services linked to the public schools.

II. PROGRAM PROCEDURES

The state provides grants to school districts and community-based agencies for services to:

1. Support families
2. Provide child development services

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Each family resource center shall provide:

1. Quality full-day preschool child care school readiness services
2. School-age child care services
3. Adult education services
4. Teen pregnancy prevention
5. Support and training for family day care providers
6. Resource and referral services
7. Families-in-training services

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
HEALTH SERVICES
11000-SDE64000-17034

I. PROGRAM OBJECTIVES

The Health Services grant program provides funds to towns or regional school districts which are required to provide health services to students attending private, nonprofit schools. The health services are equal to services required to be provided to students attending the same grades in the town's public schools.
(Section 10-217a, CGS)

II. PROGRAM PROCEDURES

The state pays the town or regional school district an equalized percentage of not less than 10 percent nor more than 90 percent of the costs of providing health services to private, nonprofit school students.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

1. Eligible health services shall include the services of a school physician, school nurse and dental hygienist.
2. Health services shall not include special education services which, if provided to public school students, would be eligible for reimbursement pursuant to C.G.S. Section 10-76g.
3. Services are limited to the town's or regional school district's policies and/or practices regarding the provision of any such services in its public schools.
   (C.G.S. Section 10-217a)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

A town or regional school district providing the services must file an application for reimbursement on Expenditure Report Form ED017 no later than the September 15 following the fiscal year in which the services were performed.

(Section 10-217a, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

A majority of the children attending the private, nonprofit school or pre-kindergarten program must be residents of Connecticut. Residency is defined as a continuous and permanent physical presence within the state, except for temporary absences for short periods of time. The determination shall be made by adding the number of pupils enrolled in a school on October 1 (or the full school day immediately preceding such date) during the school year prior to that in which the health services are to be provided.

Suggested Audit Procedures

Review the manner in which the school district determines that a majority of students in a school or program are residents of Connecticut and determine its reliability.

Department of Education
HEALTHY FOODS INITIATIVE
11000-SDE64000-16212

I. PROGRAM OBJECTIVES

(a) Healthy Food Certification assists public school districts participating in the National School Lunch Program with ensuring that all food items made available for sale to students separately from reimbursable meals meet the Connecticut Nutrition Standards published by the State Department of Education. (Section 10-215f CGS)
(b) Section 10-215e CGS required the State Department of Education to establish nutrition standards for food that is sold separately to students from meals served under the National School Lunch Program and School Breakfast Program.

II. PROGRAM PROCEDURES

(a) Healthy Food Certification under Section 10-215f of the Connecticut General Statutes provides additional grants to public school districts that have opted to implement the Connecticut Nutrition Standards. Participating districts receive 10 cents per lunch, based on the total number of reimbursable lunches (paid, free and reduced) served in the district in the prior school year for the National School Lunch Program.
(b) The Connecticut Nutrition Standards apply to all sources of food sold to students separately from reimbursable meals on school premises including, but not limited to school stores, vending machines, school cafeterias and any fundraising activities.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

1. Services are specified in grantee's annual application to the state.
2. Participating districts may incur the following allowable costs:
   (a) Food
   (b) Equipment
   (c) Supplies
   (d) Costs related to employing service staff or volunteers

(Section 10-215, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Districts must complete the *Healthy Food Certification Compliance Form* and submit all accompanying documentation. Participating districts must document that all food items sold to students separately from reimbursable meals served in the National School Lunch Program and School Breakfast Program meet the Connecticut Nutrition Standards. This applies to all food items sold to students in all schools in the district from all sources including, but not limited to, cafeteria sales, vending machines, school stores and fundraisers.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
INTERDISTRICT COOPERATIVE GRANT
11000-SDE64000-17045

I. PROGRAM OBJECTIVES

The programs funded under the Interdistrict Cooperative Grant are designed to develop and/or implement cooperative approaches to offering educational services.
(C.G.S. Section 10-74d)

II. PROGRAM PROCEDURES

The Interdistrict Cooperative Grant provides competitive grants for interdistrict cooperative programs.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirement
The types of services allowed are those as shown in the approved grant proposal and budget.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirement
Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
LEADERSHIP, EDUCATION AND ATHLETICS IN PARTNERSHIP
11000-SDE64000-12211

I. PROGRAM OBJECTIVES

Leadership, Education and Athletics in Partnership's (LEAP) mission is to develop the strengths and talents of young leaders who implement year-round, community and school-based programming designed to achieve positive academic and social outcomes for children living in high poverty urban neighborhoods. Since 1992, LEAP has led the movement to provide children and youth with opportunities to thrive in all areas of their lives. LEAP reaches into neighborhoods that are laden with a shortage of positive resources.

LEAP serves children in New Haven. The program operates year-round in three high-poverty New Haven neighborhoods in conjunction with the New Haven Public Schools.

LEAP serves 250-300 children yearly. The LEAP Children's Program seeks to engage children ages 5-12 and the Youth Development Program hires, trains and supervises youth ages 13-23.

II. PROGRAM PROCEDURES

LEAP runs year-round programming for children and youth with a multi-tiered mentoring modeling. The Children's Program fosters learning through summer and after school programming to develop children's academic and social skills. LEAP's programming addresses the whole child, with activities in reading, math, arts, athletics and interpersonal skill-building tasks.

The Youth Development Program seeks to guide youth in becoming: civically engaged; leaders; effective teachers and mentors; and responsible decision makers.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant proposal and budget.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

LEAP must provide a match of at least 50% of the grant amount. LEAP raises these funds through other grants and donations.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
MAGNET SCHOOLS
11000-SDE64000-17057

I. PROGRAM OBJECTIVES

The program is designed to assist local and regional boards of education, regional educational service centers and cooperative arrangements pursuant to section 10-158a CGS with the operation of, and transportation for interdistrict magnet school programs.
(C.G.S. Sections 10-74d and 10-264l et seq.)

II. PROGRAM PROCEDURES

The grant has the following components:

1. magnet school operating grants; and
2. magnet school transportation grants.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirement
The types of services allowed are those as shown in the approved grant proposal and budget.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirement
Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year for the magnet school operating grant portion of this program. Enrollment data for magnet schools are reported in the Public School Information System (PSIS). Audit procedures for PSIS are included in a special review package issued by the Department of Education and are reported separately. The transportation portion of this grant is not reviewed as part of this compliance supplement.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
NEIGHBORHOOD YOUTH CENTERS (NYC)
11000-SDE64000-12318

I. PROGRAM OBJECTIVES

NYC grant program will support specific local initiatives to increase positive experiences for youth and must include a neighborhood center, at a location convenient for youth within the neighborhood to be served, that is open regular hours including, but not limited to evenings, weekends, school vacations and the summer. NYCs must deliver the following components: athletic and recreational opportunities; enrichment or tutoring activities; skills training in areas such as problem-solving, decision-making and on an ongoing basis youth development, including, but not limited to, input into the planning and management of the program and youth leadership development activities; and maximum use of existing neighborhood services for youth. NYC programs may include matching youth on a one-on-one basis with positive adult role models; vocational training and job placement; preventive and intervention services for youth and their families and cultural opportunities. Youth to be served by NYC programs must be between 12-17 years of age.

II. PROGRAM PROCEDURES

State management and funding for the NYC program was transferred from the Office of Policy and Management to the State Department of Education (SDE) beginning July 1, 2011. Eligible nonprofit agencies shall submit a grant application to the SDE by July 2012 and every two years thereafter. SDE reviews all grant applications received and makes the decisions concerning which application will be funded and at what funding levels as per legislation. Grant award letters are issued by SDE to grantees on a yearly basis.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant budget (Form ED114).

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirement

In order to be eligible to receive funds from SDE for the NYC program, all applicants must provide a minimum of 25 percent match. Local funds or in-kind contributions which may include federal, local and private funds which support existing services may be used for the matching.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
OPEN CHOICE
11000-SDE64000-17053 -82060

I. PROGRAM OBJECTIVES

The Open Choice Program is a statewide interdistrict public school choice initiative designed to:

1. improve academic achievement;
2. reduce racial, ethnic and economic isolation or preserve racial and ethnic balance; and
3. provide a choice of educational programs for students enrolled in the public schools. (C.G.S. Section 10-266aa)

II. PROGRAM PROCEDURES

The Department of Education provides oversight for the Open Choice Program, including the setting of reasonable limits for the transportation of students participating in the program. The Department of Education provides grants to regional educational service centers (RESCs) to plan for the operation of the program for the Hartford, New Haven and Bridgeport regions.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Funds may only be expended for educational purposes.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
OPEN CHOICE
ACADEMIC, STUDENT & SOCIAL SUPPORT
11000-SDE64000-12457 -82160

I. PROGRAM OBJECTIVES

Section 10-266aa of the Supplement to the Connecticut General Statutes establishes a grant program to promote academic and social success for students participating in the Open Choice Program in the Sheff Region. In addition, the grant is intended to provide supplemental funding towards programs and supports that work to ensure that open choice students have positive school experiences, academic success, and social success. Activities funded by this grant should assist schools in developing specific goals related to improving student retention, increasing high school graduation rates, and increasing academic preparedness for college and careers. The grant also allows districts to implement a variety of strategies to improve school climate and student · academic achievement for all students.

II. PROGRAM PROCEDURES

The grant is awarded on an entitlement basis, upon SDE's approval of the required grant application.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Provide for the funding of program and services, as defined in the grant application and section 10-266aa of the Supplement to the Connecticut General Statutes.

Examples of the types of programs and services that qualify include:

- providing academic tutoring services;
- implementing before and after school programming;
- providing professional development for teachers on multicultural integration;
- providing supplemental reading and mathematics programs;
- hiring a family liaison to provide assistance to families;
- implementing school climate programs for students;
- providing bilingual services for English Language Learner students and families; and
- providing transportation to families to attend student meetings and activities.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee will be required to submit a final report. The report template is located in the grant application. The grantee will also be required to have a site visit.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
PRIMARY MENTAL HEALTH
11000-SDE64000-12198

I. PROGRAM OBJECTIVES

The objectives of the Primary Mental Health program are to assist local and regional boards of education to establish school-based programs for the early detection and prevention of emotional, behavioral, and learning problems in public school children, primarily in grades Kindergarten through Grade 3.

II. PROGRAM PROCEDURES

The program provides for services related to early detection and prevention programs, including the use of personnel and materials to assist in the provision of mental health services for children experiencing behavioral, disciplinary, or early school adjustment problems.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant proposal and budget.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Local and regional boards of education provide $5,000 or one quarter of the total budget, whichever is larger.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
PRIORITY SCHOOL DISTRICTS
11000-SDE64000-17043-82052

I. PROGRAM OBJECTIVES

The Priority School Districts program:

1. Enhances student achievement and expands educational opportunities in school districts with greatest need.
2. Helps districts develop and improve district-wide programs in areas designated in legislation (early literacy, early childhood, dropout prevention, parental involvement in education, and extended school hours (or after school programs)).

II. PROGRAM PROCEDURES

Per Section 10-266p of the Connecticut General Statutes, the State Board of Education administers a priority school district grant program to assist designated districts to:

1. Enhance basic skills achievement for students focusing on early literacy
2. Improve instruction through an annual action plan tied to State Board of Education five-year plan

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Types of services allowed or disallowed are designated as approved line items on the grant application.

Such services include, but are not limited to:

1. Research
2. Development
3. Evaluation
4. Staff development
5. Curriculum alignment
6. Management information system development
7. Supplement existing programs
8. Create new programs (within the established criteria)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
SCHOOL BASED DIVERSION INITIATIVE AND "SECOND CHANCE SOCIETY"
11000-SDE64000-12587

I. PROGRAM OBJECTIVES

- Provide training to help school personnel identify children with behavioral health needs.
- Build connections between schools and effective community-based mental health services.
- Reduce exclusionary discipline and arrests of students.
- Revise schools' policies and practices to increase capacity for responding to the mental health needs of all students.

II. PROGRAM PROCEDURES

- Child Health and Development Institute ((CHDI) collaborates with the Connecticut State Department of Education (CSDE) and Court Support Services (CSSD) to identify schools with higher than average student arrests and behavioral sanctions.
- Identified schools are provided consultation on discipline policies and practices, staff development on student needs and risk factors, and facilitates the school's relationship with and referral to Mobile Crisis.
- Progress monitoring is utilized to refine the schedule for training and consultation and to identify further needs requiring mobilization of other resources.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

- A portion of funds are provided directly to identified schools to cover staffing and program costs.
- Additional funds are transferred from CSSD and the State Department of Mental Health and Addiction Services (DMHAS) to CSDE, in addition to appropriated funds, which then provides funding to CHDI to cover that agency's staffing and program costs, as well as to fund contracts with other service providers with unique skill sets (e.g., CABLE for police training and FAVOR for family engagement activities).
- Approved associated costs include personnel, indirect costs, training costs and incidentals.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Semi-annual updates on progress must be provided to state agencies. Reports must include status of ongoing monitoring of behavioral incidents, sanction and Mobile Crisis utilization.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
SCHOOL BREAKFAST
11000-SDE64000-17046

I. PROGRAM OBJECTIVES

1. The School Breakfast program assists schools to provide nutritious breakfasts for children of preschool and school age. This program is coordinated with the federal program. (Section 10-266w, CGS)

2. The In-Classroom School Breakfast Pilot Program is established through a competitive grant process for the purpose of assisting Connecticut school districts to better serve students by establishing and expanding an in-classroom breakfast program. (Section 10-215g, CGS)

II. PROGRAM PROCEDURES

1. The state provides grants to local and regional school districts to provide the School Breakfast program meals. (Section 10-266w, CGS)

2. The state provides grants for the purpose of assisting up to ten severe need schools, as defined by 10-266w, to establish and expand this In-Classroom School Breakfast Pilot Program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services are specified in grantee's application to the state.
(Section 10-266w (b) CGS and 7 CFR, Part 220.8)

B. Eligibility

Compliance Requirements

The recipients must be eligible for the USDA School Breakfast program.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

1. Institutions should submit claims for reimbursement monthly through the online claim system or to the State Department of Education on the Nutrition Report Form ED103. (7 CFR, Part 220.11)

2. In-Classroom Breakfast Grant recipients must submit Form ED141 (Statement of Expenditure) which is due on September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Each eligible grantee is entitled to a limit of funding per school and per breakfast served.

Each severe-need school is awarded $3,000 funding per annum and up to 10¢ per breakfast served.
(Section 10-266w, CGS)

Suggested Audit Procedures

1. Determine how much funding was provided each severe-need school by testing a sample of schools and ascertaining whether any received more than $3,000 a year in state funds and up to 10¢ per breakfast served.

2. Determine how much funding was provided for each breakfast by testing a sample of records and determining whether any received more than 10¢ in state funds.

Department of Education
SUMMER SCHOOL ACCOUNTABILITY GRANT
11000-SDE64000-17043-82055

I. PROGRAM OBJECTIVES

The grant provides funds for a summer reading program to students enrolled in kindergarten who are determined by their teachers to need additional reading and reading readiness instruction as well as students in Grades 1-3 who are determined to be substantially deficient in reading. The grant also provides for students in Grades 4-6 who fail to make progress in reading to attend summer school if appropriations are available. (Sections 10-265g, 10-265l and 10-265m)

II. PROGRAM PROCEDURES

The Turnaround Office administers the funds. Eligible applicants are priority school districts.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed or disallowed for the first component are designated as approved line items on the grant application.

Such services include but are not limited to:

- Purchasing of materials for summer school program;
- Staff to provide summer school assistance to those children identified as most in need.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

The auditor is not expected to test for matching, level-of-effort, and/or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
YOUNG PARENTS PROGRAM
11000-SDE64000-17044

I. PROGRAM OBJECTIVES

To assist local and regional school districts to design, develop, implement or maintain education programs for school-age teen parents which may include day care components in a school setting.

II. PROGRAM PROCEDURES

The programs identify the spectrum of services for young parents in the community and provide day care and parenting education efforts necessary to support young parents and other curriculum-based parenting and child care activities.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowable costs are identified as approved line items in the grant application.

These line items are:

(1) Child care
(2) Teen pregnancy prevention
(3) Transportation
(4) Parenting education
(5) Supplies for program implementation

B. Eligibility

Compliance Requirements

Programs may provide day care services for children of young parents enrolled in a program of study leading to graduation from high school.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

There is a 50% matching requirement by the local school district (match may be cash or value of other services or resources necessary to support the program).

D. Special Reporting Requirements

Compliance Requirements

Form ED141 (Statement of Expenditure) is due on the September 1 following the end of the program year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Education
YOUTH SERVICE BUREAU
YOUTH SERVICE BUREAU ENHANCEMENT
11000-SDE64000-17052
11000-SDE64000-16201

I. PROGRAM OBJECTIVES

The Youth Service Bureau program provides funding to local youth service bureaus. The youth service bureaus serve as advocates for youth and as the coordinating units of community-based services to provide comprehensive delivery of prevention, intervention, treatment and follow-up services for youth. They provide crisis intervention services, individual, group and family counseling and like services for youth who are in contact with the juvenile justice system and for youth who are neglected, troubled, or in other "need" situations. They may also provide positive youth development programs for the youth in their communities.

(C.G.S. 10-19o and 10-19q)

II. PROGRAM PROCEDURES

State management and funding for the youth service bureaus was transferred from the Department of Children and Families to the Department of Education beginning July 1, 1995. A youth service bureau may serve one or more municipalities, and may be a municipal agency, a division of a municipal agency, or a private not-for-profit youth serving agency designated by the municipality. When a youth service bureau serves more than one municipality, one of the municipalities is designated as the fiscal and administrative sponsor for the grant. Although the grant is administered by the State Department of Education, the grant is awarded to the municipality, not to the school district. The amount of the youth service bureau grant awarded to eligible youth service bureaus is based on the distribution formula provided in Section 10-19m-p CGS.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowable services for administrative core unit and direct service activities are described in Section 10-19m CGS.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

1. The municipality must provide a match of 100 percent of the grant award.
2. At least 50 percent of the required match must be from funds appropriated by the town for the youth service bureau.
3. The remainder of the match may be from other funds or in-kind services.
4. There are no matching, level-of-effort, or earmarking requirements for the Youth Services Bureau *Enhancement* program.

D. Special Reporting Requirements

Compliance Requirements

The Youth Service Bureau Expenditure Report is due on the September 1 following the end of the fiscal year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 7

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION

TELECOMMUNICATIONS FUND 1

Department of Emergency Services and Public Protection
TELECOMMUNICATIONS FUND
12060-DPS32700-35190

I. PROGRAM OBJECTIVES

To support the activities of the State's Emergency 9-1-1 Public Safety Answering Points, which ensure the safety of Connecticut's citizens.

II. PROGRAM PROCEDURES

The State provides 9-1-1 terminal equipment to all of the Public Safety Answering Points in the State (PSAPs). The State also provides funds to twenty two of its municipalities with populations over 40,000; to seven Regional Emergency Telecommunications Centers; nine multi town PSAPs and to CMEDs (Coordinated Medical Emergency Direction) in accordance with Sections 28-24-1 through 28-24-11 of the State of Connecticut Regulations to facilitate a coordinated and efficient 9-1-1 emergency communications system. All PSAPs are entitled to training funds based on $.10 per capita. Funded cities and Regional Emergency Telecommunications Centers may apply for Capital Expense Grants.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowable costs include:

Necessary and essential expenses related to the purpose of providing emergency telecommunications. Capital expenditures are allowed.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Matching is required for Capital Expense grants at dollar for dollar match.

D. Special Reporting Requirements

Compliance requirement

All PSAPs which receive funding (excepting CMED and PSAP Training Funding) must submit quarterly and Annual financial and program reports.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 8

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

CLEAN WATER FUND 1

CT BIKEWAY, PEDESTRIAN, RECREATIONAL TRAIL AND GREENWAY PROGRAM 3

DRINKING WATER PROGRAM 5

FLOOD CONTROL AND BEACH EROSION 7

GRANTS FOR WATER POLLUTION CONTROL 9

POTABLE WATER SUPPLY FACILITIES 11

PROTECTED OPEN SPACE AND WATERSHED LAND ACQUISITION GRANT PROGRAM 14

Department of Energy and Environmental Protection
CLEAN WATER FUND

21014-OTT14000-40001
21015-OTT14000-40001
21015-OTT14000-42318
21016-OTT14000-40001
21016-OTT14000-42407
21014-DEP43000-40001
21015-DEP43000-40001
21015-DEP43000-42318
21016-DEP43000-40001

I. PROGRAM OBJECTIVES

The objectives of the program are to provide financial assistance in the form of grants and/or loans to the municipalities of Connecticut for planning, design and construction of water quality improvements including but not limited to combined sewer overflow remediation, treatment facility upgrade, small community projects, nitrogen removal and sewers. Also to provide grants for Long Island Sound research, coves and embayments, and nitrogen removal. Loans are funded from a revolving loan fund.

II. PROGRAM PROCEDURES

The program contracts for services related to the planning, design, construction, repair, extension, improvement, alteration, rehabilitation, or acquisition of pollution abatement facilities approved by the Department of Energy and Environmental Protection ("DEEP"), and the scientific research of LIS, engineering and construction for nitrogen removal, and planning and design for coves and embayments. Technical review of projects, including engineering review and review of payments submitted by municipalities for eligibility, is conducted by the DEEP. Financial requirements, including the issuance of project agreements and payment processing, is done by the Office of the State Treasurer.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Project costs allowed include the costs of:

(1) All labor, materials, machinery and equipment
(2) Land
(3) Property rights and easements
(4) Interest on project loan obligations and bond anticipation notes
(5) Plans and specifications
(6) Surveys or estimates of costs and revenues

(7) Engineering services
(8) Legal services
(9) Auditing expenses
(10) Administrative expenses
(11) Other expenses which are incident to all or part of the project

(Section 22a-475(12), CGS); (Section 22a-482-4, State Clean Water Fund Regulations); (Budget Exhibit, Project Loan and Project Grant Agreement)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Energy and Environmental Protection
CT BIKEWAY, PEDESTRIAN, RECREATIONAL RAIL AND GREENWAY PROGRAM
12052-DEP43000-43314

I. PROGRAM OBJECTIVES

The objective of the program is to develop and maintain recreational trails and trail-related facilities for both motorized and non-motorized uses. Section 23-103, CGS.

II. PROGRAM PROCEDURES

The program contracts with private non-profits and municipalities to finance grants-in-aid for services related to planning, design, land acquisition, construction and administration for a variety of trailways/bikeways for state recreational use.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed Activities

Construction of new trails may include water trails and construction of trail bridges. Maintenance of existing recreational trails. Restoration of existing recreational trails. Development and rehabilitation of trail-side and trail-head facilities including drinking water fountains, restroom facilities, safety rails, signs, kiosks, benches, vehicle parking areas, drainage, crossings, stabilization, controls, shelters. Development and rehabilitation trail linkages including urban linkages. Purchase and lease of dedicated recreational trail construction and maintenance equipment. Acquisition of easements and fee simple title to property for recreational trails or recreational trail corridors. Assessment of trail conditions for accessibility. (UTAP) Provision of features which facilitate the access and use of trails by persons with disabilities. Design, engineering and environmental compliance study costs. Educational programs i.e. Development and dissemination of publications and operation of educational programs to promote safety and environmental protection.

Disallowed Activities

Roads, railroad's, sidewalks; Law Enforcement; Upgrading, expanding or otherwise facilitating motorized use or access to trails predominantly used by non-motorized trail users, and on which, as of May 1, 1991, motorized use is either prohibited or has not occurred; Playing fields; highway rest area or visitor center; Condemnation of any kind of interest in property; Training related to club or organizational development or grant-writing skills.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirement
A local match of 20% is required. Refer to the contract for additional information.

D. Special Reporting Requirements

Compliance Requirement
Auditors should review contract terms and determine whether Quarterly Work in Progress reports reflecting project status have been submitted by the grantee to CT DEEP.
Auditors should review contract terms and determine whether interim and final financial reports have been submitted and reflect actual expenditures consistent with the approved budget.

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Energy and Environmental Protection
DRINKING WATER PROGRAM
21018-OTT14000-40001
21018-OTT14000-42319
21018-DEP43000-42319
21018-DPH48500-42319

I. PROGRAM OBJECTIVES

The objective of the program is to create a revolving loan fund, which will provide resources for the planning, design, or construction of an eligible public water system.

II. PROGRAM PROCEDURES

The program contracts for services related to the planning, design, development, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction or acquisition of all or a portion of a Public Water system as approved by the Department of Public Health ("DPH") in consultation with the Department of Energy and Environmental Protection ("DEEP"). Technical review of projects, including engineering review and review of payments submitted by the recipient for eligibility, is conducted by the DPH and the DEEP. Financial requirements, including the issuance of project agreements and payment processing, is done by the Office of the State Treasurer.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Project costs allowed include:

(1) All labor, materials, machinery and equipment;
(2) Land;
(3) Property rights and easements;
(4) Interest on project loan obligations and bond anticipation notes;
(5) Plans and specifications;
(6) Surveys or estimates of costs and revenues;
(7) Engineering services;
(8) Legal Services;
(9) Auditing expenses;
(10) Administrative expenses.

(Section 22a-475(12), CGS); (Section 22a-482-4, State Clean Water Fund Regulations); (Exhibit X, Project Loan Agreement)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Energy and Environmental Protection
FLOOD CONTROL AND BEACH EROSION

17951-DEP43000-41977
17961-DEP43000-42059
17971-DEP43000-42138
17981-DEP43000-42204
17991-DEP43000-42292
17001-DEP43000-40611
17011-DEP43000-40657
17051-DEP43000-40657
17061-DEP43000-40657
17021-DEP43000-42204
17071-DEP43000-43345

I. PROGRAM OBJECTIVES

The objectives of the program are to minimize and, as far as possible, to prevent loss of life, property and revenue to municipalities and the state by the construction of protective works on or near shores and beaches within areas that are endangered by severe storms accompanied by hurricane force winds, abnormal high tides and tide flooding.

II. PROGRAM PROCEDURES

The program contracts for services related to the study, design and construction of any water control structure, dike, dam, beach, stream bank, etc., by providing both financial assistance and Department of Energy and Environmental Protection ("DEEP") expertise to design and build the measures. The DEEP may have a qualified municipality undertake the project (i.e., hire consultants to do the study, design and construction) or undertake the administration on behalf of a community that does not have the ability to accomplish the project. There are four types of contractual agreements entered into between the DEEP and the Municipality: (1) Study; (2) Design; (3) Construction; and (4) Operation and Maintenance.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Allowable services are dependent on the type of contractual agreement entered into between the DEEP and the municipality; i.e. study, design, construction and operation and maintenance. Refer to the contract for allowable services and activities.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

(1) There is no match requirement when the flood or erosion control system is for the benefit of state-owned land.

(2) For municipally-owned property, two-thirds of the cost is authorized to be paid by the Commissioner and one-third by the local authority.

(3) For privately-owned property, two- thirds of the cost to the local authority and one-third of the cost to the state.

(4) If the system will benefit both municipally-owned and privately-owned property, the cost shall be prorated based on a shore-front or stream-front basis.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Energy and Environmental Protection
GRANTS FOR WATER POLLUTION CONTROL
12052-DEP43000-various

I. PROGRAM OBJECTIVES

The objective of the program is the elimination of water pollution.

II. PROGRAM PROCEDURES

The program contracts for services related to regional studies of pollution abatement facilities and sewers by municipalities, including planning, design, and construction of pollution abatement facilities by state agencies.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Regional planning studies with municipalities for pollution abatement facilities or sewers are allowed. Grant contracts with other state agencies for regional planning studies for planning and design of pollution abatement facilities or sewers are also allowed.

(Section 22a-439, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Energy and Environmental Protection
POTABLE WATER SUPPLY FACILITIES
12052-DEP43000-various

I. PROGRAM OBJECTIVES

The objectives of the program are to provide potable drinking water to areas where it has been determined that pollution of the ground water has occurred or can reasonably be expected to occur and that the extent of pollution creates or can reasonably be expected to create an unacceptable risk of injury to the health or safety of persons using such ground water and no responsible party has been identified.

II. PROGRAM PROCEDURES

The program provides assistance for services related to the planning, design, and construction of facilities to provide potable water.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Services allowed include:

- Engineering reports
- Providing short-term potable water
- Construction or installation of individual wells or individual water treatment systems.
- Capital improvements for the long term provision of potable drinking water.
- Monitoring and maintaining individual water treatment systems and monitoring drinking water wells during the first five years of installation of the systems or wells

Sec. 22a-471(b)(1)(A) to (B), CGS.

(2) Services disallowed include:

- Planning not directly related
- Costs outside the scope of the project, including capacity beyond the affected area
- No funds for the cost of operating or maintaining any potable water supply facilities other than as specified in Sec. 22a-471(b)(1)(A) to (C), CGS.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

No match is required for grants to municipalities. A 50 percent matching share is required of water companies.

See CGS 22a-471 (b)(2)(B) and RCSA 22a-471-1(c)(4) through (c)(5).

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

(1) The municipality must obtain DEEP authorization prior to the award of each construction contract which has an aggregate value over $10,000 (see RCSA 22a-471-1(l), Municipality Reporting Requirements)

(2) If a municipality or water company receives funding from a private source, a federal grant, another state grant or is reimbursed for costs incurred by a person or municipality, which is responsible for rendering the groundwaters unusable, the grant amount must be reduced by the amount of the outside funding or reimbursement received.

(Section 22a-471 (b)(3)(A) and (B), CGS)

Suggested Audit Procedures

(1) Verify that authorization was obtained by the municipality from the DEEP prior to awarding construction contracts which have an aggregate value over $10,000per RCSA 22a-471-1(l).

(2) Review accounts of the municipality or water company to determine if any proceeds were deposited in association with the project; determine if the proceeds were deducted from any payment invoices submitted to the DEEP or reimbursed to the DEEP directly.

Department of Energy and Environmental Protection
PROTECTED OPEN SPACE AND WATERSHED LAND ACQUISITION GRANT PROGRAM
12052-DEP43000-various

I. PROGRAM OBJECTIVES

The program assists municipalities and non-profit land conservation organizations to acquire land or permanent interests in land for open space and watershed protection. Assistance is also provided to water companies to acquire and protect land that is eligible to be classified as public drinking supply watershed land. Water companies can only acquire Class I and Class II public drinking water supply watershed land.

(Sections 7-131d through i, CGS)

II. PROGRAM PROCEDURES

The state provides bond funds to municipalities and/or groups of municipalities for the acquisition or development of open space land in accordance with a plan of development adopted by the municipal planning commission of the municipality within which the land is located.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Allowed costs include:

- Fair market value of the land or easements, as determined by one or more appraisals.

(2) Disallowed costs include:

- Development Costs including construction of ballfields, tennis courts, parking lots or roadways.
- Reimbursement of in-kind services or incidental expenses associated with the acquisition of land including surveying, development or closing costs.

(Sections 7-131d CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

If a federal grant is made, the grant to the municipality must not exceed one-half of the nonfederal share of the land acquisition costs. Where a federal grant is not made, grants are approved in accordance with Sec. 7-131g(b), CGS.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

(1)At closing, a permanent conservation easement shall be executed for any property purchased with grant funds.
(2)Within six (6) months after the recording of a permanent conservation easement in the land records the sponsor is required to erect a permanent plaque or sign identifying the project area, funding source (program), that the project is a preserved open space accessible to the public for passive recreation (exception to recreation for water companies)

(Sections 7-131d, CGS)

Suggested Audit Procedures

(1) Review the records that show that the permanent conservation easement has been executed.
(2) The sponsor must supply the auditor a hard or digital photo of the erected sign.

SECTION 9

INDIVIDUAL PROGRAMS OF THE OFFICE OF HIGHER EDUCATION

CONNECTICUT COLLEGIATE AWARENESS AND PREPARATION PROGRAM 1

ROBERTA B. WILLIS SCHOLARSHIP PROGRAM 3

Office of Higher Education
CONNECTICUT COLLEGIATE AWARENESS AND PREPARATION PROGRAM

11000-DHE66550-12188

I. PROGRAM OBJECTIVES

The Connecticut Collegiate Awareness and Preparation (ConnCAP) Program is a competitive grant award program under the Minority Advance Program of the Office of Higher Education. The purpose of ConnCAP is to support programs implemented by Connecticut institutions of higher education to develop linkages with public school systems for the purpose of providing motivation and skills development for middle school or high school underachievers.
(Section 10a-11a, CGS)

II. PROGRAM PROCEDURES

An individual institution or a consortium of institutions of higher education in the state of Connecticut is eligible to apply for a grant to carry out a ConnCAP program. Public and private higher education institutions are eligible. Applicant institutions may enter into legal arrangements with an incorporated or formally embodied collaborative to carry out the day-to-day operations of a ConnCAP program. However, in such a situation, the applicant institution must serve as the fiduciary agent for the collaborative.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowable costs and unallowable costs are identified in Part III. Terms and Conditions of the Memorandum of Agreement.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

There is a one third (33%) local cash or in-kind matching requirement (match may be cash or value of other services or resources necessary to support the program).

D. Special Reporting Requirements

Compliance Requirements

The grantee shall submit quarterly Periodic Expense Reports and quarterly Periodic Data Collection reports.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Higher Education
ROBERTA B. WILLIS SCHOLARSHIP PROGRAM
11000-DHE66500-16261

I. PROGRAM OBJECTIVES

The objective of the Roberta B. Willis Scholarship Program is to provide state aid to Connecticut independent, nonprofit and public colleges and universities for awards to needy Connecticut residents.

(Section 10a-173 (5b), CGS); Public Act No. 16-179

II. PROGRAM PROCEDURES

The state provides grants to Connecticut independent, nonprofit and public colleges and universities to be distributed as need based financial aid to eligible Connecticut residents.

(Section 10a-173 (5e), CGS); Public Act No. 16-179

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds can be distributed only to students as direct financial assistance only for eligible educational costs.

(Section 10a-173 (5e), CGS); Public Act No. 16-179

B. Eligibility

Compliance Requirements

Funds must be awarded only to Connecticut residents whose federal Expected Family Contribution (EFC) is equal to, or below the allowable maximum EFC for the academic year.

(Section 10a-173 (5e), CGS); Public Act No. 16-179

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The amount of aid given to an individual student shall be determined by the institution, not to exceed $4,500 annually and is also based on the student's pattern of attendance.
(Section 10a-173 (5e), CGS); Public Act No. 16-179

D. Special Reporting Requirements

Compliance Requirements

(1) Participating colleges shall annually provide the Office of Higher Education with data and reports on all Connecticut students who applied for aid, including, but not limited to students receiving Roberta B. Willis Scholarship funds.
(Section 10a-173 (5f), CGS); Public Act No. 16-179

(2) Data and reports are required to be filed by the due date set by the Office of Higher Education or for the annual FTE report by July 1.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

Funds not obligated by an eligible institution shall be returned by May first in the fiscal year the grant was made.

Suggested Audit Procedures

Perform tests to determine that unspent funds are returned in a timely manner.

SECTION 10

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF HOUSING

AFFORDABLE HOUSING (FLEXIBLE PROGRAM)..... 1

AIDS RESIDENTIAL (AID)..... 3

CONGREGATE SERVICE SUBSIDY 5

COORDINATED ACCESS 9

ELDERLY RENTAL ASSISTANCE PROGRAM (ERAP)..... 11

EMERGENCY SHELTER SERVICES (ESS)..... 13

HOMELESS OUTREACH SERVICES 16

HOUSING DEVELOPMENT FUND PROGRAM (AFFORDABLE/ CONGREGATE ELDERLY/ELDERLY/ MODERATE RENTAL)... 18

HOUSING TRUST FUND PROGRAM..... 20

INCENTIVE HOUSING ZONE..... 23

MAIN STREET INVESTMENT FUND..... 25

PERMANENT SUPPORTIVE HOUSING (PSH)..... 27

PREDEVELOPMENT COST 29

RENTAL ASSISTANCE PROGRAM (RAP) 31

RESIDENT SERVICES COORDINATOR (RSC) 33

SHELTER DIVERSION/RAPID REHOUSING 35

YOUTH TRANSITIONAL LIVING PROGRAM (YTLP) 37

Department of Housing
AFFORDABLE HOUSING (FLEXIBLE PROGRAM)
12063-DOH-46900-40237

I. PROGRAM OBJECTIVES

The objective of the Affordable Housing program (Flex) is to provide funds to eligible applicants to undertake projects designed for the purpose of providing affordable housing to residents throughout the state.

(Section 8-37pp, CGS).

II. PROGRAM PROCEDURES

The state contracts with and provides bond funds to non-profit organizations, municipalities, housing authorities, and businesses, corporations, or partnerships whose purpose includes construction, acquisition, rehabilitation or operation of affordable housing for projects and activities that provide affordable housing, including acquisition, construction, rehabilitation, repair and maintenance of residential and mixed-use structures and other development activity related to the maintenance, creation or expansion of affordable housing.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed are specified in the grantee's Assistance Agreement with the Department of Housing (DOH).

B. Eligibility

Compliance Requirements

The household income for renters and owners assisted through FLEX cannot exceed 100% of Area Median Income.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The amount of applicant participation is determined using standard DOH financial underwriting on a per project basis. The Agreement Concerning Loan/Grant Advances will identify all sources of funding and will identify any matching share. The Agreement will identify the specific amount of funding share required, which will be incorporated into the Agreement's Finance Plan and Budget.

D. Special Reporting Requirements

Compliance Requirements

Programmatic and financial reports may be required under the Assistance Agreement. DOH requires Quarterly Development Compliance Reports from grantees within 30 days after March 30th, June 30th, September 30th, and December 31st.

Compliance Requirements

All entities are required to submit a reconciliation of expenditures by contract to the amount reported in the State Single Audit Schedule of State Financial Assistance. The reconciliation should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Housing
AIDS RESIDENTIAL (AID)
11000-DOH46920-16149-1200902

I. PROGRAM OBJECTIVES

To provide scattered site housing to Persons With AIDS (PWAs), to operate and maintain group home residences for PWAs, rapid rehousing for PWAs who are homeless, and to provide support services to PWAs, including case management services for financial, medical and mental health needs.

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations who provide housing and supportive services for persons with AIDS.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are those described in the contractor's program plan and budget.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

A contract may require a matching local share. (See Contract)

Compliance Requirements

Some Department of Housing (DOH) contracts require that earmarked funds be spent for specific purposes or be returned to the DOH. (See Contract)

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) 8 Month Interim Financial Report
(2) Annual Financial Report
(3) Financial Status Report
(4) HMIS generated Reports
(5) Six Month Narrative Report.
(See Contract)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DOH. (See Contract)

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved Contract. (See Contract.)

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

Department of Housing
CONGREGATE SERVICE SUBSIDY

11000-DOH46920-16068-1033000

I. PROGRAM OBJECTIVES

To provide financial assistance in the form of a congregate subsidy grant to assist in the payment of rent and to provide congregate support services which are necessary to enable semi-independent living in a residential setting for the frail elderly. These services include one main meal a day, housekeeping services, and a 24 hour emergency service. Personal care services to assist in delivery and enhancement of daily living activities are available to residents based on an individual evaluation and assessment of need. Provided services may be subsidized in whole or in part through the Department of Social Services (DSS) or the Department of Housing (DOH). Based on their financial circumstances, residents may also contribute towards the cost of personal care services.

II. PROGRAM PROCEDURES

Any Housing Authority, nonprofit organization, or private developer which operates a congregate housing facility may apply and contract for a congregate subsidy grant. The grant will provide a rental assistance payments component, a congregate core services component, an expanded core services component and an assisted living services component. The rental assistance component will assist residents paying in excess of thirty percent of their adjusted gross income toward base rent and utilities. The congregate core services component will offset the costs of congregate services not paid for by the tenants. Tenants will be required to pay an amount toward congregate services costs, based on their net income after allowances, in accordance with a formula approved by the Commissioner of Housing. The expanded core services component will be funded entirely with grant funds for the purpose of hiring a Resident Services Coordinator, and providing wellness/preventive programs along with emergency transportation for residents. The costs attributable to this component cannot exceed the amounts budgeted by each line item. The assisted living component is either funded in whole or in part by either DSS or DOH. An assessment of the tenant is conducted to determine the level of services required. Tenants may be required to pay a portion of their assisted living services based on their income/assets in accordance with a formula approved by DSS and DOH. Congregate and assisted living services charges, together with any available congregate subsidy grant or other available income, shall generate sufficient income to meet the costs of the congregate services components.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be expended by the auditee for specific purposes and amounts as authorized in the approved Congregate Services Management Plan (budget) and Certification and Tenant Rent Roll. Funds expended may not exceed the approved level by each category and/or line item: Rental Assistance Payments, Congregate Core Services, Resident Services Coordinator, Wellness/Preventive Program, Emergency Transportation and Assisted Living Services. (Regulations, Section 8-119g-10)

B. Eligibility

Compliance Requirements

(1) The auditee is required to accept applications for admission to the projects, determine whether the applicants are initially eligible, and recertify annually tenants' family income, composition, and contribution to rent, congregate services and assisted living services.
(Regulations, Section 8-119g-4 and Section8-119g-5).

(2) The auditee is required to conduct an assessment (using DSS Form W-1510 "Plan of Care" or something similar) to determine if a resident requires assisted living services and at which level services need to be provided.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

(1) The following financial reports must be submitted quarterly for this program:
- Balance Sheet
- Operating Statement
- Operating Statement - Congregate Services

(2) A Congregate Administration Management Plan, Congregate Services Management Plan, and Certification and Tenant Rent Roll must be submitted annually.

(3) Monthly ALSA reports for entities participating in the Assisted Living Services component, must be submitted.

(Regulations, Section 8-119g-11)

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

(1) The operating income and expenses (Administration Fund) and congregate services income and expenses (Congregate Subsidy) must be separately accounted for in order to permit the preparation of a DOH Certificate of Approved Program Costs and State Funding for the Congregate Services Subsidy Program.

Suggested Audit Procedures

(1) Test financial records and determine that the amounts considered as operating income and expenses and the amounts considered as income and expenditures for congregate services are proper.

(2) Test financial records and determine that the amounts recorded as Rental Assistance Payments are proper.

Compliance Requirements

The auditee must accurately account for any interest income generated from the use of state Congregate Subsidy Funds, and return the interest to the state (DOH) upon demand. This is applicable only if a separate bank account was maintained for the Congregate Services Subsidy program.

Suggested Audit Procedures

(1) Review the financial records and determine the amount of interest income, if any, generated by state Congregate Subsidy Funds.

(2) Review the financial records to determine if interest income has been returned to the State (DOH), if applicable. If not, ensure amount payable to the State (DOH) been properly recorded.

Compliance Requirements

The auditee must follow proper bidding procedures for expenditures in excess of the simplified acquisition threshold.

(Section 8-44(b), CGS)

Suggested Audit Procedures

Test financial records and determine adherence to bidding procedures.

Department of Housing
COORDINATED ACCESS
11000-DOH46920-16149-1200906

I. PROGRAM OBJECTIVES

The program provides funds to hire staff to support the Coordinated Access Network system.

II. PROGRAM PROCEDURES

The state contracts with municipalities and not-for-profit organizations to hire staff that will provide eligible activities on behalf of the homeless for either a) entry coordination, exit coordination, technical assistance to direct service providers, quality assurance and/or data management or b) direct client service to provide with shelter diversion, housing placement, and/or verification of homeless program eligibility.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are those related to supportive services as stated in the contractor's budget and program plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

A contract may require a matching local share. (See Contract)

Compliance Requirements

Some Department of Housing (DOH) contracts require that earmarked funds be spent for specific purposes or be returned to the DOH. (See Contract)

D. Special Reporting Requirements

Compliance Requirement

The contractor shall submit the following reports:

(1) 8 Month Interim Financial Report
(2) Annual Financial Report
(3) Six month program narrative report
(4) Semi-Annual Performance report

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DOH. (See Contract)

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved Contract. (See Contract)

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

Department of Housing
ELDERLY RENTAL ASSISTANCE PROGRAM (ERAP)
11000-DOH46920-16084-1102000

I. PROGRAM OBJECTIVES

Rental assistance is provided for low income elderly persons residing in state-assisted rental housing for the elderly that will allow such persons to afford decent, safe, and sanitary housing.

II. PROGRAM PROCEDURES

The state contracts with Housing Authorities as well as not-for profit organizations to provide rental subsidies for tenants paying in excess of thirty percent of their adjusted gross income toward base rent and utilities.
(Section 8-119kk, CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Types of services allowed or disallowed will be detailed in each individual grant.

B. Eligibility

Compliance Requirements

An eligible household must meet all of the following criteria:

(1) An eligible household consists of one or more persons, whose income does not exceed eighty percent (80%) of the median family income (low income) by family size in the applicable Standard Metropolitan and Non-Metropolitan Statistical Area as determined by HUD.

(2) Elderly persons who reside in state-assisted rental housing for the elderly and are paying in excess of thirty percent of their adjusted gross income toward rent and utilities.

(3) The contractor is required to accept applications for admission to the projects, determine whether the applicants are initially eligible, and annually recertify (for ERAP recipients) tenants' family income, composition, and contribution to rent.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit the following Department of Housing (DOH) forms in a timely manner.

(1) Initial Master Agreement and Exhibit A (Certification and Tenant Rent Roll).
(2) Revised Exhibit A for any year in which an amendment is needed.
(3) Payment requisition form, twice per year.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

The ERAP grant award and program cost must be accounted for through the Administration Fund Balance Sheet and the Operating Statement in order to permit the preparation of a DOH Certificate of Approved Program Costs and State Funding.

Suggested Audit Procedures

Test financial records and determine that the amounts considered as grant award and program cost are properly recorded.

Department of Housing
EMERGENCY SHELTER SERVICES (ESS)
11000-DOH46920-16149-1200901
11000-DOH46920-16149-1200907
11000-DOH46920-17038-1200901

I. PROGRAM OBJECTIVES

The program provides emergency shelter and case management services to homeless individuals, at least 18 years old or emancipated minors, and families on an emergency and short term basis.
(Section 8-359a, CGS)

II. PROGRAM PROCEDURES

The state contracts with municipalities and not-for-profit organizations for emergency shelter and supportive services to assist individuals and families in overcoming barriers to finding permanent housing.
(Section 8-359a, CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are those related to the provision of safe and humane shelter as stated in the contractor's budget and program plan.
(Section 8-359a, CGS)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

A contract may require a matching local share. (See Contract)
(Section 8-359a, CGS)

Compliance Requirements

Some Department of Housing (DOH) contracts require that earmarked funds be spent for specific purposes or be returned to the DOH. (See Contract)
(Section 8-359a, CGS)

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) 8 Month Interim Financial Report
(2) Annual Financial Report
(3) Six month program narrative report
(4) Monthly Homeless Shelter Report and Quarterly Demographic Report
(See Contract)
(Section 8-359a, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DOH. (See Contract)
(Sections 8-359a, CGS)

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved contract. (See Contract)

Suggested Audit Procedures

Obtain a copy of each contract, review special conditions and test for compliance.

Department of Housing
HOMELESS OUTREACH SERVICES
11000-DOH46920-16149-1200910

I. PROGRAM OBJECTIVES

The program provides outreach and engagement services to households that are living outdoors, abandoned buildings or a place not suitable for human habitation with the goal of providing temporary or permanent housing to that population.
(Section 8-359a, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations for homeless outreach, engagement and supportive services to assist individuals and families in overcoming barriers to finding permanent housing.
(Section 8-359a, CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Allowed services are those related to the provision of outreach and engagement as stated in the contractor's budget and program plan.
(Section 8-359a, CGS)

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.
(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements
A contract may require a matching local share. (See Contract)
(Section 8-359a, CGS)

Compliance Requirements

Some Department of Housing (DOH) contracts require that earmarked funds be spent for specific purposes or be returned to the DOH. (See Contract)
(Section 8-359a, CGS)

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) 8 Month Interim Financial Report
(2) Annual Financial Report
(3) Six month program narrative report
(4) Monthly Homeless Shelter Report and Quarterly Demographic Report
(See Contract)
(Section 8-359a, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DOH. (See Contract)
(Sections 8-359a, CGS)

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved contract. (See Contract)

Suggested Audit Procedures

Obtain a copy of each contract, review special conditions and test for compliance.

Department of Housing
HOUSING DEVELOPMENT FUND PROGRAM

Affordable Housing
12064-DOH46920-40238-005 12065-DOH46920-40240-005

Congregate Housing for the Elderly
12064-DOH46920-40238-004 12065-DOH46920-40240-004

Elderly Housing
12064-DOH46920-40238-003 12065-DOH46920-40240-003

Moderate Rental Housing
12066-DOH46920-40685-002

I. PROGRAM OBJECTIVES

The objective of the Housing Development Fund Program is to provide financial assistance in the form of grants and/or loans to eligible developers (housing authorities, nonprofit organizations, private developers, municipal developers, and housing partnerships) for the construction of decent, safe, and sanitary housing for eligible low and moderate income families and/or for the elderly.

(Sections 8-119dd (Affordable), 8-119h (Congregate) 8-114a (Elderly), and 8-70 (Moderate Rental), CGS).

II. PROGRAM PROCEDURES

The Department of Housing (DOH) may enter into a contract with an eligible applicant (i.e., housing authority, nonprofit organization, private developer, municipal developer, or housing partnership) to provide financial assistance in the form of a grant and/or loan for the development of housing for low and moderate income families and/or the elderly.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be expended by the eligible developer for specific purposes and amounts as authorized in the approved Assistance Agreement and Project Development Budget (QA-6).

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

An eligible developer may be required to contribute financial assistance in the form of cash, donated property, in-kind contributions, or any other assistance as a condition of receiving state assistance. The specific matching requirements are set forth in the Assistance Agreement and Cooperation Agreement.

D. Special Reporting Requirements

Compliance Requirements

The following financial reports must be submitted quarterly for this program:

(1) Balance Sheet (R-76)
(2) Statement of Development Cost (R-77)

Compliance Requirements

All entities are required to submit a reconciliation of expenditures by contract to the amount reported in the State Single Audit Schedule of State Financial Assistance. The reconciliation should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

The auditee must follow proper bidding procedures for expenditures in excess of the simplified acquisition threshold.
(Section 8-44(b), CGS)

Suggested Audit Procedures

Test the financial records and determine adherence to bidding procedures.

Department of Housing
HOUSING TRUST FUND PROGRAM
12063-DOH46900-40237

I. PROGRAM OBJECTIVES

The objective of the Housing Trust Fund (HTF) Program is to:

- Encourage the creation of housing for homeownership at a cost that will enable low and moderate income families to afford quality housing while paying no more than thirty percent of gross household income on housing,
- Promote the rehabilitation, preservation and production of quality, well-designed rental and homeownership housing affordable to low and moderate income families or persons,
- Maximize the leveraging of state and federal funds by encouraging private sector investment in housing developments receiving assistance,
- Encourage housing that maximizes housing choices of residents,
- Enhance economic opportunity for low and moderate income individuals and their families,
- Promote the application of efficient land use that utilizes existing infrastructure and the conservation of open spaces, and
- Encourage the development of housing which aids the revitalization of communities.

(Section 8-336p, CGS)

II. PROGRAM PROCEDURES

The program is administered by the Department of Housing (DOH) and is funded from the proceeds of the sale of the state's general obligation bonds. The funds are awarded to municipalities, nonprofit organizations, local housing authorities, and for-profit organizations as no interest and low interest loans, loan guarantees, grants, and appraisal gap financings and other similar financing necessary to make rents or home prices affordable for development of quality rental housing and homeownership for low and moderate-income households.

Section 8-336m(p) and (q), CGS).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to support development investment and programs that further the development goals established by Public Act 05-5. Eligible costs are identified in an approved Financing Plan and Budget and may include:

- Acquisition
- Rehabilitation
- New Construction
- Demolition
- Homeownership
- Multi-family rental housing
- Adaptive re-use of historic structures
- Special needs housing
- Redevelopment of vacant properties
- Infrastructure improvements
- Housing for individuals or families with incomes up to 120% of Area median Income as determined by the United States Department of Housing and Urban Development
  (Section 8-336p, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of Effort, and/or Earmarking Requirements

Compliance Requirements

The amount of applicant participation is determined using standard DOH financial underwriting on a per project basis. The Agreement Concerning Loan/Grant Advances will identify all sources of funding and will identify any matching share. The Agreement will identify the specific amount of funding share required, which will be incorporated into the Agreement's Finance Plan and Budget.

D. Special Reporting Requirements

Compliance Requirements

Programmatic and financial reports may be required under the Assistance Agreement. DOH requires Quarterly Development Compliance Reports from grantees within 30 days after March 30th, June 30th, September 30th, and December 31st.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

(1) Eligible applicants selected to be third party administrators to carry out program(s) must establish a Compliance Monitoring Plan in accordance with the contract for financial assistance. As third party program administrator(s) they shall monitor to determine if a project is in compliance with the requirements of the Housing Trust Fund Program and contract for financial assistance. The areas to be reviewed for compliance may include, but are not limited to:

- Resident or tenant qualifications, income calculations and appropriate supporting documentation;
- The gross rent payment and its components, including utility allowances;
- The vacancy history of both Housing Trust Fund-assisted and market-rate units;
- Resident or tenant selection;
- On-going affirmative fair marketing efforts;
- Housing quality standards;
- Financial condition;
- And Overall property management, if applicable.

(2) Instances of noncompliance must be reported to DOH.
(Regulations, Section 8 336q 2)

Suggested Audit Procedures

(1) Obtain a copy of the Compliance Monitoring Plan and the contract for financial assistance. Determine that the required compliance monitoring has occurred and at the frequency and amount as stated in the Plan/contract.

(2) Determine if there were instances of noncompliance and that a report of such was submitted to DOH.

Department of Housing
INCENTIVE HOUSING ZONE
12052-DOH46900-43529

I. PROGRAM OBJECTIVES

The Incentive Housing Zone (IHZ) program provides incentives to eligible municipalities for creating IHZs in eligible locations that are suitable for development as an IHZ.

Incentive Housing Development (IHD) means a residential or mixed-use development that meets the following criteria – is located within the Department of Housing (DOH) approved IHZ, is eligible for financial incentive payments, and sets aside lower cost units for a minimum of 20% of the households earning 80% or less of the area median income (AMI) for minimum of 30 years. A unit is affordable if it costs no more than 30% of a person's annual income to live there.

The program provides for technical assistance, pre-development funding, zone adoption grants and building permit grants.
(Section 8-13(m-x), CGS).

II. PROGRAM PROCEDURES

The municipality applies for funding on the form prescribed by the Commissioner of Housing. The applicant submits the required information and documents for DOH review.
(Section 8-13(m-x), CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved notice of grant award.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

The auditor is not expected to test for Special Reporting Requirements.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

Municipalities are required to maintain a detailed accounting record of their grant projects.

Suggested Audit Procedures

Determine that municipalities maintain such accounting records and those records agree with documentation submitted for the grant.

Department of Housing
MAIN STREET INVESTMENT FUND
12052-DOH46900-43524

I. PROGRAM OBJECTIVES

The Main Street Investment Fund program provides grants to municipalities in an amount not to exceed five hundred thousand dollars ($500,000) with populations of not more than thirty thousand (30,000) or to municipalities eligible for the small town economic assistance program (STEAP) pursuant to section 4-66g of the general statutes for eligible projects as defined.

The program also allows municipalities to give one-time reimbursements of up to $50,000 to any owner of private commercial property who makes eligible expenditures.

II. PROGRAM PROCEDURES

The municipality applies for funding on the form prescribed by the Commissioner of Housing. The applicant submits the required information and documents for Department of Housing (DOH) review.
(PA 11-1, Sections 78 and 79)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
The types of services allowed are those as shown in the approved notice of grant award.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

The auditor is not expected to test for Special Reporting Requirements

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

Municipalities are required to maintain a detailed accounting record of their grant projects.

Suggested Audit Procedures

Determine that municipalities maintain such accounting records and those records agree with documentation submitted for the grant.

Department of Housing
PERMANENT SUPPORTIVE HOUSING (PSH)
11000-DOH46920- 16149-1200908

I. PROGRAM OBJECTIVES

The program provides permanent supportive housing services.

II. PROGRAM PROCEDURES

The state contracts with municipalities and not-for-profit organizations to connect those who are homeless to housing, clinical, medical, social, educational, rehabilitative, vocational/employment and other services essential to achieving optimal quality of life and community living, based on an individual needs assessment.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are those related to supportive services as stated in the contractor's budget and program plan.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

A contract may require a matching local share. (See Contract)

Compliance Requirements

Some Department of Housing (DOH) contracts require that earmarked funds be spent for specific purposes or be returned to the DOH. (See Contract)

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) 8 Month Interim Financial Report
(2) Annual Financial Report
(3) Six month program narrative report

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DOH. (See Contract)

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved Contract. (See Contract)

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

Department of Housing
PREDEVELOPMENT COST
12064-DOH46920-40238-016
12065-DOH46920-40240-016

I. PROGRAM OBJECTIVES

To provide interest-free loans and grants for predevelopment costs incurred with the construction, rehabilitation, or renovation of housing for low and moderate income persons and families. Loan repayments must be made no later than receipt of permanent financing.

II. PROGRAM PROCEDURES

Funds are provided to housing authorities, nonprofit corporations, municipal developers, or partnerships having at least one non-profit partner upon approval of an application by the Department of Housing (DOH).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Interest-free loans are for costs that include:

- Feasibility studies
- Expenses incurred in project planning and design, including architectural expenses
- Legal and financial expenses
- Expenses incurred in obtaining and paying for required permits and approvals
- Options to purchase land
- Expenses incurred in obtaining and paying for required project specific insurance
- Other preliminary expenses authorized by the Commissioner of Housing.

(2) Grants are for costs that include:

- Feasibility studies
- Appraisals
- Legal fees
- Financial consulting expenses
- Other planning expenses authorized by the Commissioner of Housing.

(Sections 8-410 and 411, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Grantees are required to submit quarterly financial reports to DOH (Sections 8-410 and 411, CGS and Regulation Section 8-412-8) (Section 8-37pp for those loans under the Affordable Housing program as noted in the assistance documents).

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Housing
RENTAL ASSISTANCE PROGRAM (RAP)
11000-DOH46920-16149-1200905

I. PROGRAM OBJECTIVES

Rental assistance is provided for low income families living in privately-owned rental housing. This housing will allow such families to afford decent, safe and sanitary housing.

II. PROGRAM PROCEDURES

The state contracts with an organization that provides rental subsidies in accordance with an approved contract.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Types of services allowed or disallowed will be detailed in each individual contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

Compliance Requirements

A household consisting of one or more persons, whose current income does not exceed fifty percent of the median family income by family size in the applicable Standard Metropolitan and Non-Metropolitan Statistical Area as determined by HUD.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

(1) A contract may require a matching local share. (See Contract)
(Sections 8-210 and 8-222, CGS)

(2) Some Department of Housing (DOH) contracts require that earmarked funds be spent for specific purposes or be returned to the DOH. (See Contract)
(Sections 3-39a, 8-222 and 17)

D. Special Reporting Requirements

Compliance Requirements

(1) The contractor must submit monthly payment request, balance sheet and program costs statement.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DOH.
(Sections 3-391 and 17-571, CGS)

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the Contract. (See Contract)
(Section 17-571, CGS)

Suggested Audit Procedures

Obtain a copy of each Contract, review special conditions, and test for compliance.

Department of Housing
RESIDENT SERVICES COORDINATOR (RSC)
11000-DOH46920-12032-1107000

I. PROGRAM OBJECTIVES

The Resident Services Coordinator Program provides grant funds to owners/developers of State financed Elderly Housing to hire staff to perform an evaluation of all tenants. The evaluation process is used to determine the level of need of each tenant and to help coordinate those services available within the community. In addition, the Resident Services Coordinator (RSC) position is used to identify conflict among tenants and/or tenants and management and to aid in the reconciliation of these conflicts.
(Section 8-114d, CGS)

II. PROGRAM PROCEDURES

The Department of Housing (DOH) provides owners/developers with an award letter along with an RSC management plan. The owner/developer submits the RSC management plan detailing how the award will be spent. Upon approval of the RSC management plan by DOH, the owners/developers agree to provide services for which they are advanced funds semi- annually, and to provide quarterly and annual reports on the progress of the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Types of services allowed or disallowed will be detailed in each individual grant.
(2) The number of employee's hours charged to the DOH grant are limited by the number of units served.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee must submit the following DOH forms in a timely manner:

- RSC Management Plan (Exhibit A)
- Functional Assessment and Care Plan (Exhibit B)
- Quarterly Report (Exhibit C)
- Year End Narrative Report (Exhibit D)
- Payment requisition form, twice per year

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

The RSC grant award and program cost must be separately accounted for through the Administration Fund Balance Sheet and Operating Statement in order to permit the preparation of a DOH Certificate of Approved Program Costs and State Funding.

Suggested Audit Procedures

Test financial records and determine that the amounts considered as grant award and program cost are properly recorded.

Department of Housing
SHELTER DIVERSION/RAPID REHOUSING
11000-DOH46920- 16149-1200907
11000-DOH46920-16149-1200904

I. PROGRAM OBJECTIVES

The program provides assistance for shelter diversion and rapid rehousing.

II. PROGRAM PROCEDURES

The state contracts with municipalities and not-for-profit organizations in resolving potential shelter needs through assistance other than an emergency shelter and to assist with housing search, placement and stabilization support services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are those related to safe shelter and/or supportive services as stated in the contractor's budget and program plan.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

A contract may require a matching local share. (See Contract)

Compliance Requirements

Some Department of Housing (DOH) contracts require that earmarked funds be spent for specific purposes or be returned to the DOH. (See Contract)

D. Special Reporting Requirements

Compliance Requirement

The contractor shall submit the following reports:

(1) 8 Month Interim Financial Report
(2) Annual Financial Report
(3) Six month program narrative report

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DOH. (See Contract)

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved Contract. (See Contract)

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

Department of Housing
YOUTH TRANSITIONAL LIVING PROGRAM (YTLP)
11000-DOH46920-16149-1200909

I. PROGRAM OBJECTIVES

Youth transitional living programs facilitate the movement of homeless youth (18-24 years old at time of program entry) and/or families with the head of household aged between 18 to 24 years old at time of program entry into decent housing and a stable living arrangement. These programs also provide supportive services to the formerly homeless youth. Services include counseling, information and referral, health, nutrition, hygiene, transportation and follow-up to prevent clients from becoming homeless again.

(Section 8-359a, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations for youth transitional living and supportive services to assist individuals and families in overcoming barriers to finding permanent housing.

(Section 8-359a, CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are those related to safe shelter and/or supportive services as stated in the contractor's budget and program plan.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

(1) A contract may require a matching local share. (See Contract)
(2) Some Department of Housing (DOH) contracts require that earmarked funds be spent for specific purposes or be returned to the DOH. (See Contract)

(Section 8-359a, CGS)

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) 8 Month Interim Financial Report
(2) Annual Financial Report
(3) HMIS generated reports
(See Contract)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DOH. (See Contract)

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved Contract. (See Contract)

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

SECTION 11

INDIVIDUAL PROGRAMS OF THE JUDICIAL BRANCH

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Judicial Branch
ACCESS AND VISITATION
11000-JUD96114-12043-040

I. PROGRAM OBJECTIVES

Access and Visitation services are designed to assist unwed parents and chronically conflicting parents with visitation problems. Specifically, the programs assist with the development of visitation schedules, resolution of visitation disputes, mediation services and a process of education concerning the developmental needs of children.

II. PROGRAM PROCEDURES

The services offered to families consist of two court-based functions: negotiation and mediation. Additionally, three clinical options are generally available through contracted community based providers; Supervised Visitation, Families in Transition Counseling, and High Conflict Couple Interventions. The Supervised Visitation services offer a safe and valuable opportunity for access/visitation, Families in Transition is an intervention to facilitate the successful progression from supervised to unsupervised visitation.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in Exhibit A of the approved contract.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial reports as required by contract and prepare such reports as outlined in the Court Support Services Division (CSSD) Financial Guideline Manual. They include: 8 month Program Income Report and Final Program Income Report.

Compliance Requirements

The contractor must submit detailed monthly invoices that correspond to the services detailed in the Judicial Branch/CSSD Agreement. Backup documentation to support the billing must be provided. The rates charged must correspond to those set forth in the Judicial Branch/CSSD Agreement.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Some individuals may have a third-party payment which could be applied towards the cost of service.

Suggested Audit Procedures

(1) Determine that the contractor has a system to identify client eligibility for third-party reimbursements.
(2) Examine records and supporting documentation on a test basis to determine if the service provider is applying third-party payments properly.

Compliance Requirements

The rate schedule for charges of service treatments are identified in the contractual agreement.

Suggested Audit Procedures

Verify the propriety of billing on a test basis and trace to supporting documentation.

Judicial Branch
ADULT BEHAVIORAL HEALTH SERVICES (ABHS)
11000-JUD96114-12043-055

I. PROGRAM OBJECTIVES

ABHS is designed to ensure client's clinical needs are met using evidenced-based practices that promote recovery from substance abuse and mental health disorders while improving client's lives and reducing rearrests.

II. PROGRAM PROCEDURES

ABHS serves probationers 18 and older under community supervision or returning to the community following a period of incarceration and pre-trial defendants referred by the court, probation officers, bail commissioners, family relation counselors, and jail re-interview staff. ABHS contractors provide an array of outpatient services to individuals, who suffer from mild to moderate, and severe substance use, co-occurring and psychiatric disorders.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The Types of services allowed are those as shown in the approved contract. Such services include, but are not limited to:

(1) Mental health and substance abuse evaluations
(2) Individual and group treatment
(3) Intensive outpatient treatment
(4) Medication evaluation and management

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

Compliance Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. For Line Item Budget Method contractors, they include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

For Line Item Budget Method contractors: Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

For Line Item Budget Method contractors: On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
(2) Confirm with the related party that the transaction cost reported represents actual cost.

Compliance Requirements

Some individuals may provide payments (Program Income/Client Fees) based on a sliding fee scale which will be applied towards the cost of service.

Suggested Audit Procedures

(1) Determine that the contractor has a system in place to identify client fees and related deposits of the fees.

(2) Examine records and supporting documentation on a test basis to determine if all client fees are recorded and deposited on a timely basis and that deposits are reconciled to payments.

(3) Test if program income is properly determined and calculated (is the organization charging in accordance with the sliding scale).

(4) Test if the program income is used/spent on the program.

Judicial Branch
ADVANCED SUPERVISION INTERVENTION & SUPPORT TEAM (ASIST)
11000-JUD96114-12043-078

I. PROGRAM OBJECTIVES

ASIST provides an alternative to Incarceration for clients with mental health issues that would otherwise remain incarcerated or face incarceration.

II. PROGRAM PROCEDURES

The ASIST program is a collaboration between the Department of Correction (DOC), the Department of Mental Health and Addiction Services (DMHAS), and the Court Support Services Division (CSSD). It serves pretrial, probation, and parole clients by combining community based mental health treatment, case management, and supervision. ASIST clinical services can either be provided by a DMHAS clinician through the Local Mental Health Authority (LMHA) or a CSSD contracted provider. These services are provided in conjunction with CSSD's Alternative in the Community (AIC) network.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Provide gender specific needs based services.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity’s advances.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

Some individuals may have a third party payment which could be applied towards the cost of service.

Suggested Audit Procedures

(1) Determine that the contractor has a system to identify client eligibility for third party reimbursement.

(2) Examine the records and supporting documentation on a test basis to determine if the service provider is applying third party payments properly.

Judicial Branch
ALTERNATIVE IN THE COMMUNITY (AIC)
11000-JUD96114-12043-001

I. PROGRAM OBJECTIVES

Alternative in the Community programs operate as one component of a comprehensive program designed to provide cost-effective, safe, community-based intermediate sanctions for jail-bound and jailed offenders.

II. PROGRAM PROCEDURES

Pretrial clients and Alternative in the Community program sentenced offenders are placed in a network of approximately 19 private, non-profit community or locally-based organizations contracted to the Judicial Branch and located throughout the state. Offender accountability and supervision are emphasized.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services and costs allowed are those as shown in the approved contract. Such costs include, but are not limited to:

(1) Substance abuse testing.
(2) Crisis intervention.
(3) Community service restitution.
(4) Risk and Need Assessment.
(5) Targeted Interventions.
(6) Case Management.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
BOYS' THERAPEUTIC RESPITE and ASSESSMENT CENTER (BTRAC)
11000-JUD96114-12375-081

I. PROGRAM OBJECTIVES

BTRAC is a one to three month staff-secured treatment-oriented residential program for court-involved adolescent males throughout Connecticut ages 15-18. Clients may have substance abuse treatment needs and may also have co-occurring disorders.

II. PROGRAM PROCEDURES

BTRAC is designed to provide targets interventions aimed at reducing recidivism and criminal activity, decrease substance dependence, improve academic performance, improve mental health, increase stability and overall family functioning, and aftercare services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Such services include, but are not limited to:

(1) Substance abuse education
(2) Nutrition
(3) Counseling
(4) Educational services
(5) Policies and procedures based on the Court Support Services Division (CSSD) Juvenile Detention Services
(6) Physical and non-physical recreation
(7) Client groups
(8) Family services
(9) Compliance with the Prison Rape Elimination Act (PREA)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
CHILD, YOUTH & FAMILY SUPPORT CENTERS (CYFSC)
11000-JUD96114-12105-084 and/or
11000-JUD96114-12375-084 and/or
11000-JUD96114-12128-084

I.PROGRAM OBJECTIVES

The Child, Youth, and Family Support Centers (CYFSC) are multi-modal centers focusing on a scope of targeted services for status offenders and delinquent children and youth.

II. PROGRAM PROCEDURES

The goal for the CYFSC is to provide comprehensive services incorporating evidence-based practices that target changing behavior and recidivism reduction. CYFSC will serve status-offending and delinquent children and youth. The CYFSC will conduct intake assessment and provide cognitive-behavioral interventions, case management services to address basic needs and pro-social activities, and discharge planning. All services are gender-specific, evidence/-research-based, culturally competent, and trauma informed.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract and include risk/need assessment for targeted clients, cognitive behavioral groups, educational advocacy, case management and/or referral for other community-based services.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level of effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
CHILDREN OF INCARCERATED PARENTS
11000-JUD96114-12502-088

I. PROGRAM OBJECTIVES

CIP is a legislative mandate under Public Act No. 13-247 which states: funding has been provided in the Judicial Branch budget for contracted services for Children of Incarcerated Parents.

II. PROGRAM PROCEDURES

Services funded under this grant shall be in accordance with the services as described in the contracts as submitted and approved.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract and scope of service.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Narrative
3) Quarterly Expenditure Reports

Operational report: Contractors are required to file a quarterly program activity report.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.

2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.

3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.

4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 30 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Judicial Branch
CIVIL LEGAL REPRESENTATION
11000-JUD95162-12516-090

I. PROGRAM OBJECTIVES

The legislature appropriated funds to the Judicial Branch to be distributed to the organization that administers the program for the use of interest earned on lawyers' clients' funds accounts, established under Connecticut General Statutes § 51-81c, to make grants-in-aid to nonprofit organizations providing legal services to poor people in Connecticut.

II. PROGRAM PROCEDURES

Services funded under this grant shall be in accordance with the services as described in the memorandum of understanding (MOU) as submitted and approved.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved memorandum of understanding and scope of service.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by the memorandum of understanding.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.

2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.

3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.

4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any such funds, interest and dividends that are not completely distributed as grants-in-aid or used to pay such costs before the end of the fiscal year in which the funds were received by the organization that administers the program for the use of interest earned on the lawyers' clients' funds accounts., shall be returned to Judicial by October 1 following the end of the fiscal year for which the funds were provided and re-deposited in the General Fund, as prescribed in the memorandum of understanding.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Judicial Branch
COMMUNITY COURT
11000-JUD96114-12043-045

I. PROGRAM OBJECTIVES

This program is designed to provide for a community-based program of community service as imposed by a Community Court and to provide mediation services for offenders identified and referred by the court.

II. PROGRAM PROCEDURES

The Community Court concept was established in 1998 through a mandate by the Connecticut General Assembly under Public Act 97-199 to adjudicate quality of life crimes. The goal of this specialty court is to deliver restorative justice for crimes committed in specific communities that include prostitution/patronizing, breach of peace, disorderly conduct and violations of municipal ordinances including public property damage. The Community Court addresses "quality of life" crimes in an effort to make the client accountable to the criminal justice system and to the community where he/she committed the offense through a variety of sanctions including community service, fines and jail time. In addition some level of mediation services between the victim and the offender may be provided.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity’s advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analyses whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
DETENTION DIVERSION AND STABILIZATION SERVICES
11000-JUD96114-12105-091

I. PROGRAM OBJECTIVES

The Detention Diversion and Stabilization Program is designed to provide a safe, staff secure community-based graduated response for juveniles who are at risk of escalating behaviors. This model is in concert with the Judicial Branch's effort to keep juveniles in the least restrictive environment possible. The medium or higher risk juveniles deemed appropriate will be housed for 2 to 4 weeks with a goal of returning home with increased supports. The program will also be available as a bridge to those awaiting treatment beds out of home. Family involvement is strongly encouraged to best enable a successful reentry plan

II. PROGRAM PROCEDURES

Juveniles placed in this program will be assigned to a staff secure setting with educational services, substance abuse education, recreation, group, individual and family counseling, family focus groups, mental health services, discharge and aftercare planning. The program will also be responsible for continuing to engage them in prosocial activities in the community.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The Types of Services and Costs allowed are those as shown in the approved contract. Such costs include, but are not limited to:

(1) Substance Abuse Education
(2) Transportation
(3) Nutrition
(4) Counseling
(5) Educational Services and Discharge Coordination
(6) Policies and Procedures consistent with providing safe environments
(7) Physical and Non-Physical Recreation
(8) Client Groups
(9) Family Services
(10) Data collection including Performance Based Standards
(11) Compliance with PREA
(12) Suicide Prevention including safe physical plant audits

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
EDUCATIONAL SUPPORT SERVICES
11000-JUD96114-12105-064

I. PROGRAM OBJECTIVES

The intended outcome of this program is to improve the identification of children and youth's educational needs and to ensure the development and delivery of individualized education plans that will best meet the need to promote positive self-development and educational success.

II. PROGRAM PROCEDURES

Educational Support Services will provide consultation, advocacy, training and coordination to facilitate better educational outcomes for court involved children and youth. Staff is required to work in collaboration with parents, court personnel, local school districts and other state agencies and providers to ensure quality educational services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The Types of Services and Costs allowed are those as shown in the approved contract

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity’s advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

1) Determine through inquiry and analyses whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
ENRICHMENT
11000-JUD96114-12105-072

I. PROGRAM OBJECTIVES

Provide a six week summer educational program for children housed in the state juvenile detention centers.

II. PROGRAM PROCEDURES

Program offers a multi-disciplinary summer enrichment experience during the months of July and August. There is an emphasis on improving the children's skills in writing, reading and math. The program is offered 5 days per week for 5 hours each day.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Such services include, but are not limited to:

(1) Instruction and activities promoting improvement in basic skills.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial reports as required by contract and prepare such reports as outlined in the Court Support Services Division (CSSD) Fiscal Requirements and Procedures Manual. They include: 8 Month Program Income Report and Final Program Income Report.

Compliance Requirements

The contractor must submit detailed monthly invoices that correspond to the services detailed in the Judicial Branch/CSSD Agreement. The rates charged must correspond to those set forth in the Judicial Branch / CSSD Agreement.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

The rate schedule for charges of service are identified in the contractual agreement.

Suggested Audit Procedures

Verify the propriety of billing on a test basis and trace to support documentation.

Judicial Branch
FAMILY VIOLENCE INTERVENTION
11000-JUD95810-10020-013 and/or
12014-JUD95810-12047-013

I. PROGRAM OBJECTIVES

To provide advocacy services to victims of family violence crimes (Section 46b-38c, CGS).

II. PROGRAM PROCEDURES

Services provided to victims are administered and coordinated. Such services include safety planning, counseling, court process information and referral to other appropriate community agencies. Program procedures are incorporated in the contractor agreement and subsequent amendments; the terms and conditions of the Request for Proposal document; and the contractor response to the Request for Proposal.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The Types of Services and Costs allowed are those as shown in the approved contract. Such costs include, but are not limited to:

(1) Administration and coordination services for local family violence intervention units.
(2) Subcontracting and referral for appropriate collateral services.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level of effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, statistical and/or narrative reports as required by contract.

They include:

1) Quarterly Financial Reports
2) Quarterly Statistical Reports
3) Semi-Annual Progress Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the OFFICE OF VICTIM SERVICES (OVS) on the 4th Quarter Financial Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Judicial Branch
FOSTERING RESPONSIBILITY, EDUCATION AND EMPLOYMENT (FREE)
11000-JUD96114-16043-092

I. PROGRAM OBJECTIVES

A supplemental support service for juveniles with previously addressed risk relevant areas or in concurrent treatment. Fostering Responsibility, Education and Employment (F.R.E.E) provides reentry support to high risk adolescents and young adults, predominantly those who are returning to their community from out-of-home care. The goal of the program is to engage and/or reinforce the individual's connection to school, introduce and enhance vocational skills and opportunities, and enhance positive connection to the natural community.

II. PROGRAM PROCEDURES

This is a community-based program for post-dispositional juveniles ages 15-19 who are tier 3, 4 or 5 on the PrediCT and have previously addressed risk relevant domains or are in concurrent services to address the risk relevant domains. An array of services are provided to support the individual in several areas of functioning such as education, employment, family and youth engagement, life skills and prosocial and recreational activities. The program works closely with referral sources, youth, family, and community network to support successful reintegration.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract and include education, employment, family and youth engagement, life skills and prosocial and recreational activities.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level of effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
INTERMEDIATE RESIDENTIAL (IR)
11000-JUD96114-12375-080

I. PROGRAM OBJECTIVES

The IR is a four month residential program integrated with Multi-Dimensional Family Therapy for court-involved adolescents throughout Connecticut.

II. PROGRAM PROCEDURES

IR is designed to reduce recidivism and criminal activity, decrease substance dependence, improve educational functioning, improve mental health, increase stability and overall family functioning, and aftercare services. Multi-Dimensional Family Therapy is integrated into this program to achieve these goals.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Such services include, but are not limited to:

(1) Substance abuse education
(2) Nutrition
(3) Counseling
(4) Educational services
(5) Policies and procedures based on the Court Support Services Division (CSSD) Juvenile Detention Services
(6) Physical and non-physical recreation
(7) Client groups
(8) Family services
(9) Compliance with PREA

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
IOLTA COURT FEES
34001-JUD95162-40001-089

I. PROGRAM OBJECTIVES

Pursuant to Section 5 of Public Act 09-152, *An Act Concerning the Interest Earned on Lawyers' Clients Funds Account (IOLTA) Program and the Transfer of Certain Court Fees to Fund Such Program*, the Chief Court Administrator (CCA), or a designee, on or before the last day of January, April, July and October in each year, shall certify the amount of revenue received as a result of any fee increase that takes effect July 1, 2009, set forth in Sections 52-258, 52-259, 52-259c and 52-361a of the General Statutes, each as amended by Public Act 09-152; and transfer such amount to the organization administering the program for the use of interest earned on lawyers' clients' funds account pursuant to Section 51-81c of the General Statutes, as amended by Public Act 09-152, for the purpose of funding the delivery of legal services to the poor.

II. PROGRAM PROCEDURES

Services funded under this grant shall be in accordance with the services as described in the memorandum of understanding (MOU) as submitted and approved.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

There are no services or cost requirements.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by the memorandum of understanding.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.

2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.

3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.

4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests required or provisions.

Judicial Branch
JOURNEY HOUSE
11000-JUD96114-16138-093

I. PROGRAM OBJECTIVES

The Journey House program is a hardware secure, residential program for girls with a disposition of "Probation Supervision with Residential Placement". It provides individually-focused interventions, therapy, educational and vocational programming. Length of stay is determined by the attainment of treatment goals.

II. PROGRAM PROCEDURES

Residential programs for girls with a disposition of "Probation Supervision with Residential Placement". Girls must be screened through the court process to determine eligibility through a level of care assessment completed by the licensed Court Clinical Coordinators.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Secure residential shelter services which include:

(1) Admissions
(2) Medical services
(3) Mental health services
(4) Assessment using the Short-Term Assessment of Risk and Treatability: Adolescent Version for treatment planning
(5) Transportation
(6) Nutrition
(7) Capacity to provide extra support to acting-out clients
(8) Secure physical site
(9) Policies and procedures based on the Court Support Services Division (CSSD) Juvenile Detention Services
(10) State accredited on-site education
(11) Substance abuse education
(12) Physical and non-physical recreation
(13) Daily trauma and evidence-informed client groups
(14) Data collection including Performance Based Standards
(15) Compliance with PREA
(16) Suicide Prevention including safe physical plant assets
(17) Family services
(18) System of graduated privileges
(19) Restorative Practices
(20) Discharge planning

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The community provider must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
(2) Confirm with the related party that the transaction cost reported represents actual cost.

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

Some individuals may have a third party payment which could be applied towards the cost of service.

Suggested Audit Procedures

(1) Determine that the contractor has a system to identify client eligibility for third party reimbursement.
(2) Examine the records and supporting documentation on a test basis to determine if the service provider is applying third party payments properly.

Judicial Branch
JUSTICE EDUCATION CENTER, INC.
11000-JUD96114-12064-019

I. PROGRAM OBJECTIVES

Under an appropriation from the Connecticut General Assembly, the Justice Education Center, Inc. shall conduct a public education and involvement campaign on community-based prevention, treatment and punishment options and shall perform certain projects as mutually determined by the Chief Court Administrator and the Center.

II. PROGRAM PROCEDURES

Services funded under this grant shall provide assistance to the Judicial Branch, Office of the Chief Court Administrator, and the Court Support Services Division (CSSD) to conduct research, to collect data for longitudinal studies of alternatives to incarceration, to develop manuals and newsletters, to design and conduct technical assistance/training seminars, and to explore sources of federal and state funding which assist in the expansion of services by the Branch.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The Types of Services and Costs allowed are those as shown in the approved contract. Such costs include, but are not limited to:

1) Staff and subcontracted salaries/fringes.
2) Curriculum development and training activities.
3) Office/administrative expenses.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract.

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements
Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures
Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements
On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures
Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements
Records of the Center's hours, vacation, holiday, leave and sick time personnel policies must be maintained.

Suggested Audit Procedures
Verify the existence of such records.

Judicial Branch
JUVENILE PRO-SOCIAL PROGRAMMING
11000-JUD96114-12105-066

I. PROGRAM OBJECTIVES

To provide age and developmentally appropriate recreational activities to juveniles housed in the State Juvenile Detention Centers and Secure Community Residential Programs.

II. PROGRAM PROCEDURES

Open ended recreational services are provided to children housed temporarily in the two Juvenile Detention Centers and the Secure Community Residential Program. Activities stress the development of social skills, serve as an outlet for physical and emotional expression and allow youth an opportunity to interact with staff on a more positive level.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The Types of Services and Costs allowed are those as shown in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity’s advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analyses whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
JUVENILE STAFF SECURE RESIDENTIAL FACILITY (JSSRF)
11000-JUD96114-16043-094

I. PROGRAM OBJECTIVES

JSSRF also known as REGIONS (Re-Entry, Goal-oriented, Individualized, Opportunity to Nurture Success) programs are six month staff-secure residential programs for boys with a disposition of "Probation Supervision with Residential Placement". Group programming, individually-focused interventions and therapy are followed by a transition period back into their home communities. Length of stay is determined by the attainment of treatment goals.

II. PROGRAM PROCEDURES

Residential programs for boys with a disposition of "Probation Supervision with Residential Placement". Boys must be screened through the court process to determine eligibility through a level of care assessment completed by the licensed Court Clinical Coordinators.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Secure residential shelter services which include:

1) Scheduled Admissions
2) Medical services
3) Mental health services
4) Assessment using the Short-Term Assessment of Risk and Treatability: Adolescent Version for treatment planning
5) Transportation
6) Nutrition
7) Capacity to provide extra support to acting-out clients
8) Staff-Secure site
9) Policies and procedures based on the Court Support Services Division (CSSD) Juvenile Detention Services
10) State accredited on-site education
11) Substance abuse education
12) Physical and non-physical recreation
13) Daily trauma and evidence-informed client groups

14) Data collection including Performance Based Standards
15) Compliance with PREA
16) Suicide Prevention including safe physical plant assets
17) Family services
18) System of graduated privileges
19) Restorative Practices
20) Discharge planning

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The community provider must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
LINKING YOUTH TO NATURAL COMMUNITIES (LYNC)
11000-JUD96114-12105-097 and/or 11000-JUD96114-12375-097

I. PROGRAM OBJECTIVES

LYNC is a center-based program for court-involved youth and their families. The program supports youth and their families in making sustainable behavioral changes by providing an array of evidenced-based and evidence-informed services. LYNC has a strong focus on connecting youth and their families to appropriate community and/or grass root services/agencies.

II. PROGRAM PROCEDURES

Services include: Intake, Screening, and Assessments; Care Coordination; Structured Case Management; Service Planning; Cognitive-Behavioral Therapy groups; Short-term, individual and family sessions; Educational and Vocational Services; Life Skills; Access to Flex Funds; and others.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract and include risk/need assessment for targeted clients, cognitive behavioral groups, educational services, case management and/or referral for other community-based services.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level of effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
MENTORING PROGRAM
11000-JUD96114-12375-076

I. PROGRAM OBJECTIVES

The Mentoring Program is a statewide mentoring program focused on complementing and enhancing existing Judicial Branch Court Support Services Division (JBCSSD) services. The program will have two mentoring service options targeting different risk levels and supportive needs of juvenile involved with JBCSSD. Traditional mentoring matches juveniles with volunteer mentors who will meet with the juveniles for up to two hours per week for at least one year. Intensive mentoring matches juveniles with paid mentors who will meet with juveniles up to five hours per week for up to six months.

The goal of the program is to provide youth with positive adult contact that can have a strong, long lasting, positive effect on the youth. While building these mentoring relationships, the focus should be on reducing risk factors, reducing anti-social behaviors, increasing family/peer relations, increasing positive social connections, increasing school performance, enhancing personal growth and development, and ultimately reducing recidivism by helping children and youth transition into healthy young adults.

II. PROGRAM PROCEDURES

This program is designed to serve juveniles statewide between the ages of 10-17. Juveniles who are classified as low or medium risk and/or have mild to moderately challenging behaviors will receive traditional mentoring services. Juveniles classified as high risk will receive intensive mentoring services. Juveniles are referred to the program primarily by a Juvenile Probation Officer, and some JBCSSD contracted programs

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Such services include, but are not limited to:

(1) Reengagement Strategies
(2) Transportation
(3) Social activities
(4) Counseling
(5) Educational services

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.
(2) Confirm with the related party that the transaction cost reported represents actual cost.

Judicial Branch
MONITORING OF COURT NEGLECT CASES
11000-JUD95324-10020-010

I. PROGRAM OBJECTIVES

To enhance Judicial Branch abilities with respect to effective and timely case review as well as promote permanency planning for children who are the subject of child protection proceedings.

II. PROGRAM PROCEDURES

Volunteers are trained and then supervised in the performance of duties that include assisting the court in preparation and monitoring of case specific and appropriate orders, and coordination efforts for treatment plans.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The Types of Services and Costs allowed are those as shown in Exhibit A of the approved contract. Such costs include, but are not limited to:

(1) Recruitment, selection, training and supervision of volunteers.
(2) Collect, maintain and report demographic and statistical information.
(3) Collect, maintain and report on volunteer activities.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

(1) The contractor must submit accurate and timely financial, narrative, demographic and/or statistical reports as identified in the contractual agreement.
(2) The contractor shall report on the activities of volunteers including number of hours worked in each location.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Inventory records of equipment purchased under contract must be maintained. Equipment is defined as assets with a cost of $1,000 or more or a useful life of greater than 2 years.

Suggested Audit Procedures

Verify the existence of such records. For equipment additions during the year under audit, on a test basis, physically inspect that the item(s) have been appropriately tagged and determine that invoices support the cost and date of purchase on the Inventory Report.

Judicial Branch
MULTISYSTEMIC THERAPY (MST)
11000-JUD96114-12105-052 and/or
11000-JUD96114-12375-052

I. PROGRAM OBJECTIVES

The MST program addresses the behavioral health needs of children at high risk of recidivating and their families. The purpose is to reduce illegal behaviors and substance abuse, and improve school, family, and social functioning.

II. PROGRAM PROCEDURES

This is a family-and-community-based treatment program for high and very high risk, post-dispositional juveniles with complex clinical, social, educational and substance abuse problems. This evidence-based service identifies family/client strengths, helps the client/family define specific goals, and provides instruction in ways to prevent the recurrence of delinquent behavior and other family conflict, and sets up the resources and skills to maintain ongoing progress.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Such services include, but are not limited to:

(1) Intensive in-home individual and family therapy
(2) 24 hour availability
(3) Transportation
(4) Quality Assurance

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirement

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

Some individuals may have a third party payment which could be applied towards the cost of service.

Suggested Audit Procedures

(1) Determine that the contractor has a system to identify client eligibility for third party reimbursement.

(2) Examine the records and supporting documentation on a test basis to determine if the service provider is applying third party payments properly.

Judicial Branch
MULTISYSTEMIC THERAPY – TRANSITION AGE YOUTH (MST-TAY)
11000-JUD96114-16043-095

I. PROGRAM OBJECTIVES

MST TAY is an adaptation of the MST model designed for transition-aged youth and young adults involved with the justice system who have mental illness and/or engage in substance use. A home-based therapist delivers services to treat mental illness, reduce substance use (when present) and reduce recidivism.

II. PROGRAM PROCEDURES

Coaches work with young adults to increase school, work and prepare for independent living. Average duration is 7 months. The program is currently under a research study where a random selection of referred young adults will not be placed in TAY but will receive the Control Group-Facilitated Service Access (FSA), which provides resources to help the young adult access other services options.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Such services include, but are not limited to:

(1) Intensive in-home individual and/or family therapy
(2) 24 hour availability
(3) Transportation
(4) Quality Assurance

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirement

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity’s advances.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Judicial Branch
SERVICES FOR SEX OFFENDERS
11000-JUD96114-12105-030 (JUVENILE PROGRAM) and/or
11000-JUD96114-12375-030 (JUVENILE PROGRAM)
11000-JUD96114-12043-030 (ADULT PROGRAM)

I. PROGRAM OBJECTIVES

Program Services for Sex Offenders operate as one component of a comprehensive program designed to provide cost-effective, safe, community-based intermediate sanctions for jail-bound and jailed offenders. The services are for adult and juvenile persons under the supervision of the Court Support Services Division (CSSD) accused and/or convicted of a criminal offense.

II. PROGRAM PROCEDURES

A. ADULT
This program operates state-wide providing comprehensive services for sex offenders. Included within the program are assessment/evaluation, polygraph services, individual, group and family treatment and therapy, and training and technical assistance to probation officers. Offender accountability and supervision are emphasized.

B. JUVENILE
This is a community-based program for juveniles who have manifested inappropriate sexual behavior resulting in their court involvement, where treatment, education and rehabilitative services (that include the juvenile and family) will be provided in the client's home. The program conducts an intake and assessment, provides sexuality education, case management, and (when appropriate) comprehensive, individualized problem sexual behavior treatment to juveniles who have engaged in inappropriate sexual behaviors.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The Types of Services and Costs allowed are those as shown in the approved contract. Such costs include, but are not limited to:

(1) Assessment/evaluation
(2) Training activities for Probation staff.
(3) Counseling, education, case management and treatment.
(4) Polygraph Services

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Compliance Requirements

Some individuals may provide payments (Program Income/Client Fees) based on a sliding fee scale which will be applied towards the cost of service.

Suggested Audit Procedures

(1) Determine that the contractor has a system in place to identify client fees and related deposits of the fees.

(2) Examine records and supporting documentation on a test basis to determine if all client fees are recorded and deposited on a timely basis and that deposits are reconciled to payments.

(3) Test if program income is properly determined and calculated (is the organization charging in accordance with the sliding scale).

(4) Test if the program income is used/spent on the program.

Judicial Branch
STATE MATCH PROGRAM - VICTIMS OF CRIME ACT VICTIM ASSISTANCE
11000-JUD95810-10020-047 and/or 12014-JUD95810-12047-047

I. PROGRAM OBJECTIVES

Non-profit organizations and municipalities that are recipients of Federal Victims of Crime Act Victim Assistance funds are required to provide a 20% match to the Federal award. Judicial Branch funding is provided to non-profit organizations and municipalities to assist them in meeting the Federal match requirement. State match funds also offer an opportunity for non-profits and municipalities to receive additional funding for new or expanded programs.

II. PROGRAM PROCEDURES

The Judicial Branch makes grant awards to non-profit organizations and municipalities. This compliance procedure is to be used for State match funds provided to recipients of Federal Victims of Crime Act Victim Assistance Funds. Program procedures are incorporated in the contractor agreement and subsequent amendments; the terms and conditions of the Request for Proposal document; and the contractor response to the Request for Proposal.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level of effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, statistical, and/or narrative reports as required by contract.
They include:

1) Quarterly Financial Reports
2) Quarterly Statistical Reports
3) Semi-Annual Progress Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the OFFICE OF VICTIM SERVICES (OVS) on the 4th Quarter Financial Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Judicial Branch
STATEWIDE SPANISH HOTLINE PROGRAM
11000-JUD95810-10020-086

I. PROGRAM OBJECTIVES

Develop, implement, and operate a statewide Spanish-speaking domestic violence hotline.

II. PROGRAM PROCEDURES

This program provides funding to non-profit organizations serving victims of domestic violence to operate a statewide hotline for Spanish-speaking victims of domestic violence to call when needing services in Connecticut. Program procedures are incorporated in the memorandum of understanding and the professional services terms and conditions.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved memorandum of understanding.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There is no matching, level of effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, statistical, and/or narrative reports as required by contract.
They include:

1) Quarterly Financial Reports
2) Quarterly Statistical Reports
3) Semi-Annual Progress Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the OFFICE OF VICTIM SERVICES (OVS) on the 4th Quarter Financial Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Judicial Branch
TRANSITIONAL HOUSING (TH)
11000-JUD96114-12043-083

I. PROGRAM OBJECTIVES

Staff secure short term community based residential program, focusing on being an alternative to incarceration, a sanction for non-compliance, and for clients waiting for a treatment bed or clients who are homeless or have unstable/unsuitable housing.

II. PROGRAM PROCEDURES

This program serves male and female clients age 18 and older referred by CSSD staff, DOC/Board of Parole staff or as a direct referral from the bench. Formal and informal collaborations with various community based services, specifically including AIC and ABHS, and the ability to provide structure and supervision when clients are not engaged in outside programs and services are essential components of the Transitional Housing model.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Such services include, but are not limited to:

(1) Housing
(2) Structure and supervision
(3) Collaborative service which support AIC and or ABHS program interventions.
(4) Compliance to PREA

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. For Line Item Budget Method contractors, they include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Some individuals may have a third-party means of payment which could be applied towards the cost of service.

Suggested Audit Procedures

Examine records and supporting documentation on a test basis to determine if the service provider has in place a system to identify such a capability and whether or not that system operated adequately.

Compliance Requirements

For Line Item Budget Method contractors: Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

For Line Item Budget Method contractors: On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Compliance Requirements

Some individuals may provide payments (Program Income/Client Fees) based on a sliding fee scale which will be applied towards the cost of service.

Suggested Audit Procedures

(1) Determine that the contractor has a system in place to identify client fees and related deposits of the fees.

(2) Examine records and supporting documentation on a test basis to determine if all client fees are recorded and deposited on a timely basis and that deposits are reconciled to payments.

(3) Test if program income is properly determined and calculated (is the organization charging in accordance with the sliding scale).

(4) Test if the program income is used/spent on the program.

Judicial Branch
TREATMENT FOSTER CARE OREGON-ADOLESCENT
11000-JUD96114-16043-096

I. PROGRAM OBJECTIVES

TFCO-A is a 6 – 9 month specialized foster care program for juvenile justice involved youth with serious behavior problems who are referred for out-of-home placement or are stepping down from a residential or locked setting. Successful reunification or other long-term placement is the objective upon conclusion of the treatment foster care placement.

II. PROGRAM PROCEDURES

This is an out of home treatment program for high risk post-dispositional juveniles exhibiting clinical, social behavioral and family problems. This is an evidence based service providing individual and family therapy, behavior management approaches and skills coaching. TFCO-A supports successful reunification with family and establishes ongoing support to maintain juvenile progress and success.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract. Such services include, but are not limited to:

(1) Intensive individual and family therapy
(2) 24 hour availability
(3) Transportation
(4) Quality Assurance

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Budget Schedule 1
2) Budget Schedule 2
3) Salary Schedule 3
4) Fringe Benefits Schedule 3A
5) Budget Narrative
6) Expenditure Reports
7) Final Expenditure Reports
8) Equipment Inventory Reports
9) Program Income Reports
10) Personnel Vacancy Reports

Operational report: Contractors are required to file a monthly utilization report identifying total slots used.

Compliance Requirement

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions. Transactions with the related party are required to be reported at cost, no profit is allowed.

Suggested Audit Procedures

(1) Determine through inquiry and analysis whether all related party transactions have been reported. Any undisclosed related party transactions must be reported as a finding.

(2) Confirm with the related party that the transaction cost reported represents actual cost.

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement in the manner prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Judicial Branch
VICTIM SERVICES FOR SEX OFFENDER SUPERVISION UNITS
11000-JUD95810-12043-063

I. PROGRAM OBJECTIVES

To address the needs of sexual assault victims whose offenders are released on probation and are taking part in the Court Support Services Division Sex Offender Supervision Units (SOSU). To provide victim input in the treatment of sex offenders.

II. PROGRAM PROCEDURES

Services provided to victims are administered and coordinated with the local SOSUs. Program procedures are incorporated in the contractor agreement and subsequent amendments; the terms and conditions of the Request for Proposal document; and the contractor response to the Request for Proposal.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as identified in the Request for Proposal (RFP) document and the contractor's response to the RFP. Such services include but are not limited to safety planning, counseling, court process information, victim input to SOSU and referral to other appropriate community agencies.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

1) Quarterly Financial Reports
2) Quarterly Statistical Reports
3) Semi-Annual Progress Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the OFFICE OF VICTIM SERVICES (OVS) on the Final Financial Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 45 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Financial Report, expenditure deviations of 10% or $500, whichever is greater, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Compliance Requirements

Inventory records of equipment purchased under contract, with OVS funds, must be separately maintained. Equipment is defined as assets with a cost of $1,000 or more or a useful life of greater than 2 years.

Suggested Audit Procedures

On a test basis, verify the existence of equipment listed on the agency inventory report.

For equipment additions during the year under audit, on a test basis, physically inspect that the item(s) have been appropriately tagged and determine that invoices support the cost and date of purchase on the agency inventory report.

Judicial Branch
YOUTH SERVICES PREVENTION (YSP)
11000-JUD96114-12559-087

I. PROGRAM OBJECTIVES

YSP is a legislative mandate under Public Act 17-2 SB 1502 which states: amounts appropriated to the Judicial Department, for FY 17 and FY 18 for the Youth Services Prevention Program

II. PROGRAM PROCEDURES

Services funded under this grant shall be in accordance with the description of service submitted each fiscal year.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract and scope of service.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The vendor must submit accurate and timely reports as required by contract. They include:

1) Description of Services
2) Invoice
3) Budget Narrative
4) Expenditure Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.

2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.

3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.

4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 30 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is less, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

Judicial Branch
YOUTH VIOLENCE PREVENTION INITIATIVE (YVPI)
11000-JUD96114-12555-079

I. PROGRAM OBJECTIVES

YVPI is a legislative mandate under Public Act 17-2 SB 1502 which states: amounts appropriated to the Judicial Department, for FY 17 and FY 18 for the Youth Violence Prevention Initiative, which are programs aimed at decreasing urban youth violence. Based on the OLR Research Report dated February 1, 2013, the city of New Haven will work with community-based organizations to provide job readiness training, mentorship and conflict mediation to high-risk youth, including those involved in gangs. Funding will also go toward organizing safe, pro-social activities.
Hartford will target youth violence through collaboration between community based organizations and law enforcement. It will also focus on providing assistance to youth who are victims of domestic violence. Bridgeport's plan will be linked to the city's implementation of Project Longevity.

II. PROGRAM PROCEDURES

Services funded under this grant shall be in accordance with the description of service submitted each fiscal year.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost Allocation Plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort and/or Earmarking Requirements

Compliance Requirements

Funding from such grants, if provided to municipalities, shall have a twenty-five per cent match requirement. In-kind matches of up to ten per cent may be accepted.

D. Special Reporting Requirements

Compliance Requirements

The vendor must submit accurate and timely reports as required by contract. They include:

1) Description of Services
2) Invoice
3) Budget Narrative
4) Expenditure Reports

Compliance Requirements

The contractor must submit a detailed reconciliation of the final program expenditure amounts, by each State contract, reported to the COURT SUPPORT SERVICES DIVISION (CSSD) on the Final Expenditure Report to the expenditure amounts reported for the program on the State Single Audit Schedule of Expenditures of State Financial Assistance. For contractors with different fiscal year-ends that do not coincide with the State fiscal year-end (June 30), this includes a breakdown of expenditures, by each State contract, for the contractor's fiscal year. All reconciliations should be filed at the same time as the audit report.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.

2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports , on site monitoring visits.

3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.

4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity’s advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each grant must be returned within 30 days of completion of the State fiscal year or early termination of the Agreement as prescribed by the contract.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned on a timely basis.

Compliance Requirements

On the Final Expenditure Report, expenditure deviations of 10% or $500, whichever is less, from accepted budget line items are unallowable and must be returned.

Suggested Audit Procedures

Examine records to determine if such funds were returned or a written waiver was issued.

SECTION 12

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF LABOR

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Department of Labor
CETC WORKFORCE
11000-DOL40000-12079

I. PROGRAM OBJECTIVES

Grant Awards provide funding to pilot workforce initiatives to achieve DOL's mandate to assist Connecticut's workers and businesses to better compete in the new economy. Workforce initiatives underway include workforce development efforts on expanding technology pipeline programs, addressing existing workforce skill upgrading and career transitions, and continuing the investments in supportive infrastructure.

II. PROGRAM PROCEDURES

The applicant must submit a grant proposal to the Department of Labor. The application package should have a copy of their project budget, description and deliverables.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The grant award will specify the services allowed or disallowed. Refer to the Grant Award.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Department of Labor requires expenditure reports as described in the Grant award and may also require a fiscal year-end financial report, from the grantee.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Labor
CONNECTICUT'S YOUTH EMPLOYMENT PROGRAM
11000-DOL40000-12205

I. PROGRAM OBJECTIVES

Funds are allocated to the five (5) regional workforce development boards, also referred to as local workforce development boards (LWDBs), to operate a youth employment program.

II. PROGRAM PROCEDURES

For State Fiscal Year 2018/2019, $3,800,000 in funds are provided to the 5 local Workforce Boards and through the 5 local Workforce Boards to specified municipalities in accordance with Connecticut General Statutes Section 31-3mm. All funds are to be used to operate a youth employment program. Provision of a summer component is required. The LWDBs have the option of providing a year-round component.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Activities: Funds must be spent on employment and/or employment-related activities. Provision of financial literacy activities is optional at the discretion of each WDB.

Length and Hours: For the summer component, all participants must be offered a minimum of 4 weeks of programming with a minimum of 15 hours of weekly activity.

Labor Department contract issuance CI 15-06 provides administrative and other guidelines to boards.

B. Eligibility

Compliance Requirements

a) Age: Individuals age 14 to 21 years as of July 1, 2018.
b) Income: Individuals must meet one of the following income criteria:

- is eligible for free or reduced-price lunch during most recent school year;
- is a current WIOA youth participant;
- has been determined eligible for WIOA Youth Services based upon family income within previous 6 months;

- is a recipient of SNAP (formerly known as Food Stamps);
- is a recipient of Temporary Family Assistance;
- is a recipient of State Administered General Assistance - cash or medical;
- is a youth with disability meeting criteria as outlined in WIOA eligibility directives; is a foster child;
- is a custodial parent (or pregnant);
- is a member of a family whose income is equal to or less than 185% of the federal poverty level.

c) Participants must be legally able to work in the United States.
d) Residency: LWDBs may set criteria for residency.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

No more than 5% of the total contract may be used for WDB costs related to program administration.

A minimum of 75% of the total contract amount total shall be expended on the summer component, which is no later than August 30, 2018. The summer component expenditure may include WDB program administration costs.

A minimum of 67% of the total contract amount shall be used to pay participant wages. Participant wage expenditures include expenditures from both the summer and a year-round component, if applicable.

D. Special Reporting Requirements

Compliance Requirements

Boards are required to submit Vendor Questionnaires and WDB Description of Services. Boards are also required to provide quarterly programmatic and financial reports for Summer Components by September 20th. For the Year-Round Component, reports are due on the 20th of the month following the end of the quarter. Final reports including Participant Demographic Reports are due by October 20, 2019 and Worksite Reports are due by July 7, 2019. Closeout packages are due within 60 days of the contract end date.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Labor
JOBS FIRST EMPLOYMENT SERVICES
11000-DOL40000-12212

I. PROGRAM OBJECTIVES

The Jobs First Employment Services Program (JFES) is a statewide program designed to assist applicants and recipients of Temporary Family Assistance (TFA) to become and remain independent of temporary assistance within 21 months. The program helps participants prepare for, seek, and maintain employment in occupations that will enable them to support their families and remain independent of temporary family assistance.

II. PROGRAM PROCEDURES

JFES funds are administered by the Department of Labor (DOL), which operates the program statewide by providing employment services through its American Job Centers (AJC) and through contracts with the five Workforce Development Boards (WDB), and state, local and community-based not-for-profit agencies. The services contracted for include job search skills training, job development, vocational education, adult basic education, case management and support services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

1) Each contract contains a detailed budget that identifies categories of allowable costs.
2) The total contract amount cannot be exceeded.
3) Contracts are either cost reimbursement, or performance-based, or a combination of
4) both. Services provided with funds from this contract must adhere to the requirements
5) under Part II. Specific Terms (D) Jobs First Employment Services (JFES) Program
    a. Services.
6) OPM Cost Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Standards.

1) The plan must be designed in accordance with the OPM Cost Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Grantees are required to submit the following:

1) The grantee shall submit monthly invoices for reimbursement of actual allowable expenses accompanied by a General Ledger, Financial Report or other documentation substantiating the invoice and if needed a projection of expenses for the following month in accordance with Part II., Specific Terms (J)-(2).
2) The grantee shall submit the following monthly reports: DOL Cumulative Monthly Status of Funds Reports, DOL Year End Projected Funds Reports, JFES Case Management Reports, Current Monthly JFES Case Management Entity Staff Reports, Training Outcome Reports and Subsidized Employment Outcome Reports in accordance with Part II., Specific Terms (K).

E. Subcontractor Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

1) Each contract contains a budget that outlines categories and amounts of costs to be incurred. Budget flexibility is allowed provided no single line item of costs is increased or decreased in excess of 10%. Changes in excess of 10% must receive prior written approval from the DOL.
2) Administrative costs are limited to a percentage as described in the Contract.

Suggested Audit Procedures

1) Determine that budget guidelines are met, and budget changes have been approved.
2) Test to determine that Administrative costs are limited to the percentage described in the Contract.

Department of Labor
MANUFACTURING PIPELINE INITIATIVE
11000-DOL40000-12597

I. PROGRAM OBJECTIVES

Funds are allocated to Eastern Connecticut Workforce Investment Board (EWIB) to provide no-cost training to address the hiring needs of Electric Boat, members of the Eastern Advance Manufacturing Alliance, and other manufacturers.

II. PROGRAM PROCEDURES

Funds are provided to the EWIB.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Eastern CT Workforce Investment Board (EWIB) and its partners in the ***Eastern Connecticut Manufacturing Pipeline Initiative***, will use these funds to coordinate with the $6.0 million awarded by US DOL for the customized training program. A partnership comprised of manufacturing employers, community colleges, technical high schools, and workforce development partners, among others, developed the customized training program, which has helped to address a massive need for skilled workers at Electric Boat (EB) and other members of the Eastern Advanced Manufacturing Alliance (EAMA) by providing short-term training to unemployed, underemployed and others unable to attend longer-term training.

The contract provides administrative and other guidelines to the EWIB.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level of effort or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Annual financial and performance reports are required to be filed in a manner determined by the Department of Labor.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

EWIB contracts with sub-grantees will include, but not be limited to the requirements below:

1) Maintenance of financial records for the Manufacturing Pipeline Initiative;
2) Coordination and CT DOL access to employers and participant records;
3) Protection of personally identifiable information to mitigate risks associated with the collection, storage and dissemination of sensitive data.

Suggested Audit Procedures

Review a sample of subcontracts to determine that the required provisions are included.

Department of Labor
MORTGAGE CRISIS RELIEF
12003-DOL40000-12471

I. PROGRAM OBJECTIVES

The Mortgage Crisis Job Training Program helps homeowners at risk of foreclosure by increasing their job skills and earning potential. The program offers homeowners career coaching, job training, employment services, financial literacy, housing counseling and other support services. Workplace Inc. is responsible to administer the program and enter into sub-contracts for the effective delivery of services.

II. PROGRAM PROCEDURES

Authorization for this program is found at Connecticut General Statutes (C.G.S.) §§ 4-8, 31-3b, 31-3d and C.G. S. § 31-3nn; 4-8 and Public Act 15-244.

The WorkPlace, partnering with Capital Workforce Partners, manages a team of Mortgage Crisis Job Training Specialists who serve homeowners throughout the state. These regional teams shall ensure the provision of rapid, customized employment services, job training and job placement assistance to homeowners who are unemployed, underemployed or in need of a second job. The WorkPlace shall arrange for the provision of financial literacy training and credit counseling for participants with the Connecticut Housing Finance Authority (CHFA).

Additional partners include the Connecticut Housing Finance Authority, Connecticut Department of Banking, Connecticut Judicial Mediation Program, Connecticut Department of Labor, American Job Centers, Connecticut Fair Housing Center, and other community-based service providers.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed and Disallowed

Compliance Requirements

Borrowers can find needed support at no cost. The Mortgage Crisis Job Training Program offers: customized employment services, job training scholarships, job placement assistance, financial literacy, credit counseling, and referrals to other needed services. Program staff will work in partnership with credit counselors and other support agencies to help improve the borrowers' financial standing with lenders.

Administrative costs may include staff salaries for office staff, executive directors, bookkeepers, etc., along with fringe benefits, taxes such as FICA, UC, and worker's compensation, travel expenses, rent for facilities, insurance/bonding, postage, utilities, copiers and office equipment, annual audit fees, or other related costs pertaining to administration of the project and oversight of the training staff.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching level, and or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee provides a periodic expenditure report. This acts as an invoice for reimbursement of costs.

The grantee provides DOL with quarterly progress reports including participants' activities and demographics.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Labor
NEW HAVEN JOBS FUNNEL PROGRAM
11000-DOL40000-12586

I. PROGRAM OBJECTIVES

Funds are allocated to New Haven Works, a non-profit organization that provides employers with a trained and qualified workforce by connecting New Haven residents to good jobs. New Haven Works provides outreach/recruitment, assessment, case management, pre-employment (consisting of employment screenings, job matching, resume and interview preparation), job placement, and retention support services to New Haven residents, ensures that local employers have access to trained and qualified candidates, and serves as a resource to the workforce development community.

II. PROGRAM PROCEDURES

The applicant must submit a grant proposal to the Department of Labor. The application package should have a copy of their project budget, description and deliverables.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The grant award will specify the services allowed or disallowed. Refer to the Grant Award.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level of effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Department of Labor requires expenditure and Final Close out reports be provided to DOL as described in the Grant Award Part II. Specific Terms-Sections REPORTS. DELINQUENT REPORTS and FINAL CLOSE_OUT.

E. Subcontractor Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Labor
OCCUPATIONAL HEALTH CLINICS
12007–DOL40000–12045

I. PROGRAM OBJECTIVES

Occupational Health Clinic Grants provide funding to public or non-profit clinics to support activities involved in the evaluation, treatment, and prevention of occupational diseases and injuries. There are two types of these funds, Occupational Health Clinic and Auxiliary Occupational Health Clinic funds. Occupational Health Clinic activities include, but are not limited to, clinical care (i.e. diagnosis, treatment, follow-up), patient exposure assessments, worksite evaluations at the request of employers, and the training of students and medical residents. In addition, the Occupational Health Clinics submit to the Department of Labor data regarding patient injuries and illnesses. Auxiliary Occupational Health Clinics include any general hospital or other medical facility which operates a corporate wellness program which includes, but is not limited to: pre-employment physicals, mandated examinations, workers' compensation cases, employee physical programs and employee drug testing. In addition, both the Occupational Health Clinics and the Auxiliary Health Clinics submit data to the Department of Labor regarding patient injuries and illnesses.

II. PROGRAM PROCEDURES

Occupational Health Clinic Grant funds are administered by the Department of Labor (DOL), which operates the program statewide through contracts with the Worker's Compensation Commission, Department of Public Health, and other public and private non-profit organizations. The funding is distributed according to a mandated formula, funding DOL, DPH, WCC, Auxiliary Clinics and Occupational Health Clinic chosen through a RFP process.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

Sections 31-396 to 31-403 of the Connecticut General Statutes authorize funding for the Occupational Health Clinics and Auxiliary Clinics. The Connecticut Department of Labor's Division of Occupational Safety and Health (CONN-OSHA) established the procedures, selection criteria, and approval processes for these grants.

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The grants are available to public and non- profit organizations that are or will be involved in occupational disease evaluation, treatment and prevention. Grant funds shall not be used to compensate any occupational health clinic or auxiliary health clinic for any activity, which could be included in a corporate medicine or employee wellness program.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

1) Administrative costs are limited to not more than 15% of contract award.
2) Budget flexibility is allowed provided no single line item of cost is increased or decreased in excess of 10%.

D. Special Reporting Requirements

Compliance Requirements

1) Financial reports and invoices are to be completed by the clinics and the auxiliary clinics quarterly and are due on or before the 15th day of the quarter for the prior quarters reporting period. When funds are being requested, a completed and signed original DOL-14, Invoice/Status of Funds report will be required.
2) The clinics may request an advance payment equal to its interim cash needs arising during any given quarterly reimbursement period. A written justification and the DOL-14 must accompany the request.
3) The clinics will submit a final reconciliation on form DOL-14 to the administrative agency on or before July 31 of the fiscal year.
4) The clinics agree that any refunds, rebates, credits or other amounts shall be paid to the State of Connecticut DOL.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Labor
OPPORTUNITY INDUSTRIAL CENTERS
12003-DOL40000-12232

I. PROGRAM OBJECTIVES

The Opportunities Industrialization Centers (OICs) of Connecticut are responsible for serving individuals with significant barriers to employment including ex-offenders, at-risk youth, homeless, victims of domestic violence and others who live at or just above the poverty level. Participants have been identified as unemployed or under-employed. In addition to training and prevocational skills, the OIC plays an integral role in addressing individual all-around needs of the populations they serve. This may include counseling, training, life skills and wellness programs.

II. PROGRAM PROCEDURES

Opportunities Industrialization Center funds are administered by DOL, which operates the program through contracts with Non-Profit Opportunities Industrialization Center Regional Agencies.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funding is distributed equally among each of the five OIC organizations in Connecticut, located in New London, New Britain, New Haven, Waterbury and Bridgeport. The Department of Labor contracts individually with each of these regional organizations on an annual basis, and each contract includes a detailed budget outlining allowable expenses. Allowable expenses are separated by Administrative costs (not to exceed 15% of overall contract award) and Training costs. Allowable activities under administration include salaries, fringe benefits, taxes, travel, and related costs for program administration, office equipment, property rental of office space, insurance and bonding. Allowable expenses under Training include training staff salaries, fringe benefits, taxes and travel; training fees and associated costs for program participants, consumables, supplies used in training, facility rental, transportation costs for participants, and related costs. Program activities may include, entry level services involving clients such as recruitment, assessments, testing and career counseling. Also, basic skills training such as G.E.D. preparation and English as a second language; employability skills such as job seeking skills, career exploration and internships.

Other allowable activities include occupational training (usually of a short-term nature where the trainee will have a reasonable expectation of securing an entry-level job after training), such as culinary arts, customer service, word processing, retail clerk, certified nurse's aide, etc. Additional allowable activities can include the costs of supportive services such as day care expenses, transportation such as bus passes or taxi fares to job interviews; and finally exit services such as job retention counseling, referrals to higher education or job placement assistance.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Administrative costs are limited to no more than 15% of contract award.

D. Special Reporting Requirements

Compliance Requirements

1) The grantee provides, with the assistance of DOL, a periodic expenditure report. This acts as an invoice for reimbursement of costs and if needed a projection of expenses for up to two months can be included in the payment request.
2) The contractor shall provide CTDOL with records of participants' progress and outcomes to include individual demographics and personal information as well as completion reports on job placement and wages and/or training outcome.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

1) Within the budget section, individual line items cannot change by more than plus or minus 10% without written permission from CTDOL. Unless the contract is modified, at no time will these changes affect the total dollar amount stated on the budget sheet.
2) No new line items may be added without prior written permission from CTDOL using a CTDOL contract revision.

Suggested Audit Procedures

Test the final report to determine that flexibility guidelines are adhered to and no new line items were added without prior approval.

Department of Labor
OPPORTUNITIES FOR LONG TERM UNEMPLOYMENT PROGRAM
11000-DOL40000-12575

I. PROGRAM OBJECTIVES

The Opportunities for Long Term Unemployed Program, also known as the Platform to Employment ("**P2E**") Program was established under Connecticut Public Act 15-244.

II. PROGRAM PROCEDURES

This contract between the Connecticut Department of Labor ("**CTDOL**") and The Workplace, Inc., (the "**Contractor**") provides funding for a program to provide training and subsidized employment opportunities for Connecticut residents who have exhausted their unemployment benefits.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The following services shall be provided:

- Intensive five-week job readiness training;
- Financial coaching and budgeting assistance;
- Confidence-building, mental health, and behavioral health for program participants and their families;
- Technology based training
- Eight-week wage subsidy for program participants; and
- Data collection, program evaluation, marketing, outreach, and social media.

B. Eligibility

Compliance Requirements

Program participants must be Connecticut residents who have met the DOL definition of long term unemployed, unemployed for 27 weeks or longer.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Using forms approved by CTDOL, the Contractor shall submit quarterly program and expenditure reports according to the schedule found in section C.4 in Part II of the Description of Services of the contract.:

Quarterly Period start date	Quarterly Period end date	Quarterly Period Report due date
*November 1	December 31	January 31
January 1	March 31	April 30
April 1	June 30	July 31

The Contractor shall submit close-out documentation to CTDOL within sixty (60) days following the earlier of the end date or termination date of this Contract.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Budget was passed late, Contracts began on 11/1/2017.

Department of Labor
SPANISH AMERICAN MERCHANT ASSOCIATION
11000-DOL40000-12329

I. PROGRAM OBJECTIVES

Grant Awards provide funding to support a program developed by the Spanish American Merchants Association (SAMA). The Technical Assistance and Resource Program will enhance the efforts of small businesses to grow and produce job opportunities for residents through the provision of a range of technical assistance, training and support services.

II. PROGRAM PROCEDURES

The applicant must submit a grant proposal to the Department of Labor. The application package should have a copy of their project budget, description and deliverables.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The grant award will specify the services allowed or disallowed. Refer to the Grant Award.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The Department of Labor requires expenditure reports as described in the Grant Award, as well as a fiscal year-end financial report, from the grantee.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Labor
STEP UP
12052-DOL40000-43517 STEP UP

I. PROGRAM OBJECTIVES

The Subsidized Training and Employment Program (STEP UP) offers three wage subsidy and training grant incentives -- Small Business, Small Manufacturing, and Pre-Apprentice – to help eligible businesses hire more employees. Over a six-month period, STEP UP reimburses participating employers up to $12,500 for each new employee's wages, to help defray the costs of hiring or training a new employee. Funded by the State Bond Commission, tens of millions have been allocated to STEP UP for small businesses, manufacturing, and pre-apprentices. STEP UP, which has been enacted and expanded over several years:

Public Act 11-1, October Special Session,
Public Act 13-63,
Public Act 14-38,
Public Act 14-98, and codified under **C.G.S. §31-3pp, §31-3uu and §15-127pp**

II. PROGRAM PROCEDURES

The WIOA Administration Unit of the Department of Labor administers the program. Bond funding is contracted among the five Workforce development boards (WDBs) in the state. The Workplace, Inc., Southwest Connecticut's workforce development board, serves as the Central WDB and administers the subsidies to eligible employers state-wide, and uses a database to track subsidy payments, program goal achievement and retention of employees hired. The five WDBs each have Regional Coordinators who disseminate information about the program in the local WDB service area, and solicit, contact and engage prospective employers and unemployed jobseekers as well as assess eligibility for program participation. Coordinators submit employer information to the Department of Labor, which verifies each employer as to good standing of and compliance with Wage and Workplace Standards, Unemployment Insurance tax, and the Department of Labor's Division of Occupational Safety and Health. Coordinators verify each employer's good standing regarding payment of local taxes and also determine eligibility of unemployed jobseekers for hire by participating employers. Once an employer is approved for participation and hires its first STEP UP employee, coordinators collect timesheets and submit documentation to the Central WDB which issues payment as a reimbursement of up to $20 per hour of the employee's wages. Reimbursements are made over the first six months of hire, on a sliding scale, up to a maximum of $12,500 per hire. Each hired employee may only participate in one STEP UP component, but any eligible employer may hire STEP UP employees under any or all of the program components.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of services and Costs Allowed and Disallowed

Compliance Requirements

Small Business and Small Manufacturing Administration costs must be kept separate and shall not exceed 4% of the total allocation per component (i.e., 4% Small Business Admin and 4% Small Manufacturing Admin).

Reimbursements to employers for each STEP UP hire are made up to a maximum of $12,500 per employee, as follows:

	Small Business	**Small Manufacturer**	**Pre-Apprentice**
Grant Amounts	100% hourly wage, 1-30 calendar days	Up to $2500, 1st full calendar mo.	100% of cost of OJT, 1-30 calendar days
	75% hourly wage, 31-90 calendar days	Up to $2400, 2nd mo.	75% hourly wage, 31-90 calendar days
	50% hourly wage, 91-150 calendar days	Up to $2200, 3rd mo.	50% hourly wage, 91-150 calendar days
	25% hourly wage, 151-180 calendar days	Up to $2000, 4th mo.	25% hourly wage, 151-180 calendar days
		Up to $1800, 5th mo.	
		Up to $1600, 6th mo.	
Wage/Grant Maximums	$20/hour	$12,500/person	$10/hour

B. Eligibility

Compliance Requirements

Both employers and employees are subject to eligibility testing.

The complex and detailed eligibility requirements for each of the STEP UP Program components can be found in the contract and its nine exhibits.

A summary follows:

<table>
<tr><th colspan="4">STEP UP Overview</th></tr>
<tr><th></th><th colspan="3">Component</th></tr>
<tr><th></th><th>Small Business</th><th>Small Manufacturer</th><th>Pre-Apprentice</th></tr>
<tr><td rowspan="4">Eligible employers</td><td>Max. 100 F-T employees, min. 50% of working days, preceding 12 mos.</td><td>Max. 100 employees, min. 50% of working days, preceding 12 mos.</td><td>Max. 100 F-T employees, min. 50% of working days, preceding 12 mos.</td></tr>
<tr><td colspan="3">Operations in Connecticut</td></tr>
<tr><td colspan="3">Registered a minimum of 12 months</td></tr>
<tr><td colspan="3">In good standing w/ payment of state and local taxes</td></tr>
<tr><td rowspan="3">Eligible employees</td><td>Unemployed <u>immediately</u> prior to employment</td><td></td><td rowspan="3">Student at public or private HS, prep school or college; or up to 18 year old & employed under written agreement with apprenticeship program sponsor for max. 2,000 hours or 24 months</td></tr>
<tr><td>Resident of municipality w/ UR >= State UR as of 9/1/2011 or min. 80,000 population</td><td></td></tr>
<tr><td>Family income max. 250% of FPL adjusted for family size</td><td></td></tr>
</table>

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The WDB's, which are non CWBs, budget their respective contract award amount for salary and fringe benefits and program-related expenses such as mileage or supplies.

D. Special Reporting Requirements

Compliance Requirements

WDBs must provide CTDOL with monthly reports on achievement of performance goals, e.g. employees hired and retained for 7 months.

E. Subrecipient Monitoring

Compliance Requirements

WDBs that pass-through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 13

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

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Department of Mental Health and Addiction Services
BOND FUNDS
11000-MHA53000-4XXXX

I. PROGRAM OBJECTIVES

The objective of bonding funds issued by the Department of Mental Health and Addiction Services is to provide grants-in-aid by means of a contract to private nonprofit mental health and addiction services community providers. These bond funds are specifically designated for renovations, repairs, improvements and down payment assistance for DMHAS-funded providers.

II. PROGRAM PROCEDURES

DMHAS grant-funded private nonprofit providers may apply for these funds to make capital improvements to program sites or for down payment assistance to purchase property. They are awarded through a separate grant-in-aid contract. Statutes stipulate that a lien be placed on the property in favor of the state to ensure that the awarded Bond Funds will be repaid in the event that the premise ceases to house a state-funded program. The value of the lien decreases ten percent per year for each full year which elapses since the date of the award.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed are specific in the grantee's bond fund contract.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor submits invoices and payments are made based on a percentage of project completion (25% is paid when 25% of the project is completed, another 25% is paid when 50% is completed and another 25% when 75% is completed). The final invoice is paid when the project is complete and an inspection has been done by the grantor.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
COMPULSIVE GAMBLING SERVICES
11000-MHA53000-35198

I. PROGRAM OBJECTIVES

The Compulsive Gambling Program provides a comprehensive range of treatment services to problem gamblers and their families, including peer counseling, couples and family psycho-education and treatment, individual and group counseling, and psychotherapy. The program also provides education and training seminars for professionals on diagnosis and treatment. Gambling program staff develop and implement a teen gambling prevention program, conduct research on the nature and prevalence of problem gambling, provide public awareness and education workshops, and advocate on behalf of chronic gamblers.

II. PROGRAM PROCEDURES

The state provides funds to private not-for-profit organizations for the establishment of compulsive gambling programs as described above. The Department of Mental Health and Addiction Services (DMHAS) reviews and monitors performance of grantees to ensure compliance with state and federal regulations and conditions of the contract.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include:

- Compulsive gambling treatment services
- Compulsive gambling prevention programs
- Compulsive gambling education programs
- Compulsive gambling information and referral services
- Training for professionals on compulsive gambling diagnosis and treatment

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
DEPARTMENT OF HOUSING
11000-MHA53000-90645

I. PROGRAM OBJECTIVES

The objective of the Department of Housing funds is to provide safe, affordable permanent housing to persons served by the Department of Mental Health and Addiction Services who are experiencing behavioral health disorders and who are at risk of homelessness.

II. PROGRAM PROCEDURES

The state provides funds to private not-for-profit organizations for the provision of safe, affordable permanent housing for the Department's target population.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
DEPARTMENT OF VETERANS' AFFAIRS
PATRIOTS LANDING
11000-MHA53000-35543

I. PROGRAM OBJECTIVES

The objective of the Department of Veterans' Affairs Patriots Landing funding is to provide supportive housing services to service veterans who are homeless or at risk of homelessness.

II. PROGRAM PROCEDURES

The state provides funds to not-for-profit organizations for the provision of supportive housing services to veterans who are homeless or at risk of homelessness. These funds are transferred from the Department of Veterans' Affairs.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
DISCHARGE AND DIVERSION SERVICES
11000-MHA53000-12330

I. PROGRAM OBJECTIVES

This fund shall be used to provide assistance for persons with mental illness who are hospitalized and such persons who are in need of enhanced community-based clinical and non-clinical facilities, related mental health services and support in order to maintain quality community residence.

II. PROGRAM PROCEDURES

The state provides funds to nonprofit organizations for the development and provision of specialized services for the individuals participating in the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
DRUG ASSETS FORFEITURE FUNDS
11000-MHA53000-35148

I. PROGRAM OBJECTIVES

Drug asset forfeiture funds are used for substance abuse treatment and education programs pertaining to the illegal manufacture, sale, distribution or possession of controlled substances.

II. PROGRAM PROCEDURES

The state provides funds to private not-for-profit organizations for the establishment of services to comply with the above objective. The Department of Mental Health and Addiction Services (DMHAS) reviews and monitors performance of grantees to ensure compliance with state and federal regulations and conditions of the contract.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include:

- Residential medical detoxification programs
- Social setting alcohol detoxification programs
- Residential programs
- Long-term care and shelters
- Prevention/intervention programs
- Employee assistance programs
- Community awareness activities
- Day/evening programs
- Outpatient programs
- Methadone programs

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Schedule of Equipment purchased with DMHAS funds must be filed annually.

Suggested Audit Procedures

On a test basis, verify the physical existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Department of Mental Health and Addiction Services
DSS - NURSING HOME CONTRACT
11000-MHA53000-90631

I. PROGRAM OBJECTIVES

The objective of the DSS - Nursing Home Contract is to provide nursing home level of care for individuals referred by the Department of Mental Health and Addiction Services and/or the State of Connecticut Department of Social Services.

II. PROGRAM PROCEDURES

The state provides funds to organizations for nursing home level of care. These funds are transferred from Department of Social Services to pay for non-Medicaid related nursing home expenditures.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
EMPLOYMENT OPPORTUNITIES
11000-MHA53000-16070

I. PROGRAM OBJECTIVES

The Employment Opportunities program assists mentally ill persons to successfully engage in community-based employment through the provision of specialized work-related services such as career development activities, on-the-job support, and job-related support including job clubs.

II. PROGRAM PROCEDURES

The state provides funds to not-for-profit organizations for specialized work-related services and supports.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Clients who are participants of this program and receiving wages from the Department of Mental Health and Addiction Services (DMHAS) must be paid at least the minimum wage.

Suggested Audit Procedures

Review monthly client (program participants) reports and payroll records to test payment of minimum wage. If less than the minimum wage is being paid, determine that the contractor has a Department of Labor certificate on file.

Compliance Requirements

Schedule of Equipment purchased with DMHAS must be filed annually.

Suggested Audit Procedures

On a test basis, verify the physical existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Department of Mental Health and Addiction Services
FORENSIC SERVICES
11000-MHA53000-12601

I. PROGRAM OBJECTIVES

The objective of Forensic Services it to provide community services to individuals, who are afflicted with psychiatric disabilities or co-occurring disorders, within the criminal justice system. These services are offered statewide to identify, diagnose, refer into treatment and monitor defendants with behavioral health treatment needs, thus reducing the need for incarceration and facilitating access to treatment.

II. PROGRAM PROCEDURES

The state provides funds to nonprofit organizations for the development and provision of specialized services for the individuals participating in the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services

GAL CASE MANAGEMENT SERVICES
11000-MHA53000-90638

I. PROGRAM OBJECTIVES

The objective of the GAL Case Management Services is to provide case management services for persons with serious and persistent psychiatric disorders, or co-occurring psychiatric and substance abuse use disorders who are medically indigent.

II. PROGRAM PROCEDURES

The state provides funds to not-for-profit organizations for case management services. These funds are transferred from the Office of the Probate Court Administrator, which has a collaborative agreement with DMHAS to procure these services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
GRANTS FOR SUBSTANCE ABUSE SERVICES
11000-MHA53000-16003

I. PROGRAM OBJECTIVES

The grants to Community Agencies and Municipalities for Alcoholism and Drug Dependency Services program:

(1) Identifies service needs in an alcohol and drug dependency area in the state.

(2) Provides grants to community agencies and municipalities for alcohol and drug dependency under the following categories:

- Treatment and rehabilitation, prevention and intervention
- Long-term care and shelters

II. PROGRAM PROCEDURES

The state contracts with municipalities and not-for-profit organizations for services related to alcohol and drug dependency problem areas and covers services to financially and/or medically indigent persons. The Department of Mental Health and Addiction Services (Addiction Services Bureau) (DMHAS) reviews and monitors performance of grantees to ensure compliance with state and federal regulations and conditions of the contract.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include:

- Residential medical detoxification programs
- Social setting alcohol detoxification programs
- Residential programs
- Long-term care and shelters
- Prevention/intervention programs
- Employee assistance programs
- Community awareness activities
- Day/evening programs
- Outpatient programs
- Methadone programs
- Specialized Care Management Program
- Costs incurred during a prescribed period but claimed in a current period if prior written approval is received from DMHAS

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Schedule of Equipment purchased with DMHAS funds must be filed annually.

Suggested Audit Procedures

On a test basis, verify the existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Department of Mental Health and Addiction Services
HAMDEN-BASED OUTPATIENT MENTAL HEALTH SERVICES
11000-MHA53000-30179

I. PROGRAM OBJECTIVES

The objectives of the Hamden-Based Outpatient Mental Health Services program is to assist in establishing a coordinated system of such community-based mental health services as case management, emergency/crisis, outpatient, partial hospitalization, residential, vocational rehabilitation, psycho-social rehabilitation, case management, and consultation/education. These services are established in order to decrease the prevalence and incidence of mental illness, emotional disturbance, and social dysfunction and to promote mental health.

II. PROGRAM PROCEDURES

The state provides funds to not-for-profit organizations, general hospitals, or municipalities for the establishment, expansion, or maintenance of psychiatric or mental health services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.
(Regulations, Section 17a-476)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Clients participating in this program and receiving wages from the Department of Mental Health and Addiction Services (DMHAS) must be paid at least the minimum wage.

Suggested Audit Procedures

Review monthly client (program participants) reports and payroll records to test payment of minimum wage. If less than the minimum wage is being paid, determine that the contractor has a Department of Labor certificate on file.

Compliance Requirements

Schedule of Equipment purchased with DMHAS funds must be filed annually.

Suggested Audit Procedures

On a test basis, verify the physical existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Department of Mental Health and Addiction Services
HOME AND COMMUNITY BASED SERVICES
11000-MHA53000-12444

I. PROGRAM OBJECTIVES

This funding is available to move clients with psychiatric disabilities from nursing homes and long term care facilities to the community. These funds may provide community services such as case management, respite care and supportive housing.

II. PROGRAM PROCEDURES

The state provides funds to nonprofit organizations for the development and provision of specialized services for the individuals participating in the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
HOUSING SUPPORTS AND SERVICES
11000-MHA53000-12035

I. PROGRAM OBJECTIVES

The objectives of the Corporation for supportive Housing Services program are to assist in providing outreach and case management services to homeless individuals including those with special needs, who are potential participants in the permanent housing initiative.

II. PROGRAM PROCEDURES

The state provides funds to private not-for-profit organizations and general hospitals for the provision of outreach and case management services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Schedule of Equipment purchased with DMHAS funds must be filed annually.

Suggested Audit Procedures

On a test basis, verify the physical existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Department of Mental Health and Addiction Services
JAIL DIVERSION
11000-MHA53000-12278

I. PROGRAM OBJECTIVES

Jail Diversion Programs are provided statewide to all geographical area courts. These programs are provided on site at the courts to identify, diagnose, refer into treatment and monitor defendants with behavioral health treatment needs, thus reducing the need for incarceration and facilitating access to treatment.

II. PROGRAM PROCEDURES

The state provides funds to nonprofit organizations for the development and provision of specialized services for the individuals participating in the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
LEGAL SERVICES
11000-MHA53000-12196

I. PROGRAM OBJECTIVES

The objective of the Legal Services program is to ensure that DMHAS clients and patients have effective access to the system of justice by providing them with independent advocates and attorneys to protect and enforce their rights and entitlements.

II. PROGRAM PROCEDURES

The program services may include providing information and referrals, advice counseling, individual and group representation, and education to patients; attempting to resolve issues and conducting meetings to facilitate communication and promote early resolution of issues affecting client/patient's rights; assisting clients who are encountering legal problems related to obtaining or maintaining stable, safe, affordable housing in the community. The contractor shall not use any funds provided under this program to initiate any legal action against the State of Connecticut.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS. Quarterly reports may also be required to be submitted by the Grantee in the format prescribed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Schedule of Equipment purchased with DMHAS funds must be filed annually.

Suggested Audit Procedures

On a test basis, verify the physical existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Department of Mental Health and Addiction Services
MANAGED CARE/GENERAL ASSISTANCE
11000-MHA53000-12220

I. PROGRAM OBJECTIVES

To assure that persons on General Assistance, who have behavioral health disorders, receive appropriate or cost-effective treatment and support services.

II. PROGRAM PROCEDURES

The department actively manages all psychiatric and substance abuse services to persons on General Assistance. Client eligibility is determined by the department of Social Services. Services are provided by a mix of state-operated programs and private providers credentialed to render the appropriate level of care. In addition to direct treatment services, laboratory, pharmacy and emergency transportation services are also provided. Basic needs (wraparound) services are provided to individuals without financial assistance. A mix of state-operated and private providers ensure that care and case management services are provided, with a focus on frequent service users.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Schedule of Equipment purchased with DMHAS funds must be filed annually.

Suggested Audit Procedures

On a test basis, verify the existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Compliance Requirements

Monthly invoices for services provided are required from the contractor.

Suggested Audit Procedures

Obtain copies of submitted monthly invoices and verify, through client files, that the services were provided to clients.

Department of Mental Health and Addiction Services
MANAGED SERVICE SYSTEM
11000-MHA53000-12157

I. PROGRAM OBJECTIVES

The objectives of the Managed Service System program are to assist in establishing a coordinated system of such community-based mental health services as case management, emergency/crisis, outpatient, partial hospitalization, residential, vocational rehabilitation, psycho-social rehabilitation, case management, and consultation/education. These services are established in order to decrease the prevalence and incidence of mental illness, emotional disturbance, and social dysfunction and to promote mental health.

II. PROGRAM PROCEDURES

The state provides funds to not-for-profit organizations, general hospitals, or municipalities for the establishment, expansion, or maintenance of psychiatric or mental health services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.
(Regulations, Section 17a-476)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Clients participating in this program and receiving wages from the Department of Mental Health and Addiction Services (DMHAS) must be paid at least the minimum wage.

Suggested Audit Procedures

Review monthly client (program participants) reports and payroll records to test payment of minimum wage. If less than the minimum wage is being paid, determine that the contractor has a Department of Labor certificate on file.

Compliance Requirements

Schedule of Equipment purchased with DMHAS funds must be filed annually.

Suggested Audit Procedures

On a test basis, verify the physical existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Department of Mental Health and Addiction Services
MENTAL HEALTH ALTERNATIVE TO INCARCERATION
11000-MHA53000-90425

I. PROGRAM OBJECTIVES

The objective of the Mental Health Alternative to Incarceration Program is to provide community services to the Department of Corrections (DOC) and the Judicial Branch Court Support Services Division clients with psychiatric disabilities. These services may include case management, clinical treatment, and targeted interventions for pre-trial, probation and DOC clients in the community.

II. PROGRAM PROCEDURES

This program is a collaborative state effort between the Department of Correction, the Judicial Branch Court Support Services Division and DMHAS to provide funding to organizations for the development and provision of specialized services for the individuals participating.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
MENTAL HEALTH SERVICE GRANTS
11000-MHA53000-16053

I. PROGRAM OBJECTIVES

The objectives of the Mental Health Service Grants is to assist in establishing a coordinated system of such community-based mental health services as emergency/crisis, outpatient, partial hospitalization, residential, vocational rehabilitation, psycho-social rehabilitation, case management, as well as specialized consumer directed services and consultation/education. These services are established in order to decrease the prevalence and incidence of mental illness, emotional disturbance, and social dysfunction and to promote mental health.

II. PROGRAM PROCEDURES

The state provides funds to private not-for-profit organizations, general hospitals, or municipalities for the establishment, expansion, or maintenance of psychiatric or mental health services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Schedule of Equipment purchased with DMHAS funds must be filed annually.

Suggested Audit Procedures

On a test basis, verify the physical existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Department of Mental Health and Addiction Services
NURSING HOME CONTRACT
11000-MHA53000-12541

I. PROGRAM OBJECTIVES

The objective of the Nursing Home Contract is to provide nursing home level of care for individuals referred by the Department of Mental Health and Addiction Services and/or the State of Connecticut Department of Corrections.

II. PROGRAM PROCEDURES

The state provides funds to private organizations for nursing home level of care.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements

D. Special Reporting Requirements

Compliance Requirements

In accordance with the contract, the grantee shall submit monthly invoices based on costs incurred. If an invoice includes an estimated cost, then the following months invoice must reconcile those estimates to the actual costs. By the final invoice, all estimates should be reconciled to actual costs and a final adjustment will be done.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
PRE-TRIAL DRUG AND ALCOHOL EDUCATION PROGRAM
11000-MHA53000-35166

I. PROGRAM OBJECTIVES

This drug and alcohol education program is available to individuals referred by the Bail Commission. The program identifies those participants who need further treatment beyond this drug education program due to the seriousness of their drug problem

II. PROGRAM PROCEDURES

The contractor agrees to provide services described in the contract. The Department shall monitor the successful completion of the drug education by program participants.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Unless otherwise specified in the contract, an eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee unless otherwise stated in the contract. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Monthly invoices for services provided are required from the contractor.

Suggested Audit Procedures

Obtain copies of submitted monthly invoices and verify, through client files, that the services were provided to clients.

Compliance Requirements

Schedule of Equipment purchased with DMHAS funds must be filed annually.

Suggested Audit Procedures

On a test basis, verify the physical existence of equipment listed on the Schedule of Equipment purchased with DMHAS funds.

Department of Mental Health and Addiction Services
RESIDENTIAL SUBSTANCE ABUSE TREATMENT SERVICES (CSSD BEDS)
11000-MHA53000-90245

I. PROGRAM OBJECTIVES

This program provides intensive residential substance abuse services to individuals referred to DMHAS from the Court Support Services Division (CSSD) of the State of Connecticut Judicial Department. Twenty-four hour per day short term non-medical services for the drug free management of clients involving highly structured and supervised treatment program are provided.

II. PROGRAM PROCEDURES

The state provides funds to nonprofit organizations for the development and provision of specialized services for the individuals participating in the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Funds may be used to provide services approved in the contract.
(2) Disallowed costs include:
- Depreciation or use charges for donated assets.
- Fines and penalties resulting from violations of federal, state, or local law.
- Monetary judgments against the contractor or the cost of out-of-court settlements from any civil lawsuits to which the contractor is a party.
- Contributions to a contingency reserve fund.
- Major medical equipment.
- Capital Expenditures

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.
(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
SUPPORTED PROGRAMS FOR SHARED POPULATIONS
11000-MHA53000-90231

I. PROGRAM OBJECTIVES

The objective of the Supported Programs for Shared Populations is to provide individuals with specialized treatment within a community setting. This may include services related to a behavioral treatment plan tailored to each client.

II. PROGRAM PROCEDURES

The state provides funds to organizations for the development and provision of specialized services for the individuals participating in the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Funds may be used to provide services approved in the contract.
(2) Disallowed costs include:
- Depreciation or use charges for donated assets.
- Fines and penalties resulting from violations of federal, state, or local law.
- Monetary judgments against the contractor or the cost of out-of-court settlements from any civil lawsuits to which the contractor is a party.
- Contributions to a contingency reserve fund.
- Capital Expenditures

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
TRAUMATIC BRAIN INJURY (TBI) COMMUNITY SERVICES
11000-MHA53000-12256

I. PROGRAM OBJECTIVES

The objective of the Traumatic Brain Injury Community Services Program is to provide specialized services for individuals consisting of case management and residential support services which are closely linked to the neuropsychiatric services at CT Valley Hospital and in coordination with the Advanced Brain Injury services of the Department of Social Services.

II. PROGRAM PROCEDURES

The state provides funds to nonprofit organizations for the development and provision of specialized services for the individuals participating in the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used to provide services approved in the contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Mental Health and Addiction Services
YOUNG ADULT SERVICES
11000-MHA53000-12250

I. PROGRAM OBJECTIVES

The objective of the Young Adult Services program is to provide specialized services for young adults transitioning from the Department of Children and Families to the Department of Mental Health and Addiction Services. These services are targeted to individuals with a diagnosis of pervasive developmental disorder with high-risk behaviors and/or for major mental illnesses with psychosexual behavior problems. These services are available only to clients who participate on a voluntary basis. Services include, but are not limited to residential care, outpatient services, and specialized consultative services.

II. PROGRAM PROCEDURES

The state provides funds to nonprofit or for profit organizations for the development and provision of specialized services for the individuals participating in the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Funds may be used to provide services approved in the contract.
(2) Disallowed costs include:

- Depreciation or use charges for donated assets.
- Fines and penalties resulting from violations of federal, state, or local law.
- Monetary judgments against the contractor or the cost of out-of-court settlements from any civil lawsuits to which the contractor is a party.
- Contributions to a contingency reserve fund.
- Major medical equipment.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.
(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

An eight month interim fiscal report and a twelve month Annual Financial Report are required to be submitted by the Grantee. This information must be posted in the form(s) developed by DMHAS.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 14

INDIVIDUAL PROGRAMS OF THE OFFICE OF POLICY AND MANAGEMENT

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Note: Auditees should only be reporting on the Schedule of Expenditures of State Financial Assistance those expenditures incurred in the reporting period regardless of when paid by the auditee and reimbursed by OPM.

Office of Policy and Management
BODY WORN RECORDING EQUIPMENT REIMBURSEMENT PROGRAM
12052-OPM20350-43676

I. PROGRAM OBJECTIVES

In accordance with PA 15.4, The Office of Policy and Management shall provide grants in aid to reimburse municipalities and special police forces for the costs associated with the purchase of body worn recording equipment for use by the sworn members of such departments and up to one year of digital data storage provided that $2 million shall be for state police and $10 million for local law enforcement agencies.

The passage of PA 17-225 adds additional authorized items, expands eligibility to resident state trooper towns, extends the timeline and provides clarity on points that were previously unclear. The passage of PA 18-107 adds in the 100% reimbursement for data storage services for FY 18 that was left out in PA 17-225 and extends the reimbursement for dashboard cameras not just for first time purchases, but for replacing those purchased prior to December 31, 2010.

II. PROGRAM PROCEDURES

This is a reimbursement grant program. Therefore, municipal and special police departments must first purchased the body worn recording equipment with municipal funds and then request reimbursement from The Office of Policy and Management, Criminal Justice Policy and Planning Division by submitting a complete application package consisting of the 4 page application, Authorized signature form, Certification of Compliance and copies of all invoices and cancelled checks. Once approved, request for allotment of funds is sent the Bond Commission.

Funding earmarked for state police was disbursed to the Department of Emergency Services and Public Protection.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services and costs allowed are those as shown in the approved grant proposal.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee must annually submit FORM OPM-DE-2017 to OPM within 90 days of the grantee's fiscal year end. Amounts reported on the Form should agree with the grantee's accounting records and the Schedule of State Financial Assistance included in the State Single Audit Report submission for the fiscal year under audit.

NOTE: Further information such as supporting document (e.g., copies of invoices, cancelled checks, contracts, etc.) for the expenditures charged may be requested from grantee, as needed.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Policy and Management
COUNCIL OF GOVERNMENTS
11000-OPM20600-12594

I. PROGRAM OBJECTIVES

The nine (9) Regional Councils of Governments receive annual grant-in-aid known as Regional Services Grants. Grants funds shall be used for general planning purposes and to achieve efficiencies in the delivery of municipal services.

II. PROGRAM PROCEDURES

OPM annually determines a formula by which to distribute appropriated funds as Regional Services Grants and notifies the Regional Councils of Governments of such. Each Council must submit an annual spending plan to OPM for review on or before July 1st. Upon OPM approval of each spending plan, a grant award is executed with each Council for its share of the total appropriation.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Types of services that Regional Councils of Governments are authorized to provide to their member municipalities under CGS Section 8-31(b) include:

(1) Engineering;
(2) inspectional and planning;
(3) economic development;
(4) public safety;
(5) emergency management;
(6) animal control;
(7) land use management;
(8) tourism promotion;
(9) social;
(10) health;
(11) education;
(12) data management;
(13) regional sewerage;
(14) housing;
(15) computerized mapping;
(16) household hazardous waste collection;
(17) recycling;
(18) public facility siting;
(19) coordination of master planning;

(20) vocational training and development;
(21) solid waste disposal;
(22) fire protection;
(23) regional resource protection;
(24) regional impact studies; and
(25) transportation.

Allowable costs for general planning purposes shall be interpreted in the broadest sense, relative to the approved spending plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee must annually submit FORM OPM-DE-2017 to OPM within 90 days of the grantee's fiscal year end. Amounts reported on the Form should agree with the grantee's accounting records and the Schedule of State Financial Assistance included in the State Single Audit Report submission for the fiscal year under audit.

NOTE: Further information such as supporting document (e.g., copies of invoices, cancelled checks, contracts, etc.) for the expenditures charged may be requested from grantee, as needed.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Policy and Management
LOCAL CAPITAL IMPROVEMENT PROGRAM
12050-OPM20600-40254

I. PROGRAM OBJECTIVES

Pursuant to C.G.S. Chapter 116b, the Local Capital Improvement Program (LoCIP) issues annual entitlement grants to municipalities for expenses related to eligible capital improvement projects. LoCIP funds are distributed on a reimbursement basis.
(Chapter 116b, CGS) (LoCIP Webpage w/link to Guidelines)

II. PROGRAM PROCEDURES

Providing bond authorization and allocation of program funding is approved, each municipality will receive an annual funding entitlement from the state.

After the entitlement is announced, a municipality must make a separate application and certification for each project authorization and for each subsequent reimbursement request on forms prescribed by the Office of Policy and Management ("OPM").

Eligible projects must be in accordance with a five-year local capital improvement plan which should be adopted annually with the local budget. Municipalities must certify that project funds have been expended prior to requesting reimbursement, and that capital expenditures to be reimbursed are directly related to the scope of work associated with the approved project and must comport with allowable expenditures outlined in the LoCIP Guidelines. These certifications are made on the Reimbursement Request form submitted by the grantee to OPM.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds must be used for allowable costs related to the approved project described and categorized on the OPM LoCIP Project Authorization Request Form. Examples of allowable and unallowable costs can be found in the LoCIP Guidelines, available on the LoCIP website.

Restrictions on the use of LoCIP funds associated with school buildings and/or school properties can also be found in the LoCIP Guidelines, available on the LoCIP website.

Note: As it is common for a LoCIP project to span over more than one fiscal year, expenditures related to this grant should be reported on the Schedule of Expenditures of State Financial Assistance in the fiscal year in which they were incurred (i.e., the fiscal year when the goods and/or services were received regardless of when paid by the grantee and reimbursed by OPM).

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Funds may not be used to match other State grants except for the Local Bridge Program.

LoCIP funds may be used as a match for Federal funds.

D. Special Reporting Requirements

Compliance Requirements

Grantees are required to submit requests for reimbursement using a prescribed Grant Reimbursement Request form.

The grantee must annually submit FORM OPM-DE-2017 to OPM within 90 days of the grantee's fiscal year end. Amounts reported on the Form should agree with the grantee's accounting records and the Schedule of State Financial Assistance included in the State Single Audit Report submission for the fiscal year under audit.

NOTE: Further information such as supporting document (e.g., copies of invoices, cancelled checks, contracts, etc.) for the expenditures charged may be requested from grantee, as needed.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

Municipalities are required to maintain a detailed accounting record of their grant projects.

Suggested Audit Procedures

Determine that municipalities maintain such accounting records and those records agree with documentation submitted for the grant. Determine that grantees have received goods and/or services and paid for such goods and/or services prior to submitting a request for reimbursement.

Office of Policy and Management
MUNICIPAL GRANTS-IN-AID
12052-OPM20600-43587

I. PROGRAM OBJECTIVES

To provide a state grant to municipalities, borough, and fire districts a grant-in-aid as set forth in Public Act 17-2 June Special Session, Section432.

II. PROGRAM PROCEDURES

The Municipal Grants-in-Aid provides grants to municipalities to be used for the construction, reconstruction, improvement or maintenance of highways, roads and bridges as set forth in Connecticut General Statutes §13a-175a.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The grants must be used in accordance with the purposes set forth in CGS §13a-175a. The municipalities who received a waiver request must use the grant for the projects listed in the waiver approval letter.

A waiver request must be sent to the Secretary of the Office of Policy and Management stating the purpose for which the grant will be used. Although a municipality may not wish to use the funds for "town road" projects, the grant must be used for capital projects. The Secretary may either grant or deny the request.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, level-of-effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

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Office of Policy and Management
NONPROFIT GRANT PROGRAM (NGP)
12052-OPM20830-43574

I. PROGRAM OBJECTIVES

In accordance with Section 13(a) of Public Act 16-4, June Special Session the grant is to improve the efficiency, effectiveness, safety and/or accessibility of health and human services being delivered by nonprofit organizations that are exempt under IRS Section 501c(3).

II. PROGRAM PROCEDURES

The NGP is to be funded by proceeds from State General Obligation Bonds. The use of such funds for this program is subject to review and approval of the State Bond Commission in accordance with Section 3-20 of the Connecticut General Statutes. The State Bond Commission is authorized to issue up to $30,000,000 in funding to support eligible projects. The NGP is for capital projects or items that achieve or address at least one of the two following priorities:

1) Improving or enhancing the efficiency or effectiveness of health and human services delivered by health and human services organizations

2) Addressing documented need for health, safety and ADA improvements for which other funding sources are not readily available

Projects eligible for NGP funds include:

1) Facility alterations, renovations, improvement, additions, new construction
2) Property Acquisition;
3) Improvements related to health, safety (including installation of sprinklers and security systems) and compliance with Americans with Disabilities Act;
4) Energy conservation improvement projects, including HVAC and other systems;
5) Information technology projects, including encryption or client confidentiality systems;
6) Technology that promotes client independence;
7) Generators;
8) Acquisition and upgrades to electronic health or medical records and other health information technology systems; and
9) Purchase of vehicles

The Office of Policy and Management shall execute a Notice of Grant Award for approved projects. Each grantee shall submit a Grant Award Project Summary Form with the Notice of Grant Award.

After the Notice of Grant Award is executed, grantees shall be reimbursed for expenditures upon submission of a Grant Reimbursement Request form.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds must be used in accordance with approved project.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

A nonprofit organization receiving an award under this grant program in excess of $1 million is required to contribute matching funds equal to a minimum of 25% of the amount of the award. The matching funds contributed by the grantee to satisfy this requirement cannot be non-cash in-kind contributions or funds received from or paid for by other departments or agencies of the State of Connecticut. Federal Funds may be used as matching funds.

D. Special Reporting Requirements

Compliance Requirements

Grantees are required to submit requests for reimbursement using a prescribed Grant Reimbursement Request form.

The grantee must annually submit FORM OPM-DE-2017 to OPM within 90 days of the grantee's fiscal year end. Amounts reported on the Form should agree with the grantee's accounting records and the Schedule of State Financial Assistance included in the State Single Audit Report submission for the fiscal year under audit.

NOTE: Further information such as supporting document (e.g., copies of invoices, cancelled checks, contracts, etc.) for the expenditures charged may be requested from grantee, as needed.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

Grantees are required to maintain a detailed accounting record of their grant projects.

Suggested Audit Procedures

Determine that grantees maintain such accounting records and those records agree with documentation submitted for the grant. Determine that grantees have received goods and/or services and paid for such goods and/or services prior to submitting a request for reimbursement.

Office of Policy and Management
PAYMENT IN LIEU OF TAXES (PILOT) ON EXEMPT PROPERTY OF MANUFACTURING FACILITIES IN DISTRESSED MUNICIPALITIES
12052-OPM20600-43740

I. PROGRAM OBJECTIVES

To provide for the reimbursement to municipalities, by the state, of a sum of money equal to 40 percent of the property taxes on property in designated manufacturing facilities for a five year period. The owner of the property pays taxes equal to 20 percent of the total taxes due, and the remaining difference is a municipal tax loss.

The reimbursement for exemptions under subdivision (70) of Section 12-81 is equal to 25 percent of the property tax on machinery and equipment acquired as part of a technological upgrade of a manufacturing process. The owner of the property pays 50 percent of the total taxes due and the remaining difference is a municipal tax loss.

The designation of municipalities as distressed and the designation of eligible manufacturing facilities are made by the Department of Economic and Community Development ("DECD").
(Sections 12-81(59), (60) and (70), and 32-9p through s, CGS)

II. PROGRAM PROCEDURES

The Municipal Assessor files claim with the Office of Policy and Management ("OPM") based on the assessed valuation of all real and personal property for the designated facilities.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The auditor is not expected to test for allowability.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There is no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

(1) The municipality shall submit a claim on Form M-46 by August 1 of each year, along with supporting Forms M-46A, M-46B, M-46C-1, M-46C-2, M-46C-3, and M-55.

Forms UT-4 and UT-10 are issued by the Department of Economic and Community Development and copies of these forms are filed with OPM and with the Assessor of the municipality in which the certified facility is located.

(2) The Tax Collector shall submit a completed copy of Form M-1 by July 1 of each year. Form M-1 shall include the mill rate and the total tax levied on real property.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

There are no special tests or provisions for the auditor to perform.

Office of Policy and Management
PAYMENT IN LIEU OF TAXES (PILOT) ON PRIVATE COLLEGES AND GENERAL/CHRONIC DISEASE HOSPITALS
11000-OPM20600-17006

I. PROGRAM OBJECTIVES

Pursuant to Section 591 of Public Act 17-2 June Special Session, to provide a state payment in lieu of taxes to municipalities on any private nonprofit institution of higher education or general/chronic disease hospital facility which would have been paid to the municipalities had these properties not been tax-exempt. The payment amount is determined by the legislatively mandated list in the public act.

(Sections 12-20a and b, CGS)

II. PROGRAM PROCEDURES

The Municipal Assessor files claims with the Office of Policy and Management ("OPM") based on the assessed values of all real property for private colleges and general/chronic disease hospitals.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The auditor is not expected to test for allowability.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

(1) The Assessor shall submit M-37 C&H data by April 1 of each year through the OPM Portal.

(2) The Tax Collector shall submit to OPM Form M-1 by July 1 of each year. Form M-1 shall include the mill rate and the total tax levied on real property.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

M-37 C&H reporting includes detail reporting of eligible facilities and property.

Suggested Audit Procedures

Test itemized assessments on M-37 C&H reporting to assure that the assessment matches the amount on the Grand List.

Office of Policy and Management
PAYMENT IN LIEU OF TAXES (PILOT) ON STATE-OWNED PROPERTY
11000-OPM20600-17004

I. PROGRAM OBJECTIVES

Pursuant to Section 592 of Public Act 17-2 June Special Sessions to provide for the state payment to municipalities and boroughs a state payment in lieu of taxes on state-owned properties which would have been paid to the municipalities by the state had these properties not been tax-exempt The payment amount is determined by the legislatively mandated list in the public act.

(Sections 12-19a and b; and Section 12-19c, CGS, provide for certification of grant amounts to the comptroller and payment to municipalities)

II. PROGRAM PROCEDURES

The Municipal Assessor files claims with the Office of Policy and Management ("OPM") based on the assessed valuation of all state-owned real property.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The auditor is not expected to test for allowability.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

(1) The Assessor shall submit M-37 data by April 1 of each year through the OPM Portal.
(2) The Tax Collector shall submit a completed copy of Form M-1 by July 1 of each year. Form M-1 shall include the mill rate and the total tax levied on real property.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

Form M-37 includes detail reporting of eligible facilities and property.

Suggested Audit Procedure

Test itemized assessments on M-37 reporting to assure that the assessment matches the amount on the Grand List.

Office of Policy and Management
PROJECT LONGEVITY GRANT PROGRAM
11000-OPM20350-17098

I. PROGRAM OBJECTIVES

The Project Longevity grants are provided to municipalities, non-profit organizations, private colleges and universities and state agencies to develop and expand initiatives focused on deterring and reducing gun related violence.

II. PROGRAM PROCEDURES

The state provides grants to organizations and agencies serving the three cities with the highest rates of gun violence. Eligible applicants are identified and selected by an Advisory Committee comprised of the U.S. Attorney's Office, state agencies, local agencies and private universities. Eligible projects must implement practices consistent with the national evidence-based models.. Funds may be used for research, assessment and data analysis; project coordination and management, direct client services, training, technical expertise and consultation, services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant proposal.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grant recipient is required to submit the following reports:

- quarterly progress report
- quarterly financial expenditure report

The grantee must annually submit FORM OPM-DE-2017 to OPM within 90 days of the grantee's fiscal year end. Amounts reported on the Form should agree with the grantee's accounting records and the Schedule of State Financial Assistance included in the State Single Audit Report submission for the fiscal year under audit.

NOTE: Further information such as supporting document (e.g., copies of invoices, cancelled checks, contracts, etc.) for the expenditures charged may be requested from grantee, as needed.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Policy and Management
PROPERTY TAX RELIEF FOR ELDERLY HOMEOWNERS - FREEZE PROGRAM
11000-OPM20600-17021

I. PROGRAM OBJECTIVES

To relieve the tax burden of needy elderly homeowners.
(Section 12-129b, CGS)

II. PROGRAM PROCEDURES

The Municipal Tax Collector files a claim with the Office of Policy and Management ("OPM") for state reimbursement to municipalities of the loss of revenues resulting from freezing elderly homeowners' tax liabilities.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The auditor is not expected to test for allowability.

B. Eligibility

Compliance Requirements

Claims submitted by a municipality must be for applicants who meet the following criteria:

(1) 65 years or older; or 50 years or older if the surviving spouse of a formerly qualified recipient
(2) Occupy the dwelling for which taxes are relieved.
(3) Have adjusted gross income of not more than $6,000 annually.
(4) Submit applications every two years.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The municipality shall submit a claim to OPM on Form M-36 by January 1 of each year. This form identifies the individuals receiving the credit and the amount of the credit, up to a maximum of $2,000.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Policy and Management
PROPERTY TAX RELIEF FOR VETERANS
11000-OPM20600-17024

I. PROGRAM OBJECTIVES

The Property Tax Relief for Additional Veterans program relieves the tax burden for eligible veterans who are residents of the state.
(Section 12-81g, CGS) and (Regulations, Sections 12-81g-1 through 5)

II. PROGRAM PROCEDURES

The Municipal Assessor files a claim with the Office of Policy and Management ("OPM") for state reimbursement of tax losses incurred resulting from abating taxes on eligible veteran residents.

The amount payable to each municipality shall be reduced proportionally in the event that the total amount payable to all municipalities exceeds the amount appropriated.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The auditor is not expected to test for allowability.

B. Eligibility

Compliance Requirements

Claims submitted by municipalities must be for applicants who are qualified:

(1) As a veteran of the U.S. armed forces who served during times of authorized conflict. (Section 12-81(19) through (26) and 27-103, CGS). Veteran service is documented by Form DD 214.

(2) As a veteran who is eligible for increased benefits:

- Qualifying income as defined on Form M-59 must be less than $ 42, 900 if married, or $ 35, 200 if single for exemptions on the 2017 Grand List. Veteran's Disability pension is not included in qualifying income.

- If 100 percent disability rating from Veteran's Administration as of October 1, 1995, then qualifying income must be no more than $21,000 if married, or $18,000 if single (adjusted gross income only).

- Applicant must reapply every two years for additional benefits, but not for basic benefits.

(Sections 12-81g) and (Regulations, Section 12-81g, 1 through 5)

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The municipality shall submit a claim to OPM on Form M-59 by August 1 of each year. (Regulations, Sections12-81g-1through 5)

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Policy and Management
PROPERTY TAX RELIEF ON PROPERTY OF TOTALLY DISABLED PERSONS
11000-OPM20600-17011

I. PROGRAM OBJECTIVES

To relieve the tax burden of totally disabled persons by reducing the assessment of such person's property by the amount of $1,000.
(Section 12-81(55), CGS)

II. PROGRAM PROCEDURES

The state reimburses municipalities for losses of revenue resulting from property tax exemptions granted to eligible totally disabled persons. An approved application is valid for as long as a person owns property within a municipality. The exemption of up to $1,000 can be applied to an eligible person's real estate or motor vehicle.

The amount payable to each municipality shall be reduced proportionally in the event that the total amount payable to all municipalities exceeds the amount appropriated.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The auditor is not expected to test for allowability.

B. Eligibility

Compliance Requirements

Claims submitted by municipalities must be for applicants who meet the following criteria:

1) Are eligible to receive permanent total disability benefits under Social Security, or
2) Has not been engaged in employment covered by Social Security but has become qualified for permanent total disability under any federal, state or local government retirement or disability plan, or
3) Has attained age 65 or over and would be eligible to receive disability benefits under Social Security or any federal, state or local government retirement or disability plan.
4) Submit Form D-1 to Assessor only in initial year of eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The municipality shall submit a claim to OPM on Form M-42B by July 1 of each year. The report identifies individuals receiving the exemption, the amount of the exemption and the amount of revenue loss.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Office of Policy and Management
REGIONAL PERFORMANCE INCENTIVE PROGRAM
12060-OPM20600-35457

I. PROGRAM OBJECTIVES

Regional Performance Incentive Program grants are provided to Regional Councils of Governments, any two or more municipalities, any economic development district (EDD), any regional educational service center (RESC), or combinations thereof, as an incentive to develop regional programs which provide measurable savings as well as valuable services through cooperative efforts and/or bulk purchasing.

II. PROGRAM PROCEDURES

The state provides a grant to eligible applicants that submitted proposals, which were selected for funding, for: (1) the joint provision of a service or services currently provided by municipalities, but not currently provided on a regional basis, or (2) the preparation of a planning study for delivery of an existing or new service on a regional basis.

(Section 4-124s, CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant proposal.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

For grants executed prior to 2017:

The grantee is required to submit the following reports:

- quarterly progress report
- quarterly detail expenditure report
- cumulative expenditure report (quarterly and final report)

For grants executed beginning in 2017:

- The grantee is required to submit quarterly written progress reports on a form and/or in a format prescribed by OPM
- The grantee is required to submit requests for reimbursement using a grant Reimbursement Request form prescribed by OPM.
- The grantee must annually submit FORM OPM-DE-2017 to OPM within 90 days of the grantee's fiscal year end. Amounts reported on the Form should agree with the grantee's accounting records and the Schedule of State Financial Assistance included in the State Single Audit Report submission for the fiscal year under audit.

NOTE: Further information such as supporting document (e.g., copies of invoices, cancelled checks, contracts, etc.) for the expenditures charged may be requested from grantee, as needed.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

Grantees are required to maintain a detailed accounting record of their grant projects.

Suggested Audit Procedures

Determine that grantees maintain such accounting records and those records agree with documentation submitted for the grant.

Determine that grantees have expended funds prior to submitting a request for reimbursement and that such expenditures were for goods and or services purchased or provided during the grant contract period.

Office of Policy and Management
RESPONSIBLE GROWTH AND TRANSIT-ORIENTED DEVELOPMENT (TOD) AND PRE-DEVELOPMENT ACTIVITIES GRANT PROGRAM
TOD PLANNING GRANT: 17151-OPM20600-43550
RESPONSIBLE GROWTH AND TOD GRANT
Responsible Growth: 12052-OPM20870-43130
Transit-Oriented Development: 17161-OPM20870-43550
Transit-Oriented Development: 17171-OPM20870-43550

I. PROGRAM OBJECTIVES

To provide funding for municipal or regional projects that promote responsible growth and/or transit-oriented development (TOD) and pre-development activities. Funding for this program is provided by bond funds authorized under Section 2(d) of Public Act 14-98, Sections 13(a)(2),32(a)(2) and 2(d)(3) of Public Act 15-1 (June Special Session), -and Section 2(a)(1) of Public Act 16-4 (May Special Session)

II. PROGRAM PROCEDURES

Municipalities and regional councils of government are requested to submit applications for planning, construction, and/or pre-development activities that demonstrate (1) responsible growth through their consistency with the Conservation & Development Policies: The Plan for Connecticut 2013-2018, or (2) transit-oriented development (TOD), as defined in Section 13b-79o of the Connecticut General Statutes.

Grant awards ranging from $10,000 to $2,000,000 are provided to municipalities and regional councils of governments based upon their proposals submitted and other conditions associated with OPM's Requests for Applications.

Among the activities eligible for funding under past Requests for Applications include:

(1) Completion of a TOD plan or station area plan of development;
(2) Development or adoption of a TOD overlay zone;
(3) Preparation of a development strategy and selection of a preferred development approach;
(4) Market analysis to determine the economic viability of a project;
(5) Financial assessment and planning related to implementation of a TOD plan or evaluation of parking requirements;
(6) Projects that are consistent with locally-approved plans for TOD improvements;
(7) Projects for infill development, reuse or rehabilitation of existing facilities, particularly in TOD and transit-supportive neighborhoods, along main streets and in village centers;
(8) Projects that enhance a network of pedestrian and bicycle improvements, which improve accessibility to local activity centers, and/or the regional public transportation network;
(9) Projects that promote community resiliency in response to extreme weather events, and that are supportive of responsible growth and/or TOD;

(10) Projects to improve or revitalize municipal infrastructure, with the intention of supporting the creation of higher density residential and/or mixed use development, where practical and consistent with local or historic character;
(11) Projects that reinforce and promote Connecticut's Heritage Areas, as defined in Section 23-81 of the Connecticut General Statutes;
(12) Projects that create workforce housing in designated Incentive Housing Zones;
(13) Projects that promote agriculture and supportive industries;
(14) Projects identified in a regional economic development district's comprehensive economic development strategy (CEDS);
(15) Other practical or innovative proposals designed to promote the outcomes of any of the six Growth Management Principles that form the basis for *Conservation & Development Policies: The Plan for Connecticut 2013-2018*.
(16) Other activities as deemed appropriate.

The Office of Policy and Management shall execute a Notice of Grant Award for approved projects. After the Notice of Grant Award is executed, grantees shall be reimbursed for expenditures upon submission of a Grant Reimbursement Request form.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those as shown in the approved grant proposal.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Grantee match requirements may exist. The requirements vary by contract. Review the contract for specific requirements.

D. Special Reporting Requirements

Compliance Requirements

Grantees are required to submit requests for reimbursement using a prescribed Grant Reimbursement Request form.

The grantee must annually submit FORM OPM-DE-2017 to OPM within 90 days of the grantee's fiscal year end. Amounts reported on the Form should agree with the grantee's accounting records and the Schedule of State Financial Assistance included in the State Single Audit Report submission for the fiscal year under audit.

NOTE: Further information such as supporting document (e.g., copies of invoices, cancelled checks, contracts, etc.) for the expenditures charged may be requested from grantee, as needed.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Grantees are required to maintain a detailed accounting record of their grant projects.

Suggested Audit Procedures

Determine that grantees maintain such accounting records and those records agree with documentation submitted for the grant. Determine that grantees have expended funds prior to submitting a request for reimbursement.

Office of Policy and Management
SMALL TOWN ECONOMIC ASSISTANCE PROGRAM (STEAP)
12052-OPM20870-40530

I. PROGRAM OBJECTIVES

In accordance with C.G.S. Section 4-66g, to fund economic development, community conservation and quality of life projects for localities that are ineligible to receive Urban Action (C.G.S. Section 4-66c) bonds.

II. PROGRAM PROCEDURES

STEAP funds are issued by the State Bond Commission and can only be used for capital projects. Programmatic expenditures or recurring budget expenditures are not eligible for STEAP or any other state bond program. However, some projects while generally capital in nature, should not be funded with State bond money for various public policy reasons. Examples of these are 1) Administrative improvements; and 2) communications systems, such as police radios. Projects eligible for STEAP funds include:

1) economic development projects such as (a) constructing or rehabilitating commercial, industrial, or mixed-use structures and (b) constructing, reconstructing, or repairing roads access ways, and other site improvements;

2) recreation and solid waste disposal projects;

3) social service-related projects, including day care centers, elderly centers, domestic violence and emergency homeless shelters, multipurpose human resource centers, and food distribution facilities;

4) housing projects;

5) pilot historic preservation and redevelopment programs that leverage private funds; and

6) other kinds of development projects involving economic and community development, transportation, environmental protection, public safety, children and families and social service programs.

Localities may receive up to $500,000 per year if (1) they are not designated as a distressed municipality or a public investment community, and (2) the State Plan of Conservation Development does not show them as having a regional center.

Public Act 05-194 allows an Urban Act Town that is not designated as a regional center under the State Plan of Conservation and Development to opt out of the Urban Action program and become a STEAP town for a period of four years. In order to make this change, the Office of Policy and Management must receive a letter requesting the change from Urban Act to STEAP as well as proof that the legislative body has approved such a change. Minutes from the legislative session as well as a resolution are acceptable methods of verification of the approval.

The Office of Policy and Management shall execute a Notice of Grant Award for approved projects. Each grantee shall submit a Grant Award Project Summary Form with the Notice of Grant Award.

After the Notice of Grant Award is executed, grantees shall be reimbursed for expenditures upon submission of a Grant Reimbursement Request form.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds must be used in accordance with approved project.

Note: As it is common for a STEAP project to span over more than one fiscal year, expenditures related to this grant should be reported on the Schedule of Expenditures of State Financial Assistance in the fiscal year in which they were incurred (i.e., the fiscal year when the goods and/or services were received regardless of when paid by the grantee and reimbursed by OPM).

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There is no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Grantees are required to submit requests for reimbursement using a prescribed Grant Reimbursement Request form.

The grantee must annually submit FORM OPM-DE-2017 to OPM within 90 days of the grantee's fiscal year end. Amounts reported on the Form should agree with the grantee's accounting records and the Schedule of State Financial Assistance included in the State Single Audit Report submission for the fiscal year under audit.

NOTE: Further information such as supporting document (e.g., copies of invoices, cancelled checks, contracts, etc.) for the expenditures charged may be requested from grantee, as needed.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.

3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Grantees are required to maintain a detailed accounting record of their grant projects.

Suggested Audit Procedures

Determine that grantees maintain such accounting records and those records agree with documentation submitted for the grant. Determine that grantees have expended funds prior to submitting a request for reimbursement and that such expenditures were for goods and or services purchased or provided during the grant contract period.

Office of Policy and Management
URBAN ACT GRANTS
13019-OPM20870-40002
13019-OPM20350-40002
12052-OPM20870-43472

I. PROGRAM OBJECTIVES

To provide funding to certain municipalities and/or non-profit organizations for the purpose of redirecting, improving and expanding state activities which promote community conservation and development and improve the quality of life for urban residents of the state. Funding is provided through general obligation bonds pursuant to C.G.S. §4-66c.

II. PROGRAM PROCEDURES

Grants funds are authorized by the State Bond Commission upon a filing of a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission in its discretion may require.

Grant award amounts vary and are determined by the State Bond Commission.

Before a Notice of Grant Award is fully executed, the grantee must submit certain required documents.

The required documents vary depending on the type of grantee and type of project.

At minimum, each grantee shall provide:

- A project scope
- Estimated budget

Upon approval of any required documents submitted by the grantee, the grantee is required to sign a Notice of Grant Award, to which OPM's General Grant Conditions are applicable. In certain cases, OPM Special Grant Conditions may be applicable.

After the Notice of Grant Award is fully executed, grantees shall be eligible for reimbursement after allowable grant-related expenditures are incurred and paid for, and the grantee submits a request for reimbursement on the prescribed form.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds must be used in accordance with the approved project.

B. Eligibility

The Auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

The Auditor is not expected to test for matching, level-of-effort and/or earmarking.

D. Special Reporting Requirements

Compliance Requirements

Grantees are required to submit requests for reimbursement using a prescribed Grant Reimbursement Request form.

The grantee must annually submit FORM OPM-DE-2017 to OPM within 90 days of the grantee's fiscal year end. Amounts reported on the Form should agree with the grantee's accounting records and the Schedule of State Financial Assistance included in the State Single Audit Report submission for the fiscal year under audit.

NOTE: Further information such as supporting document (e.g., copies of invoices, cancelled checks, contracts, etc.) for the expenditures charged may be requested from grantee, as needed.

E. Sub-recipient Monitoring

The auditor is not expected to test for sub-recipient monitoring.

F. Special Tests and Provisions

Compliance Requirements

Grantees are required to maintain a detailed accounting record of their grant projects.

Suggested Audit Procedures

Determine that grantees maintain such accounting records and those records agree with documentation submitted for the grant. Determine that grantees have expended funds prior to submitting a request for reimbursement.

SECTION 15

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF PUBLIC HEALTH

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Department of Public Health
CANCER INTEGRATED HEALTH SCREENING AND TREATMENT
12004-DPH48500–12255
12060-DPH48500-35147

I. PROGRAM OBJECTIVES

The objective of the Breast and Cervical Cancer Detection and Treatment Program is to provide comprehensive breast and cervical cancer screening, diagnostic, treatment referral, and patient navigation services.
(Sections 19a-2a, 4-8 and 19a-32, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations and hospitals to provide comprehensive breast and cervical cancer screening, diagnostic, treatment referral, and patient navigation services to eligible individuals.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Allowed services are listed in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed. (Sections 19a-2a, 4-8 and 19a-32, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
CHILDREN AND YOUTH WITH SPECIAL HEALTH CARE NEEDS
12004–DPH48500-12126

I. PROGRAM OBJECTIVES

The objective of the Children with Special Health Care Needs (CSHCN) program is to improve community-based services for children and youth with special health care needs (CYSHCN) and their families by facilitating connections among families, agencies and medical homes that are accessible, compassionate, comprehensive, continuous, coordinated, culturally competent and family-centered, and to promote sustainability of the medical home initiative in Connecticut.
(Section 19a-2a, 4-8, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations, hospitals, and individuals who provide care coordination activities to assure access to specialized medical diagnostic treatment services and community-based resources for children with special health care needs.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Allowed services are listed in the approved contract.
(2) Disallowed services include: the purchase or improvement of land, the purchase, construction or permanent improvement of any building or facility, or the purchase of major medical equipment.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.
(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Section 19a-2a, 53, 54 CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
CHILDREN'S HEALTH INITIATIVES
12004–DPH48500–12126

I. PROGRAM OBJECTIVES

The objective of the Children's Health Initiatives Program is to improve the health of Connecticut's children through grants directed at children's health needs. Programs include, Asthma, Child Sexual Abuse Clinics, Case Management for Pregnant Women and Lead Poisoning Prevention and Treatment.

II. PROGRAM PROCEDURES

The state contracts with municipalities, not-for-profit organizations, and medical facilities to provide Children's Health Initiative services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Allowed services are listed in the approved contract.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Sections 4-8, 19a-2a, 19a-32, 19a-121, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
COMMUNITY HEALTH SERVICES PROGRAM
11000–DPH48500-16060

I. PROGRAM OBJECTIVES

The objective of the Community Health Services Program is to provide comprehensive health care for the poor, underserved, vulnerable populations at risk for poor health status, through a range of preventive, primary care and disease management services.

II. PROGRAM PROCEDURES

The State contracts with not-for-profit organizations to provide Community Health Services Program services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Allowed services are listed in the approved contract.
(2) Disallowed services include: the purchase or improvement of land, the purchase, construction, permanent improvement of any building or facility, or the purchase of major medical equipment.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Section 19a-2a, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
CONNECTICUT VACCINE PROGRAM
11000-DPH48500–12563

I. PROGRAM OBJECTIVES

The objective of the Connecticut Vaccine Program (CVP), Connecticut's expanded pediatric vaccination program, is to provide vaccines at no cost to children under the age of 19 years. The CVP was developed in response to the enactment of Public Act 12–1, which requires healthcare providers who administer pediatric vaccines to obtain the vaccines through the Department of Public Health in most cases. The CVP was expanded to include three additional vaccines - pneumococcal conjugate, influenza, and hepatitis A - covering fourteen of the sixteen vaccines currently recommended by the Centers for Disease Control and Prevention (CDC).

II. PROGRAM PROCEDURES

The state enrolls health care providers that administer vaccines to children using a Provider Agreement, which specifies the provisions and conditions for participation in the CVP. The state buys vaccines at the lowest possible price through a government contract negotiated between CDC and the vaccine manufacturers, and provides the vaccines at no cost to clinics, private doctors, and other health care providers.

Health care providers submit orders to the Department of Public Health and vaccines are shipped directly to the provider site. Using these vaccines, the health care providers vaccinate children without charging for the cost of the vaccine. Health care providers may, however, charge an administration fee. Information about the program is available on the Department of Public Health website.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Vaccines may be used to provide vaccinations against vaccine preventable diseases to children from birth through eighteen years of age.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The health care provider shall submit a Vaccine Order Form (VOF) by the 1st day of each month, even if no additional vaccine is being ordered. Vaccine inventory and doses administered data should be reported on a monthly basis.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

A Connecticut Vaccine Program Patient Eligibility Screening Record must be completed, maintained in the patient record, and reviewed/updated for each patient visit in which vaccine is administered from the Connecticut Vaccine Program.

Suggested Audit Procedures

Perform tests to determine whether the required Patient Eligibility Screening Record is being completed, reviewed, updated, and maintained for vaccine recipient patients.

Compliance Requirements

Providers must receive, store, manage, and report vaccine quantities properly, including maintenance of an accurate vaccine inventory.

Suggested Audit Procedures

Perform tests to determine whether inventory records are being maintained and are being periodically verified.

Department of Public Health
CONNECTICUT VACCINE PROGRAM – HUSKY B
11000-DPH48500–90618

I. PROGRAM OBJECTIVES

The objective of the Connecticut Vaccine Program (CVP), Connecticut's expanded pediatric vaccination program, is to provide vaccines at no cost to children under the age of 19 years. The CVP was developed in response to the enactment of Public Act 12–1, which requires healthcare providers who administer pediatric vaccines to obtain the vaccines through the Department of Public Health in most cases. The CVP was expanded to include three additional vaccines - pneumococcal conjugate, influenza, and hepatitis A - covering fourteen of the sixteen vaccines currently recommended by the Centers for Disease Control and Prevention (CDC).

II. PROGRAM PROCEDURES

The state enrolls health care providers that administer vaccines to children using a Provider Agreement, which specifies the provisions and conditions for participation in the CVP. The state buys vaccines at the lowest possible price through a government contract negotiated between CDC and the vaccine manufacturers, and provides the vaccines at no cost to clinics, private doctors, and other health care providers.

Health care providers submit orders to the Department of Public Health and vaccines are shipped directly to the provider site. Using these vaccines, the health care providers vaccinate children without charging for the cost of the vaccine. Health care providers may, however, charge an administration fee. Information about the program is available on the Department of Public Health website.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Vaccines may be used to provide vaccinations against vaccine preventable diseases to children from birth through eighteen years of age.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The health care provider shall submit a Vaccine Order Form (VOF) by the 1st day of each month, even if no additional vaccine is being ordered. Vaccine inventory and doses administered data should be reported on a monthly basis.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

A Connecticut Vaccine Program Patient Eligibility Screening Record must be completed, maintained in the patient record, and reviewed/updated for each patient visit in which vaccine is administered from the Connecticut Vaccine Program.

Suggested Audit Procedures

Perform tests to determine whether the required Patient Eligibility Screening Record is being completed, reviewed, updated, and maintained for vaccine recipient patients.

Compliance Requirements

Providers must receive, store, manage, and report vaccine quantities properly, including maintenance of an accurate vaccine inventory.

Suggested Audit Procedures

Perform tests to determine whether inventory records are being maintained and are being periodically verified.

Department of Public Health
GENETIC DISEASES PROGRAM
12004-DPH48500–12126

I. PROGRAM OBJECTIVES

The Newborn Genetic Screening Program funds genetic newborn screening, education, and prevention services to lessen the incidence of such disease in the state. The program also funds clinical services, for genetic disease, including definitive diagnosis, counseling, comprehensive testing, treatment, clinical management education services and community outreach.

(Section 19a-2a, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations to provide early identification of infants at increased risk for selected metabolic or genetic diseases so that medical treatment can be promptly initiated to avert complications and prevent irreversible problems and death. The program also contracts with community based organizations to provide outreach and education about Sickle Cell Disease (SCD) for consumers, including those born prior to SCD's inclusion in newborn screening.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include:

(1) Genetic clinics that provide a full-range of genetic services.
(2) Nutritionist support services for management of inborn errors of metabolism.
(3) Educational conferences for professionals.
(4) Operation of the Connecticut Pregnancy Exposure Information Services.
(5) Consultation services in genetics to physicians, state agency staff, and other professionals.
(6) Other services as specified in the grantee's contract.

(Section 19a-2a, CGS)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Section 19a-2a, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
HIV SERVICES

12004–DPH48500–12236

12060–DPH48500–30401

I. PROGRAM OBJECTIVES

The objective of the HIV Services program is to conduct community-based Human Immunodeficiency Virus HIV outreach education programs and risk reduction programs by providing education, counseling, HIV testing services and secondary support services.

II. PROGRAM PROCEDURES

The state contracts with municipalities, not-for-profit organizations, hospitals, and individuals who provide HIV prevention services targeted at persons in high-risk groups and/or living with HIV.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are listed in the approved contract.
(Department of Public Health approved appropriations); (Sections 19a-121a-through g 4-8, 19a-2a, CGS)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Section 19a-2a, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
LOCAL AND DISTRICT DEPARTMENTS OF HEALTH
11000–DPH48500–17009

I. PROGRAM OBJECTIVES

The Local and District Departments of Health program reimburses municipalities and health districts for basic public health programs.
(Sections 19a-202, 207a, and 245, CGS)

II. PROGRAM PROCEDURES

The state provides reimbursement funds to municipalities for public health services based upon a per capita formula that reflects the size of the municipality.

Municipalities must have a population of 50,000 or greater to be eligible to receive per capita funding.

Districts must have a total population of 50,000 or more or serve three or more municipalities irrespective of the combination total population of such municipalities to be eligible to receive per capita funding.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Allowed services of a basic health program include:

- Monitoring of health status to identify and solve community health problems
- Investigating and diagnosing health problems and health hazards in the community
- Informing, educating, and empowering persons in the community concerning health issues
- Mobilizing community partnerships and action to identify and solve health problems for persons in the community
- Developing policies and plans that support individual and community health efforts
- Enforcing laws and regulations that protect health and ensure safety
- Connecting persons in the community to needed health care services when appropriate
- Assuring a competent public health and personal care workforce
- Evaluating effectiveness, accessibility and quality of personal and population-based health services
- Researching to find innovative solutions to health problems

(2) Disallowed services/costs include:
- Conferences/conventions/staff continuing education
- Membership dues
- Municipal reports
- Clothing
- Uniforms
- Capital/remodeling or improvement of facilities
- Salary for staff on educational leave
- Employee Assistance Programs
- Automobiles
- Real Estate

(Regulations, Section 19a-76)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Full-time Health Departments (Section 19a-202)
- Appropriates not less than one dollar per capita, from annual tax receipts, for health department services.

District Health Departments (Section 19a-245)
- The towns, cities and boroughs of such district appropriate for the maintenance of the health district not less than one dollar per capita from the annual tax receipts.

D. Special Reporting Requirements

Compliance Requirements

The grantees shall submit annual expenditure and program reports.
(Regulations, Section 19a-76-4)

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
NEEDLE AND SYRINGE EXCHANGE PROGRAM
12004–DPH48500–12100

I. PROGRAM OBJECTIVES

The objective of the Needle and Syringe Exchange Program is to reduce the spread of HIV in the injection drug using population by reducing needle sharing. Under this program, used needles or syringes may be exchanged for free. Participants will be referred to additional services, such as drug treatment and mental health services when requested.

II. PROGRAM PROCEDURES

The state contracts with municipalities and not-for-profit organizations to provide Needle and Syringe Exchange Program services in conjunction with established HIV prevention services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include:

(1) Needle exchange
(2) Education on the transmission and prevention of HIV and other blood borne pathogens
(3) HIV and other blood borne pathogen testing.
(4) Referrals to drug treatment services
(5) Referrals to PREP services

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Section 19a-2a, 19a-124, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
RAPE CRISIS
11000-DPH48500–16103

I. PROGRAM OBJECTIVES

The Rape Crisis program assists sexual assault victims through grants to Rape Crisis Centers.
(Sections 19a-2a, 4-8 19a-5, 19a-32, 7-73 CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations that operate assistance programs for sexual assault victims, their families, and significant others.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Services allowed include:

(1) Coordination with state police, hospitals, and other relevant local agencies
(2) Crisis intervention services for assault victims, their families, and/or significant others
(3) Support and advocacy to victims during hospital, court, and police visits
(4) Provision of support groups for sexual assault and incest survivors
(5) Twenty-four hour hotline to provide informational assistance to victims of sexual assault
(6) Arrangements for emergency transportation.
(7) Grantee training and community education programs.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Sections 19a-2a, 4-8 19a-5, 19a-32, 7-73CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
SCHOOL-BASED HEALTH CLINICS
11000–DPH48500–17019

I. PROGRAM OBJECTIVES

The objective of the School-Based Health Clinics program is to provide for primary and preventive health, mental health services and where resources are available, dental health services, to students in funded school-based health clinics.

(Sections 19a-2a and 4-8, CGS)

II. PROGRAM PROCEDURES

The state contracts with municipalities, hospitals, federally qualified health centers, and other not-for-profit organizations to provide for school-based health clinic services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Allowed services are listed in the approved contract.

(2) Disallowed services include: the purchase or improvement of land, the purchase, construction, or permanent improvement of any building or facility, or the purchase of major medical equipment.

(Sections 19a-2a and 4-8, CGS) and (Department of Public Health approved appropriation)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Section 19a-2a, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
SEXUALLY TRANSMITTED DISEASES
12004–DPH48500–17013

I. PROGRAM OBJECTIVES

The objective of the Sexually Transmitted Disease Control program is to reduce incidence and prevalence of sexually transmitted diseases ("STD's") in the population at risk.
(Section 19a-2a, CGS) and (19-13-A17 and 18, Public Health Code)

II. PROGRAM PROCEDURES

The state contracts with municipalities and hospitals to provide sexually transmitted disease control clinic services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Allowed services include the operation of a sexually transmitted disease control clinic.
(Section 19a-2a, CGS) and (19-13-A17 and 18, Public Health Code)

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Section 19a-2a, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
TOBACCO HEALTH AND TRUST FUND
12060-DPH48500–35386

I. PROGRAM OBJECTIVES

The purpose of the trust fund shall be to (1) support and encourage development of programs to reduce tobacco abuse through prevention, education and cessation programs, (2) support and encourage development of programs to reduce substance abuse, and (3) develop and implement programs to meet the unmet physical and mental health needs in the state.

(Sections 4-28e and 4-28f, CGS)

II. PROGRAM PROCEDURES

The state contracts with organizations to conduct initiatives consistent with the goals and objectives of the Tobacco Use Prevention and Control Program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are listed in the approved contract.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Public Health
X-RAY SCREENING AND TUBERCULOSIS CARE
12004–DPH48500–16112

I. PROGRAM OBJECTIVES

To provide Tuberculosis Control and Prevention clinic services.
(Sections 4-8, 19a-252, 19a-255 and 19a-256, CGS)

II. PROGRAM PROCEDURES

The state contracts with municipalities for the provision of Tuberculosis control and prevention services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include:

(1) Providing diagnostic, treatment, and screening services for patients with Tuberculosis, suspected Tuberculosis, and high risk individuals
(2) Tuberculosis education and outreach services
(3) Referring non-compliant patients to the Department of Public Health

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The grantee and any subcontractor shall submit expenditure and program reports per contract terms.

A final expenditure report, which agrees with the grantees accounting records, must be filed.
(Section 19a-2a, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provision

There are no special tests or provisions for the auditor to perform.

SECTION 16

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF REHABILITATION SERVICES

AREA AGENCIES ON AGING 1

CENTER FOR MEDICARE ADVOCACY 3

CHOICES PROGRAM 5

CONGREGATE HOUSING SUPPORT PROGRAM –

STATE MATCH FUNDS 7

HEALTH PROMOTION SERVICES, STATEWIDE RESPITE CARE,

ALZHEIMER'S AIDE, FALL PREVENTION 9

Department of Rehabilitation Services
AREA AGENCIES ON AGING

FEDERAL TITLE III MATCH
11000-SDR63901-16260-10603
11000-SDR63901-16260-10604
ELDERLY NUTRITION & DISCRETIONARY
11000-SDR63901-16278-10105
AREA AGENCY ON AGING ADMINISTRATIVE FUNDING
11000-SDR63901-16260-10601

I. PROGRAM OBJECTIVES

The Area Agencies on Aging program funds provide funding for social and nutrition services for older adults in accordance with the provisions of Title III of the Older Americans Act of 1965, as amended.
(Sections 17a-301a, 302, 304 - 306, 310, 313 CGS)

II. PROGRAM PROCEDURES

The state contracts for services with not-for-profit Area Agencies on Aging, which coordinate the provision of social services, congregate and home delivered meals and other nutrition services, such as education and counseling, if appropriate, for older adults throughout the state.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may only be applied to social services, in-home services, disease prevention, health promotion services, nutrition services and administrative costs.
(Sections 17a- 301a, 302, 304 - 306, 310 313 CGS)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Expenditure reports specified in the contract with the Department of Rehabilitation Services are required to be submitted by the contractor at monthly or quarterly intervals.

a. Quarterly Expenditure Report (304)
b. Financial Status Report (305)
c. Final Expenditure Report (304)

E. Sub-recipient Monitoring

Compliance Requirements

Contractors that pass through funds to sub-recipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the sub-recipient.
2) Monitor sub-recipient activities to provide reasonable assurance that the sub-recipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required sub-recipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with sub-recipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Rehabilitation Services
CENTER FOR MEDICARE ADVOCACY
11000-SDR63901-16260
11000-SDR63901-16260-10711

I. PROGRAM OBJECTIVES

This program provides funding for legal and advisory services for the elderly. (Section 17a-301a, 17a-314 CGS)

II. PROGRAM PROCEDURES

The state contracts with The Center to provide legal assistance, representation and information to Medicare recipients and to develop resource information and provide training to aging network.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may only be applied to social service, legal, and administrative costs. (Section 17a-301a, 17a-314, CGS)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Expenditure reports specified in the contract with the Department of Rehabilitation Services are required to be submitted by the contractor at monthly or quarterly intervals.

1. Quarterly Expenditure Report (304)
2. Financial Status Report (305)
3. Final Expenditure Report (304)

E. Sub-recipient Monitoring

The auditor is not expected to test for Sub-recipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Rehabilitation Services
CHOICES PROGRAM
11000-SDR63901-16260
11000-SDR63901-16260-10707
11000-SDR63901-16260-10716

I. PROGRAM OBJECTIVES

The program funds agencies that help older individuals continue to make informed decisions about health insurance options and long term care options so that they may lead independent lifestyles through training, education, outreach and one-on-one counseling, information and referral.
(Section 17a-301a, 314, CGS)

II. PROGRAM PROCEDURES

The state contracts with Area Agencies on Aging to provide information and referrals services, one-on-one counseling, education, outreach, and assistance on Medicare Prescription Coverage and for Long Term Care Options Counseling.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed and Disallowed

Compliance Requirements
Services allowed to include but may not be limited to:

1. Medicare Prescription Coverage enrollment and assistance and Long Term Care Options counseling.
2. Funds can be used for social services and administrative costs.

(Section 17a-301a, 17a-314, CGS)

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM cost accounting standards.

1) The plans must be designed in accordance with the OPM Cost Accounting Standards.
2) The plan must be approved by the governing board.
3) Actual costs must be charged in accordance with the plan. The contractor's Letter of Award specifies additional allowed or disallowed services.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements.

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

Expenditure reports specified in the contract with the Department of Rehabilitation Services are required to be submitted by the contractor at monthly or quarterly intervals.

1) Quarterly Expenditure Report (304)
2) Financial Status Report (305)
3) Final Expenditure Report (304)

E. Sub-recipient Monitoring

The auditor is not expected to test for Sub-recipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Rehabilitation Services
CONGREGATE HOUSING SUPPORT PROGRAM
STATE MATCH FUNDS
11000-63901-16260-10608

I. PROGRAM OBJECTIVES

The purpose of this program is to provide matching funds for the federal program as administered by Housing and Urban Development (HUD) to insure that the program has match funding which is used to provide supportive services to "vulnerable" individuals who reside in the HUD funded congregate housing sites. This funding is designed to serve rural areas and is part of the legacy grants through HUD. Participants are defined in detail in Part 1, Section B.1 – 3 of the contract.

II. PROGRAM PROCEDURES

The state contracts for services with not-for-profit Area Agencies on Aging, which coordinate the provision of home and community based services for older adults residing in rural areas.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed costs are specified in the grantee's contract with the state. (See Contract for specific requirements.)
(Sections 4-8, 17a-301a, 17a-310, CGS)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There is no matching, level-of-effort, or earmarking requirement.

D. Special Reporting Requirements

Compliance Requirements

Expenditure reports specified in the contract with the Department of Rehabilitation Services are required to be submitted by the contractor at monthly or quarterly intervals.

1) Quarterly Expenditure Report (304)
2) Financial Status Report (305)
3) Final Expenditure Report (304)

E. Sub-recipient Monitoring

Compliance Requirements

Contractors that pass through funds to sub-recipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the sub-recipient.
2) Monitor sub-recipient activities to provide reasonable assurance that the sub-recipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required sub-recipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with sub-recipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Rehabilitation Services
HEALTH PROMOTION SERVICES
11000-SDR63901-16260-10305

STATEWIDE RESPITE CARE
11000- SDR63901-16260-10402

ALZHEIMER'S AIDE
11000- SDR63901-16260-10403

FALL PREVENTION
12004- SDR63901-16260

I. PROGRAM OBJECTIVES

These programs fund agencies that help older individuals continue to lead independent lifestyles through training, education and health promotion services.
(Sections 17a-301a, 303a, 304, 306, 310, 313, 314, 17b-349e, CGS)

II. PROGRAM PROCEDURES

The State contracts with not-for-profit organizations and municipalities for services related to client health and/or living needs. The state contracts for appropriate client services, from the not-for-profit organizations as determined by individual needs assessments of the client; for compilation of data; and for monitoring of provided services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include, but may not be limited to:

(1) Community-based and home health services, case management, counseling, disease prevention and evidence-based health promotion services.

(2) Funds can be used for social services and administrative costs.
(Sections 17a-301a, 303a, 306, 310, 313, 314, 17b-349e, CGS)

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

The contractor's Letter of Award specifies additional allowed or disallowed services.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements
Expenditure reports specified in the contract with the Department of Rehabilitation Services are required to be submitted by the contractor at monthly or quarterly intervals.

1) Quarterly Expenditure Report (304)
2) Financial Status Report (305)
3) Final Expenditure Report (304)

E. Sub-recipient Monitoring

Compliance Requirements
Contractors that pass through funds to sub-recipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the sub-recipient.
2) Monitor sub-recipient activities to provide reasonable assurance that the sub-recipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.

3) Ensure that required sub-recipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with sub-recipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 17

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF SOCIAL SERVICES

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Department of Social Services
ACQUIRED BRAIN INJURY (ABI)
11000-DSS60000-16146

I. PROGRAM OBJECTIVES

To provide medical rehabilitation, employment and residential service's for people who are disabled by an acquired brain injury ("ABI") to achieve self-reliance at home and work and reintegrate into the community.
(Section 17b-260a, CGS, PR 2015-169)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations that provide services to people with acquired brain injury.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Services allowed include the following:

(1) Provide and maintain 4 apartments
(2) Maintain relationships with local hospitals, businesses and family support groups
(3) Supply a supported Independent Living (SIL) Program
(4) Make adaptive equipment referrals
(5) Provide 24 hour emergency "on call" service
(6) Provide or arrange transportation services to access medical care or employment
(7) Provide employment and recreational support services
(8) Provide for the arrangement/ coordination and monitoring of services
(9) Provide information and referral services
(10) Provide medical support (See Contract.)

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

Compliance Requirements

ABI funds are exclusively for people with acquired brain injuries. (See Contract)

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

A contract may require a matching local share. **(See Contract)**

Some DSS contracts require that earmarked funds be spent for specific purposes or be returned to the DSS. **(See Contract)**

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) Quarterly Expenditure Reports (DSS 304)
(2) Financial Status Reports (DSS 305)
(3) Quarterly Program Review and Self-Assessment Reports (DSS 2044)
(4) Six and Twelve Month Transitional Living Program Narrative Reports
(5) Year End Report and Transitional Living demographics
(6) Incident reports, as necessary

(See Contract)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds that are overpaid, unexpended or remaining upon expiration of each contract must be returned to the DSS. **(See Contract).**

Suggested Audit Procedures

Examine records to determine if unexpended were returned within the required time period identified in the contract.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved Contract. **(See Contract)**

Suggested Audit Procedures

Obtain a copy of each contract, review special conditions and test for compliance.

Department of Social Services
CONNECTICUT HOME CARE PROGRAM
11000-DSS60000-16114

I. PROGRAM OBJECTIVES

These Connecticut Home Care program funds services that help older individuals continue to lead independent lifestyles and avoid premature nursing home placement
(CGS Section 17b-342)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations (Access Agencies) for care management services to assess client health and/or independent living needs. Access Agencies conduct individual comprehensive, functional assessments of the client; develop and authorize services from DSS enrolled providers, monitor the efficacy of the service plan, compile data, and monitor provided services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include:
Community-based and home health services
(CGS Section 17b-342)

The contractor's Letter of Award specifies additional allowed or disallowed services.

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements

D. Special Reporting Requirements

Compliance Requirements

Expenditure reports specified in the contract with the Department of Social Services are required to be submitted by the Contractor at monthly and/or quarterly intervals.
(CGS 17b-342 and Contractual Requirements)

E. Subrecipient Monitoring

Compliance Requirements

The access agencies no longer receive pass through funds for provider agencies. The agencies bill the MMIS directly for the services they are authorized to provide.

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Social Services
FATHERHOOD INITIATIVE PROGRAM (FIP)
11000-DSS60000-16270

I. PROGRAM OBJECTIVE

The goal of the Connecticut Fatherhood Initiative is to promote the positive involvement and interaction of fathers with their children, with an emphasis on children eligible, or formerly eligible for services funded by the temporary assistance for needy families' block grant. Additionally, the Connecticut Fatherhood Initiative shall identify those services that effectively encourage and enhance responsible and skillful parenting, and those services that increase the ability of fathers to meet the financial and medical needs of their children through employment services and child support enforcement measures.
(PA 99-193)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations that provide program services that promote the positive involvement and interaction of non-custodial fathers with their children and increase the ability of these fathers to meet the financial, medical, educational, and social needs of their children. The services offered are as follows:

Intensive Case Management
Services include, but are limited to, direct service or referrals for the establishment of paternity; establishment of or response to child support order(s) and/or access/visitation/custody order(s); applying for public assistance benefits; housing; employment, job readiness, education, and training; parenting and co-parenting; self-help and counseling; transportation; legal assistance; mental health and substance abuse services;, pregnancy prevention; domestic violence; conflict resolution and anger management; relationship mediation; personal development; life skills, responsible fatherhood, and health.

Economic Stability Services
These services are designed to address program participants' immediate employment, training and other social services support needs, to assist toward becoming economically stable. Services may be provided directly or through referral and may include, but are not limited to, the following: financial literacy, budgeting, understanding personal finances, financial institutions and services they offer, credit, setting financial goals, homeownership and retirement planning.

Group Sessions
Curriculum-based group sessions are offered and include such topics as fathering, family roles, discipline, child development, balancing work and family, and getting involved with your children.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirement

Allowed services are specified in the contract and contractor's budget. (See contract, Part III) (Section 17b-3, CGS)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

(1) A contract may require a Level-of-Effort in leveraging resources. **(See contract)**
(2) Some Department of Social Services ("DSS") contracts require that earmarked funds be spent for specific purposes or be returned to the DSS. **(See contract)**

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) Quarterly Expenditure Report (DSS 304)
(2) Financial Status Report (DSS-305)
(3) Quarterly Program Reports
(4) Request For Payment Form (W-1270)
(5) Other reports as specified **(see contract)**

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to DSS. **(See contract)**

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned within the required time period identified in the contract.

Compliance Requirements

Program-specific requirements, specific tasks and special contract conditions are contained within the approved contract. **(See contract)**

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

Department of Social Services
HISPANIC PROGRAMS (HHD)

11000-DSS60000-17029/16118 (16118 is going out for procurement)

I. PROGRAM OBJECTIVES

The program objective is to assist Hispanics toward becoming economical and self-sufficient through employment, training, job placement and support services.
(Section 17b-852, CGS)

II. PROGRAM PROCEDURES

Although procedures vary according to individual programs, participants' skill and education receive enhancement through such appropriate services as English As A Second Language classes, job training, job development and supportive services necessary to facilitate their workplace viability, skill training.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Because the Hispanic employability programs address individual needs, the range of services allowed are broad and flexible.

(3) Services funded through this category include:

- Education
- Job training
- Job development
- Job placement
- Counseling
- Career assessment
- Skill training
- Supportive services
- Motivational Pre-employment Training

(4) Services not allowed would include daycare, transportation or other training related special benefits.
(See Approved Contract)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

Compliance Requirements

Program participants must be low income Hispanics whose income is at or below 150 percent of the federal poverty guidelines. **(See Approved Contract)**

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Some Department of Social Services ("DSS") contracts require that earmarked funds be spent for specific purposes or be returned to the DSS. **(See Contract)**
(17b-853, CGS)

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) Quarterly Expenditure Report (Workbook)
(3) Quarterly Program/Statistical Report or another format prescribed by the department
(4) Six Month Program Narrative Report
(5) Other reports as specified **(See Contract.)**

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS. **(See Master Contract)**

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned within the required time period identified in the contract.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved contract. **(See Contract)**

(Section 17b-852, CGS)

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

Department of Social Services
HUMAN SERVICES INFRASTRUCTURE (HSI)
11000-DSS60000-16174

I. PROGRAM OBJECTIVE

Human Services Infrastructure (HSI) program; in coordination with federal Community Services Block Grant (CSBG) funding is to support a service delivery model that is a coordinated statewide social service delivery approach that serves clients more efficiently, identifies barriers and gaps in services and track outcomes to determine how clients are doing as a result of the services provided.

II. PROGRAM PROCEDURES

The state contracts with Community Action Agencies (CAA) for the provision of services related to HSI services delivery system, in accordance with the approved contract. The purpose of the HSI service delivery system is to allow the Contractor to efficiently provide clients with access to the services they need to gain and/or maintain self-sufficiency and will increase the ability of DSS to efficiently process client applications for services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are specified in the approved contract, contractor's Budget and program plan.
(See contract, Part I, Component B) HSI (Section 17b-890, CGS)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

(1) A contract may require a Level-of-Effort in leveraging resources. **(See Contract)**
(2) Some Department of Social Services ("DSS") contracts require that earmarked funds be spent for specific purposes or be returned to the DSS. **(See Contract.)**

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) Quarterly Expenditure Report
(2) Financial Status Report
(3) Quarterly Program Reports
(4) Six-month Programmatic Narrative Report
(5) Request For Payment Form
(6) Other reports as specified.
(See contract)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to DSS **(See contract)**

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned within the required time period identified in the contract.

Compliance Requirements

Program-specific requirements, specific tasks and special contract conditions are contained within the approved contract. **(See contract)**

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

Department of Social Services
MEDICAID
11000-DSS60000-16020

I. PROGRAM OBJECTIVES

C.G.S. 10-76d(a) allows towns to bill Medicaid for certain School Based Child Health Services (SBCH) on a voluntary basis. Participating local education agencies (LEAs) submit cost and utilization data to the State which acts as a billing agent for Medicaid reimbursement. The State Department of Social Services (DSS) pays participating LEA based on its share of net Medicaid reimbursements.

II. PROGRAM PROCEDURES

Program procedures can be explained in detail by the School Based Child Health Services Program coordinator in each participating LEA.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

For state-agency placed pupils, special education pupils residing on state-owned or state leased property, pupils whose education costs exceed five times the district average per pupil cost, and for towns eligible for a Supplemental Special Education grant under Public Act 95-226, all compliance requirements and suggested audit procedures are included under the special procedures utilized for the Education Cost Sharing grant.

For Medicaid billing for certain School Based Child Health Services (per C.G.S. 10-76d(a)) compliance requirements and suggested audit procedures are as follows:

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The types of services allowed are those described in Department of Social Services Regulations Sections 17b-262-213 through 17b-262-224. Specific services that are allowed include:

- Assessments
- Audiology
- Clinical Diagnostic Laboratory Services
- Medical Services
- Medical Transportation
- Behavior Health Services
- Behavior Modification Services

- Nursing Services
- Occupational Therapy
- Personal Care Services
- Physical Therapy
- Respiratory Care Services
- Speech/Language
- Optometric

For a more in depth description of the services, please review the aforementioned regulations.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

All LEAs, are required to participate in the SBCH Random Moment Time Study (RMTS), submit an annual cost report, and after July 2015 submit quarterly administrative claims. See Section E, Special tests and Provisions. Exceptions for SBCH enrollment may be granted if total district student count is less than 1,000. Exceptions are granted from DSS' Deputy Commissioner.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

In order for services to be eligible for Medicaid reimbursement they must be included in an Individual Education Program (IEP), a triennial reevaluation, or after 7/1/16 a 504 Plan. Payment for initial assessment costs is allowed for assessments resulting in an approved IEP that includes these assessment activities until 6/30/16. After 7/1/16 assessments do not need to result in an IEP service for those assessment activities but the child must have an

approved IEP/504 Plan. Social Services Regulations (Sections 17b-262-213 through 17b-262-224).

Suggested Audit Procedures

(1) Request the local education agency (LEA) to provide the most recent HP (Hewlett Packard) eligibility file to test eligibility. Effective April 2017, HP is now DXC.

(2) Verify the parental consent for the claimed children and determine that billed dates of services do not pre-date parental consent date.

(3) From the student census report select a sample of students and verify the presence of the following in each student's file:
   A. A current Individualized Education Program (IEP), initial evaluation, triennial reevaluation, or 504 Plan (after 7/1/16) recommending a Medicaid eligible service.
   B. A Medicaid Service Information (MSI); Part 1 and Part 2 (For Specific Months).
   C. Session notes to support services billed.

(4) By comparing the MSIs to the IEP, initial evaluation/reevaluation report or 504 Plan (after 7/1/16), determine that the type of Medicaid and IEP eligible services documented on the MSIs were included on the IEP. A comparison of the frequency and intensity of services specified in the IEP (e.g., two 30 minute sessions of speech therapy per week) is not necessary.

(5) Request the LEA provide you with a copy of a current Remittance Advice (provided by DAS to the LEA upon request) which includes the students included in the above sample.

(6) By comparing the MSI forms in each student's file to the Remittance Advice, determine that no service is listed on the Remittance Advice without the presence of a corresponding MSI form.

Compliance Requirements

The RMTS Participant Pool Report and Cost Report Registers/Employee Listing serve to provide DSS personnel with an accurate basis for allocating special education costs which appear in the LEA's End of Year School Report (EFS) between various categories on the School Based Child Health Cost Report.

Suggested Audit Procedures

Request the Auditee to download copies of the RMTS Participant Pool Report from the UMASS time study/cost report system to ensure that individuals who submitted Medicaid claims were participating in the RMTS for the LEA being reviewed. If the auditee is unable to download the report, the report can be provided by DSS.

Compliance Requirements

For Medicaid rate setting purposes, all LEA's must file a "School Based Child Health Cost Report" to the State of Connecticut, Department of Social Services or submit a Direct Medical Services Cost Report and Administrative Claim through the DSS vendor for FY2016 and future years.

Suggested Audit Procedures

(1) Obtain a copy of the audited End of Year School Report (EFS) for the year being tested.

(2) Request a copy of the desk reviewed Cost Report or as of FY 2016 request the auditee download the Direct Medical Services Cost Report and Administrative Claim from the UMASS time study/ cost report system. If the auditee is unable to download the report, the report can be provided by DSS.

(3) Determine that the amounts reported on EFS Special Education Eligible per subsection (h) of section 10, equal or exceed those amounts reported on the Cost Report. Lines to be compared to the Cost Report include SE205 Purchased Services (not including transportation), SE207 Supplies (not including instructional supplies), SE208 Property Services, and SE 210 All Other Expenditures. Cost Report should only report SBCH covered services captured in those EFS line details.

(4) Test remaining data in the Cost Report supporting documentation and review for completeness and accuracy.

Department of Social Services
NEIGHBORHOOD FACILITIES (NF)
12052-DSS60000-VAR
12055-DSS60000-40561
12047-DSS60000-40245
13019-DSS60000-VAR

Program Note – New projects were transferred to the CCU at DMHAS; only about 6 current projects remain with contracts ending soon. There are still existing projects that are being maintained for ten years after the contract end date. (DSS will monitor until time constraints pass).

I. PROGRAM OBJECTIVES

Contracts to municipalities, state agencies, and private non-profit agencies for site preparation, construction, renovation, or acquisition of facilities for child care projects, elderly centers, shelter facilities, related facilities for the homeless, multi-purpose human resource centers and food distribution facilities. Also, contracts with non-profit agencies to provide housing for homeless persons suffering from AIDS or AIDS-related complex for planning for the development of such housing, acquiring property to be used for such housing and/or repairing, rehabilitating or constructing such housing.
(Section 8-210, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit agencies and municipalities, and other state agencies (with Bond Commission approval). Contracts are made after extensive planning and documentation is secured for each project. (See Contract)
(Section8-210 CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Contractors must use the facility in the manner stated in the contract for a period of 10 years.
(2) Activities and uses for facilities are specific to each grant.
(See Contract)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

(1) The contract may require a matching local share. **(See Contract)**
(2) Some Department of Social Services ("DSS") contracts require that earmarked funds be spent for specific purposes or be returned to the DSS. **(See Contract)**

D. Special Reporting Requirements

Compliance Requirements

An annual narrative report is required for 10 years documenting the facilities use by the program.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS. **(See Contract)**

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned within the required time period identified in the contract.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved contract. **(See Contract)**
(Section 17b-1 through 17b-3, CGS)

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

Compliance Requirements

See Contract – Part I – FUNDING CONDITIONS FOR STATE BOND FUND PROJECTS: SECTION C. ASSURANCES AS TO USE.

The standard contract requires that property that is purchased and/or improved with State Bond Funds be used as approved by the State Bond Commission for at least ten years. If the facility ceases to be used as intended within ten years of the date of the final payment, the contract specifies that the funds must be repaid to the State minus 10% for each full year that the facility was used for the intended purpose. The contract requires that a lien be placed on the property, in favor of the State, "when required by law".

Bond Funds for DSS use are authorized by Public Act or Special Act. Traditionally, when funds are authorized for Neighborhood Facilities in fund 12052 (formerly 1873), the Act contains language that requires a lien if the grant is made to a non-profit agency; unless the premises for which the grant was made is owned by the State, a municipality or a housing authority. Grants made to municipalities do not require a lien.

As an example, Public Act 99-242 provided funds for DSS in Sections 13(f) and 32. Sections 19 and 38 contain the requirement for a lien with exceptions as noted above.

Public and Special Acts that authorize funds for DSS for Fund accounts 13019 (formerly 3795), 12055 (formerly 1879) and 12047 (formerly 1843) have not contained a lien requirement.

The contract will contain a copy of the Bond Commission "agenda item" as it was approved. The Public or Special Act from which funds are provided will be noted and the section containing the lien requirement will be noted.

Suggested Audit Procedures

(1) Determine that the proper lien has been filed and forwarded to DSS, when required.
(2) Determine that the property is being used in accordance with the contract requirements.

Department of Social Services
NURITIONAL SUPPLEMENTAL PROGRAM (NSP)
11000-DSS60783-16148

I. PROGRAM OBJECTIVES

This program promotes adequate nutrition among target populations. The program provides for the purchase and distribution of supplemental nutritional foods to benefit low-income residents and to improve and strengthen food and nutrition programs through intervention, education workshops and agency collaboration.
(Section 17b-790b,17b-791 CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations to provide nutrition services and emergency food assistance to low-income individuals and families who are at risk.
(Section 17b-790b,17b-791 CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCECURES

A. Types of Services and Costs Allowed Or Disallowed

Compliance Requirements
Services allowed for contracted funds are:

(1) For the purchase of food.
(2) For maintenance and utility costs directly attributable to the use of the agency for nutrition services.
(3) For related transportation costs.
(4) For the portions of the liability insurance cost directly attributable to the nutrition supplement program.
(5) For the operational costs directly attributable to the nutrition supplement program.

(Section 17b-790, 17b-791 CGS)

OPM Cost Accounting Standards must be followed for the period following the amendment.

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in Accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements
Some DSS contracts require that earmarked funds be spent for specific purposes, be returned to the DSS, or be retained and used as part of a new contract period.
(See Contract)

D. Special Reporting Requirements

Compliance Requirements
The contractor shall submit the following reports:

(1) Quarterly Expenditure Report)
(2) Financial Status Report
(3) Quarterly Program Report

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements
Program-specific requirements, special tasks and special contract conditions are contained within the contract and approved contract action request. **(See Contract)**

Suggested Audit Procedures
Obtain a copy of each contract, review special conditions and test for compliance.

Department of Social Services
SAFETY NET SERVICES PROGRAM
11000-DSS60000-16128

I. PROGRAM OBJECTIVES

The purpose of the Safety Net Services Program is to:

1. Provide case management services and basic needs payment for families no longer receiving benefits under the Temporary Family Assistance Program due to exhaustion of their twenty-one month time limit, not being eligible for an extension because they have not complied with an Employment Services requirement and have earnings below the payment standards.
(CGS Section 17b-112)

2. Provide case management services to active Temporary Family Assistance recipients in order to resolve individual barriers that prohibit their participation in required employment services.

II. PROGRAM PROCEDURES

The department contracts with a not-for-profit organization to hire staff that provides the case management services and to provide basic needs payments.

NOTE: The Safety Net program provides case management services and basic needs payments to families

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Allowed services and outcome measures are specified in the contract and contractor's budget.

Compliance Requirements
OPM Cost Accounting Standards must be followed.

Compliance Requirements
Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.

(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

Program services were provided to families who are and were recipients of Temporary Family Assistance.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The contractor is required to provide the following reports to DSS:

1) Monthly reports of the pending and active cases referred to the contractor must be filed.
2) Quarterly reports describing Basic Needs Payments
3) Quarterly reports describing active cases by CT town.
4) An annual report which describes the status of the program, areas for improvement, and recommendations for future program planning is due within 90 days of prior fiscal year end.
5) Quarterly fiscal reports due to the Contract Manager within 30 days following the end of each fiscal quarter and a final fiscal report due 90 days following the end of each fiscal year.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Social Services
SHELTER SERVICES PROGRAM (DOMESTIC VIOLENCE) (SSP)
11000-DSS60000-16149-10254

I. PROGRAM OBJECTIVES

The purpose of the Domestic Violence program is to provide safe and supportive shelter services to victims of domestic or family violence by providing safe shelter, and other supportive services (e.g., a twenty-four hour hot line including access to a certified DV counselor; case management including but not limited to counseling; transportation, access to support groups, housing referrals and advocacy). In addition, these services are used to attempt to reduce the incidence of household abuse through preventive education programs. (Section 17b-850, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations who provide the services to victims of domestic violence, after approval of a program plan and budget.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are specified in the contractor's budget and program plan. (Regulations, Section 17b-850, CGS)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

(1) A contract may require a matching local share. (See Contract)
(2) Some Department of Social Services ("DSS") contracts require that earmarked funds be spent for specific purposes or be returned to the DSS. (See Contract) (Section17b-853, CGS)

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) Quarterly Financial Status Reports (DSS 304 and DSS 305).
(2) Six and Twelve Month Program Status Reports and Statistical Reports (Quarterly).

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS. **(See Contract)**

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned within the required time period identified in the contract.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved Contract. **(See Contract)**

Suggested Audit Procedures

Obtain a copy of each contract, review special conditions and test for compliance.

Department of Social Services
TEENAGE PREGNANCY PREVENTION
11000-DSS60000-17032
11000-DSS60000-16177

I. PROGRAM OBJECTIVES

The Teenage Pregnancy Prevention program funds activities to prevent teenage pregnancy through a community-based, multi-disciplinary approach. (Section 17b-3, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations or municipalities for the provision of services related to the prevention of teenage pregnancy

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirement

Funds can be used only for prevention services such as, activities concerning positive youth development, male responsibilities (health education, social skills training, peer refusal training, family life and sex education training, etc.), parent training services, community education, and public awareness.
(See Contract for specific requirements.)

Compliance Requirements

OPM Cost Accounting Standards must be followed.

Compliance Requirements

Cost allocation plans are required by the OPM Cost Accounting Standards.

(1) The plan must be designed in accordance with the OPM Cost Accounting Standards.
(2) The plan must be approved by the governing board.
(3) Actual costs must be charged in accordance with the plan.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirement

The contractor shall submit the following reports:

(1) Quarterly Expenditure Report
(2) Financial Status Report
(3) Program Reports (as required)
(Section 17b-3, CGS)

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the approved contract. **(See Contract)**

Suggested Audit Procedures

Obtain a copy of each contract action, review special conditions and test for compliance.

SECTION 18

INDIVIDUAL PROGRAMS OF THE CONNECTICUT STATE LIBRARY

CONSTRUCTION GRANTS TO PUBLIC LIBRARIES 1

GRANT TO THE CONNECTICUT LIBRARY CONSORTIUM 4

HISTORIC DOCUMENTS PRESERVATION GRANTS 6

Connecticut State Library
CONSTRUCTION GRANTS TO PUBLIC LIBRARIES
12052-CSL66051-(specific to bond fund)

I. PROGRAM OBJECTIVES

To provide grants to public libraries to assist in the purchase, construction, expansion or renovation of public library buildings, or to correct building and fire code violations, create handicapped access, accommodate new technologies, to improve the design of existing space, to improve emergency preparedness, or to conserve energy in existing libraries. Public libraries located in distressed municipalities are also eligible for grants to assist with maintenance projects.

(Section 11-24, CGS)

II. PROGRAM PROCEDURES

The State Library notifies public libraries of the availability of funds during the first quarter of the year. Interested libraries are required to submit completed applications to the State Library by September 1. If there is no funding, grant applications will not be accepted. Applications are reviewed by the State Library staff and approved by the State Library Board. Grants approved by the State Library Board are then sent to the Bond Commission for approval. Once grants are approved by the Bond Commission, libraries are sent a contract which they must enter into with the State Library in order to receive funds.

The statute is silent on a payment date. Payments are made on a reimbursement basis in accordance with the following schedule:

(1) 50 percent of the grant is paid upon completion of 50 percent of the construction project.

(2) 40 percent of the grant is paid upon completion of 75 percent of the construction project.

(3) 10 percent of the grant is paid upon completion of 100 percent of the project and submission of an audit.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The grant must be used for costs directly related to the purchase, construction, or renovation of a public library building.

Allowable costs include:

(1) Architectural, engineering, clerk of the works, and construction manager fees
(2) Land/building acquisition
(3) Building consultant fees
(4) Site grading and improvements
(5) Demolition
(6) General construction
(7) Equipment/furniture
(8) Contingency funds
(9) Parking lot construction
(10) Audit costs
(11) Rent for a temporary location during construction
(12) Emergency preparedness

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

Grants awarded can equal no more than one half of the total construction cost, not to exceed $1,000,000.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements

Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Connecticut State Library
GRANT TO THE CONNECTICUT LIBRARY CONSORTIUM
11000-CSL66051-16022

I. PROGRAM OBJECTIVES

To provide an annual Grant to The Connecticut Library Consortium
(Section 11-9e, CGS)

II. PROGRAM PROCEDURES

Annually, the State Library Board determines the amount of funding needed by the Connecticut Library Consortium to provide services and includes that amount in the library's budget recommendations to the Governor. Once that amount is approved, the State Library sends out the grant agreement and application, which contain questions concerning fiscal and programmatic information, to the Connecticut Library Consortium. The Connecticut Library Consortium is required to return the completed paperwork to the State Library by July 30.

The statute is silent on a payment date. Payment is made annually as long as expenditure reports have been submitted.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURE

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The grant must be used for administrative costs of the CLC related to improving library service through coordinated planning, resource sharing, and the development of programs too costly or impractical for a single library to maintain.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

The CLC is required to submit expenditure reports by January 15th and September 30th, a copy of their annual report, and a copy of the organization's annual audit. A midpoint evaluation and a final evaluation must also be filed.

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1. Identify State award information and compliance requirements to the subrecipient.
2. Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3. Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4. Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Connecticut State Library
HISTORIC DOCUMENTS PRESERVATION GRANTS
12060-CSL66094-35150

I. PROGRAM OBJECTIVES

To provide grants to municipalities for the purpose of preserving and managing historic documents.

(Section 11-8i through 11-8n, CGS)

II. PROGRAM PROCEDURES

The State Library makes application booklets available to the municipalities by February 1. Interested municipalities are required to submit completed applications to the State Library by April 30 for Cycle 1 grants and by September 30 for Cycle 2 grants. Applications are reviewed by the State Library staff and approved by the Public Records Administrator. Once grants are approved, the municipalities are sent contracts which they must enter into with the State Library in order to receive funds. Municipalities must submit a final report for the grant not later than September 1st of the fiscal year following the year such grant was received.

Payment is made upon approval of the contract or upon the first day of the contract period, whichever is later.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The grant must be used for costs approved on their application.

Allowable costs include:

(1) Consultants/Vendors
(2) Equipment
(3) Supplies
(4) Town Personnel Costs
(5) Other related costs if approved

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort or earmarking requirements.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

Compliance Requirements
Contractors that pass through funds to subrecipients are required to perform the following activities:

1) Identify State award information and compliance requirements to the subrecipient.
2) Monitor subrecipient activities to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements, e.g. review of financial and programmatic reports, on site monitoring visits.
3) Ensure that required subrecipient audits are performed and Corrective Action Plans adequately address any monitoring and audit findings.
4) Ensure that reported expenditures are in agreement with subrecipient financial records and are reconciled to the pass-through entity's advances.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

SECTION 19

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF TRANSPORTATION

LOCAL BRIDGE PROGRAM TRANSPORTATION FUND 1

LOCAL TRANSPORTATION CAPITAL IMPROVEMENT PROGRAM..... 3

TOWN AID ROAD GRANTS TRANSPORTATION FUND 6

TRANSIT DISTRICT GRANTS AND LOANS TRANSPORTATION FUND..... 8

TRANSPORTATION FOR EMPLOYMENT INDEPENDENCE PROGRAM..... 10

Department of Transportation
LOCAL BRIDGE PROGRAM TRANSPORTATION FUND

21010-DOT57000-42310 21010-DOT57000-42311

21010-DOT57000-42312 21010-DOT57000-42313

13033-DOT57000-43456

I. PROGRAM OBJECTIVES

The purpose of the Local Bridge Program is to provide financial assistance to the municipalities for the removal, replacement, reconstruction, rehabilitation or improvement of local bridges.

II. PROGRAM PROCEDURES

The program provides grants to municipalities for the removal, replacement, reconstruction, rehabilitation or improvement of local bridges.
(Sections 13a-175p through u, CGS) and (Public Act 87-224)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds are to be used for the removal, replacement, reconstruction, rehabilitation or improvement of local bridges. Refer to Local Bridge Regulations, Section 13a-175u4 for allowable costs.
(Sections 13a-175p through u, CGS) and (Public Act 87-224)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The contract will identify the matching share. It can be a specific amount or a percentage of costs.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Transportation
LOCAL TRANSPORTATION CAPITAL IMPROVEMENT PROGRAM (LOTCIP)

13033-DOT57000-43584

I. PROGRAM OBJECTIVES

The purpose of the Local Transportation Capital Improvement Program (LOTCIP) is to provide State monies to urbanized area municipal governments in lieu of Federal funds otherwise available through the Federal transportation legislation. The LOTCIP is provided for in CGS Section 13a-98n. The LOTCIP program is established with substantially fewer constraints and requirements, than currently exist when using Federal Title 23 USC funds. The Connecticut Department of Transportation envisions two main benefits to this proposal:

1. The ability of municipalities to perform capital improvements with less burdensome requirements, i.e. do it their way; and

2. Better utilization of State resources (staff) in the Federal-aid program on more regionally significant improvements on State owned facilities. The Federal monies typically used for improvements on municipal owned facilities in the Surface Transportation Block Grant Program (STBG) may be utilized by the Department for eligible activities predominantly on State owned assets.

To become familiar with the LOTCIP program the following link is provided: http://www.ct.gov/dot/lib/dot/documents/dconsultdesign/LOTCIP_guidelines_March_2016.pdf

II. PROGRAM PROCEDURES

The program guidelines were developed in a joint and cooperative effort by members of the Department of Transportation, Councils of Governments (COG), and municipalities of the state. The Department's guiding charge has been to develop a program whose parameters reasonably satisfy Department, COG, and Municipality needs. Our goals are to ensure a quality long term capital improvement with minimal Department of Transportation oversight and to maintain flexibility.

Projects must meet the eligibility requirements of the Federal STBG Program, such as being located on a roadway classified as a collector or higher. The Functional Classification Map is available on the Department's website at http://www.ct.gov/dot/maps.

Compliance Requirements
The following are modifications to eligibility requirements:

1) The COGs will be allowed to allocate a maximum of 15% of their annual LOTCIP funds or $500,000 total project cost, whichever is greater, to pavement preservation, pavement rehabilitation, and exclusive (stand-alone) sidewalk projects covered by these guidelines. That is, a COG may pursue a combination of new sidewalk and pavement rehabilitation projects for up to 15% of its annual funding, but not 15% for each type of project. Note that full depth reconstruction, where warranted, is exempt from this cap.

2) Although transportation enhancement/alternative projects are eligible for LOTCIP funding without an explicit cap, it is expected that the COGs will limit funding allocation to such projects to a reasonable level.

3) Projects must have a minimum construction cost of $300,000 to qualify for LOTCIP funding.

4) Planning studies may be eligible for LOTCIP as a funding source, subject to the Department's current Planning Study Process, and will not be administered in accordance with the LOTCIP guidelines.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements
Refer to the Contract for allowable costs and services.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements
The intent of this new State funded program is for it to be a stand-alone program to replace the use of Federal STBG funding by the municipalities, resulting in a faster and simpler process for completing capital improvements. Funding received under this program, therefore, is not eligible to be used as local matching funds for receipt of other Federal funds. However, in cooperation with the COG, LOTCIP funds can be used as a source of construction funds for larger Department of Transportation sponsored federally funded projects.

D. Special Reporting Requirements

Compliance Requirements

1) Expenditures directly related to the LOTCIP must be identified separately by the auditee from other State financial assistance using the *Local Transportation Capital Improvement Program Expenditure Summary Form* and submitted to the Department of Transportation with a copy of the single audit. A copy of this form will be provided to the municipality upon execution of the PAL. Failure to provide an audit is an event of default under the Municipal/State Project Agreement and may result in the Department of Transportation requesting the return of the grant and may impact the municipality's future eligibility in the LOTCIP.

2) It is expected that projects will commence and be completed in a timely manner. In order for the Department to monitor project progress, quarterly updates are to be provided to the Department in the format provided in Appendix J. The COG must compile and submit the necessary information from their member municipalities for all approved projects under the LOTCIP, as this information is critical to program monitoring and program transparency. Project progress, quarterly estimated design completion, cost, and advertising schedule updates will be critical to program monitoring. Quarterly Reports must be submitted to the contact listed in these guidelines within two weeks after the end of a quarter.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Transportation
TOWN AID ROAD GRANTS TRANSPORTATION FUND
12052-DOT57131-43455-34005
12052-DOT57131-43459-34005

I. PROGRAM OBJECTIVES

The purpose of the Town Aid Road Grants program is to assist towns in the construction, reconstruction, improvement, and maintenance of improved and unimproved roads.

II. PROGRAM PROCEDURES

The Town Aid Road Grants program provides formula grants to municipalities for maintaining a viable infrastructure of local roads and highways and furnishes technical assistance for the construction, improvement, and maintenance of highways and bridges. (Sections 13a-175a through e and i, CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds are to be used for construction, reconstruction, improvement, or maintenance or improved or unimproved roads and other transportation-related services.
(Sections 13a-175a through c and i, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

Department of Transportation
TRANSIT DISTRICT GRANTS AND LOANS
TRANSPORTATION FUND
12001-DOT57000-12378 Handicapped Access
12001-DOT57000-12175 Bus Operations
12001-DOT57000-12379 ADA Dial-A-Ride

I. PROGRAM OBJECTIVES

The purpose of the Transit District Grants and Loans program is to provide advice and technical assistance to any Transit District regarding its functions, plans and programs; to make grants or loans to Transit Districts to plan, research, construct, reconstruct, subsidize, operate or maintain transit systems operated by the Transit Districts; and to pay local share to obtain matching grants from the federal government.

II. PROGRAM PROCEDURES

This program provides the authority for the state to assist the Transit Districts with grants and loans.
(Section 13b-38, CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds are to be used for planning, research, subsidy, administrative costs, and costs to operate and maintain transit systems.
(Section 13b-38, CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

Compliance Requirements

The required match is determined by established DOT policy and the terms and conditions contained in the agreement between DOT and the grantee.

D. Special Reporting Requirements

Compliance Requirements

(1) The Transit District shall certify to the State that a maintenance plan is in place and shall provide to the State a copy of both the plan and the Transit District's certification that the plan has been implemented.

(2) The Transit District shall complete and submit Monthly Operating Reports on all vehicles used for the American With Disabilities Act Paratransit Program and for fixed route bus services subsidized with bus operation funds. Said reports will include precise information on one-way trips provided, as well as service hours, days, and miles.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

Compliance Requirements

The Transit District before they implement any changes in Rates of Fare or Scheduled Service or dispose of any Transit vehicles and equipment must have received prior written approval by the State.

Suggested Audit Procedures

(1) Compare Rates of Fare and Service Schedules from the prior audited period to those of the current period to identify any changes. Determine that the Transit District received prior written approval from the State to implement any changes.

(2) Review inventory records of the Transit District to identify the disposal of Transit vehicles and equipment. Determine that the Transit District received prior written approval from the State to dispose of the subject capital equipment. If any capital equipment is sold by the Transit District, the State shall receive a percentage of the net proceeds from the sale in an amount to be determined by the State.

Department of Transportation
TRANSPORATION FOR EMPLOYMENT INDEPENDENCE PROGRAM
12062-DOT57000-35593

I. PROGRAM OBJECTIVES

The purpose of the Transportation for Employment Independence program is to provide transportation services that support the transportation needs of low-income individuals in order to obtain or maintain employment.

II. PROGRAM PROCEDURES

The state contracts with 1) transit operators to provide public transportation services and 2) a nonprofit transportation broker to provide customized transportation services. The transit operators and nonprofit transportation broker are reimbursed for services rendered.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds are to be used by 1) transit operators for costs to operate and maintain public transportation services and 2) a nonprofit transportation broker to provide customized transportation services that provide access to employment such as bus tickets, mileage reimbursement, van passes, bicycles and/or car-based solutions, and for administrative costs.

B. Eligibility

Compliance Requirements

1) The auditor is not expected to test for eligibility in public transportation services provided by transit operators.
2) The nonprofit transportation broker must receive a direct referral from social service agencies that determine eligibility for an individual to receive customized transportation services, based on established criteria and income thresholds.

C. Matching, Level-of-Effort, and/or Earmarking Requirements

There are no matching, level-of-effort, or earmarking requirements.

D. Special Reporting Requirements

Compliance Requirements

1. There are no special reporting requirements for transit operators providing public transportation.
2. The nonprofit transportation broker providing customized transportation services shall prepare monthly reporting, inclusive of;
    a. Completed and signed Invoice Summary and Processing form.
    b. Itemization of expenses.
    c. Number of clients served and trips completed.
    d. Detailed documentation supporting all expenditures, per the agreement.

E. Subrecipient Monitoring

The auditor is not expected to test for Subrecipient Monitoring.

F. Special Tests and Provisions

There are no special tests or provisions for the auditor to perform.

PART 3

GUIDANCE FOR AUDITING PROGRAMS NOT INCLUDED IN THIS COMPLIANCE SUPPLEMENT

Purpose - Section 4-236-6 of the Regulations to the State Single Audit Act states that for those State programs not covered in the compliance supplement, the auditor should use the types of compliance requirements contained in the compliance supplement (see the 6 types of compliance requirements described in Part 1 of this Supplement) as guidance for identifying the types of compliance requirements to test, and determine the requirements governing the State program by reviewing the provisions of contract and grant agreements and the laws and regulations referred to in such contract and grant agreements.

The purpose of this Part is to provide the auditor with guidance on how to identify the applicable compliance requirements for programs not included in this Supplement for state single audits and for program-specific audits when a program-specific audit guide is not available. This Supplement does not include all state programs. Therefore, it is likely that the auditor will encounter programs that the auditor is required to test as major programs that are not included in this Supplement. For this reason, the following guidance is provided for the auditor to identify those compliance requirements that should be tested.

Review of Compliance Requirements - In determining the compliance requirements to test for programs not included in this Supplement, the auditor shall refer to Part 1 of this Supplement. Part 1 identifies and describes the 6 types of compliance requirements where noncompliance may have a direct and material effect on a State program and provides audit objectives and suggested audit procedures. The 6 types of compliance requirements are:

A. Activities and Costs Allowed or Unallowed
B. Eligibility
C. Matching, Level of Effort, Earmarking
D. Reporting
E. Subrecipient Monitoring
F. Special Tests and Provisions

For programs not included in this Supplement, the auditor must determine the applicable compliance requirements. While a State program may have many compliance requirements, normally there are only a few key compliance requirements that could have a direct and material effect on the program. Since the single audit process is not intended to cover every compliance requirement, this Supplement and the auditor's focus should be on the 6 types of compliance requirements listed in Part 1. The following are suggested procedures to assist the auditor in making this determination.

Although the focus of this Supplement is on compliance requirements that could have a direct and material effect on a major program, auditors also have responsibility under *Generally Accepted Government Auditing Standards* (GAGAS) for other requirements when specific information comes to the auditors' attention that provides evidence concerning the existence of possible noncompliance that could have a material indirect effect on a major program.

Steps for Identifying Compliance Requirements

Determining what compliance requirements to test involves several steps. The auditor should address the following questions:

1. What are the program objectives, program procedures, and compliance requirements for a specific program?
2. Which of the compliance requirements could have a direct and material effect on the program?
3. Which of the compliance requirements are susceptible to testing by the auditor?
4. Into which of the 6 types of compliance requirements does each compliance requirement fall?
5. For Special Tests and Provisions, what are the applicable audit objectives and audit procedures?

1. What are the program objectives, program procedures, and compliance requirements for a specific program?

The first step is to gain an understanding of how the program works (e.g., the program objectives and procedures) and determine what laws, regulations, and provisions of contract or grant agreements (compliance requirements) apply to the program. The auditor should consider the following steps:

a. Discuss the program with the nonstate entity and, if necessary, the State awarding agency or, in the case of a subrecipient, the pass-through entity.

b. Review the contract and grant agreements and referenced laws and regulations applicable to the program, including any amendments or closeout agreements. The documents or agreements may identify the name and telephone number of a State contact person or, if a subaward, the contact person for the pass-through entity whom the auditor may wish to contact for additional information.

Note: The auditor should be aware that a particular nonstate entity or State award may be subject to provisions that are unique to that entity or award. For example, previous noncompliance by a nonstate entity may result in additional requirements to which the nonstate entity must adhere, in order to continue its participation in the State program. Such provisions would generally not be based on laws and regulations applicable to all awards under the State program. Reasonable procedures to identify such compliance requirements would be inquiry of nonstate entity management and review of the contract and grant agreements pertaining to the program. Any such requirements identified, which could have a direct and material effect on a major program, should be included in the audit.

c. If there is a program-specific audit guide or other audit guidance issued by the State awarding agency, the auditor may wish to consider this guidance in identifying the program objectives, program procedures, and compliance requirements. The availability of program audit guides can be determined by contacting State awarding agencies.

d. Consider other audit guidance, including previously issued guidance, pertaining to the program that has continuing relevance.

2. Which of the compliance requirements could have a direct and material effect on the program?

Generally Accepted Government Auditing Standards require that the auditor plan the audit to provide reasonable assurance that the financial statements are free of material misstatement resulting from violations of laws and regulations that have a direct and material effect on the determination of financial statement amounts. The State Single Audit Act requires the auditor to perform procedures to determine whether the nonstate entity has complied with laws, regulations, and the provisions of contract or grant agreements that could have a direct and material effect on each major program. Therefore, the auditor must determine which compliance requirements could have a direct and material effect on each major program.

In assessing materiality, the auditor should consider that materiality is based on qualitative as well as quantitative aspects. Also, the auditor should consider whether to set materiality at lower levels in audits of State programs than private sector audits of financial statements due to the visibility and sensitivity of such programs. Examples of characteristics indicative of compliance requirements that could have a direct and material effect on a major program include:

- Noncompliance could likely result in questioned costs.
- The requirement affects a large part of the State program (e.g., a material amount of program dollars).
- Noncompliance could cause the State agency, or pass-through entity in the case of a subrecipient, to take action, such as seeking reimbursement of all or a part of the award and suspending the recipient's or subrecipient's participation in the program.

3. Which of the compliance requirements are susceptible to testing by the auditor?

The auditor is only expected to test compliance for those requirements which are susceptible to testing by the auditor (i.e., the requirements can be evaluated against objective criteria, and the auditor can reasonably be expected to have sufficient basis for recognizing noncompliance). Further, the auditor would not be expected to test for compliance with requirements that the State awarding agency should have the ability to verify in the normal course of administering the program (e.g., if the requirement is that the nonstate entity must file a report by a certain date, the State awarding agency should know whether it received the report on time). Characteristics of compliance requirements that auditors are typically expected to test include those:

- Which are practical to test.
- With objective criteria available for the auditor to assess compliance.
- Where an audit objective can be written that supports an opinion on compliance.

- When testing adds value, for example:
  - It is likely that the auditor could document the noncompliance in a manner that: (1) permits the State awarding agency or pass-through entity to take action, or (2) gives the State awarding agency or pass-through entity an early warning to initiate a monitoring visit or other contact with the nonstate entity.
  - The State awarding agency or pass-through entity does not otherwise have information that verifies compliance.

4. *Into which of the 6 types of compliance requirements does each compliance requirement fall?*

The auditor shall use the 6 types of compliance requirements listed for identifying which requirements applicable to the program are subject to testing. Not all compliance requirements apply to all state programs. Conversely, certain types apply to the majority of state programs.

(a) **Services and Costs Allowed or Disallowed** applies to the majority of State programs. The auditor should look at the program requirements and State award documents for what constitutes allowable or disallowable services and costs.

(b) **Eligibility** applies to most State programs which provide benefits to individuals, groups of individuals, or make subawards. For programs with eligibility requirements, the auditor should review the program laws, regulations, and provisions of contract or grant agreements to determine the specific eligibility requirements. Eligibility involves not only individuals but also possibly groups of individuals, geographical areas, or subrecipients. Additionally, the auditor should consider whether continuing, as well as initial, eligibility requirements apply.

Furthermore, eligibility involves both who is eligible, and the amount of benefits provided to the eligible.

(c) **Matching, Level of Effort, Earmarking** is not universal, and, if applicable, would be specific to the State program and often the nonstate entity. Therefore, the auditor will have to review the laws, regulations, contract or grant agreements applicable to the program to determine specific requirements for matching, level of effort, and/or earmarking.

(d) **Reporting** applies to the majority of State programs. However, often the nonstate entity or the pass-through entity has developed its own forms for financial reporting in addition to or in lieu of the standard State financial reports. The auditor should determine whether the standard reports are used, and if not, what forms are used to report the same or similar information. The auditor should be aware that reporting may include electronic submissions for which there may be no physical document.

For performance reporting and special reporting, if there is a program in this Supplement funded by the same State agency that requires the same performance or special reporting required by the program for which the auditor is seeking to identify compliance requirements, and this Supplement requires testing of those data, then the auditor should use such guidance in identifying compliance requirements to test. Otherwise, the auditor is only required to test financial reporting.

(e) **Subrecipient Monitoring** applies when State awards are passed through from a pass-through entity to a subrecipient. If the entity does not pass State awards on to a subrecipient, this requirement does not apply.

(f) **Special Tests and Provisions** includes those compliance requirements that do not fit the description of the types of compliance requirements discussed above. These will generally be the most difficult type of compliance requirement to identify because, by definition, they are unique to each program. In addition to reviewing the program's contract and grant agreements and referenced laws and regulations, the auditor should also make inquiries of the nonstate entity to help identify and understand Special Tests and Provisions.

For each of the types of compliance requirements listed above, except for Special Tests and Provisions, the auditor shall consider the compliance requirements and related audit objectives in Part 1. In making a determination not to test a compliance requirement, the auditor must conclude that the requirement either does not apply to the particular nonstate entity or that noncompliance with the requirement could not have a material effect on a major program (e.g., the auditor would not be expected to test Eligibility for a major program if all the individuals that could possibly be ineligible would constitute a small number of the total participants and the related dollar amount involved for the possible ineligible individuals is considered a small amount for the program). The suggested audit procedures in Part 1 are provided to assist auditors in planning and performing tests of nonstate entity compliance with the requirements of State programs. Auditor judgment will be necessary to determine whether the suggested audit procedures are sufficient to achieve the stated audit objective and whether additional or alternative audit procedures are needed.

This Supplement does not provide audit procedures to test internal control due to the diversity of systems employed by nonstate entities. The common elements of an internal control system however, for the 6 compliance requirements, are presented in Part 1 of this Supplement. The auditor must determine appropriate procedures to test internal control on a case by case basis considering factors such as the nonstate entity's internal control, the compliance requirements, the audit objectives for compliance, the auditor's assessment of control risk, and the audit requirement to test internal control as prescribed in the Regulations to the State Single Audit Act.

5. For Special Tests and Provisions, what are the applicable audit objectives and audit procedures?

For each of the types of compliance requirements discussed above, Part 1 of the Supplement includes generic audit objectives and suggested audit procedures, except for Special Tests and Provisions. As noted above, Special Tests and Provisions are sufficiently unique to every program that generic audit objectives and suggested audit procedures are not practicable. Therefore, the auditor will have to develop audit objectives and audit procedures for each identified Special Test and Provision using the guidance described in Part 1 under Special Tests and Provisions.

PART 4

EXEMPT PROGRAMS

Exempt Programs

Section 4-230 of the State Single Audit Act provides that exempt state programs are excluded from being major state programs. An exempt program is a state program designated to be exempt by the Secretary of the Office of Policy and Management, after consultation with the Auditors of Public Accounts and the commissioner of the state agency that awarded the state financial assistance. Such programs are required under the State Single Audit Act to be identified in the Compliance Supplement.

The Secretary of OPM has designated the following as Exempt Programs:

	CORE-CT #
Education Cost Sharing	11000-SDE64000-17041-**82010**
Special Education:	
Excess Costs Student Based and Equity	11000-SDE64000-17047
	11000-SDE64000-17048
School Construction Grants:	
	13009-DAS27000-40896
	13010-DAS27000-40901
	13009-SDE64000-40896
	13010-SDE64000-40901
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005
Municipal Revenue Sharing	11000-OPM20600-17102
Municipal Stabilization Grant	11000-OPM20600-17104
Municipal Transition Grant	
(Motor Vehicle Property Tax Grant)	11000-OPM20600-17103
Municipal Restructuring Fund	
(Municipal Accountability Review Board)	11000-OPM20000-17105
Contract Assistance Payments (City of Hartford)	11000-OTT14220-17105

PART 5

MAJOR PROGRAM DETERMINATION

INSTRUCTIONS TO INDEPENDENT AUDITORS
FOR DETERMINING MAJOR STATE PROGRAMS,
RISK ASSESSMENT AND DOCUMENTATION 1

COMPREHENSIVE EXAMPLE.....2

Instructions to Independent Auditors For Determining Major State Programs, Risk Assessment and Documentation

SUBPART A - Determining Major State Programs In Accordance with the State Single Audit Act

Statutory Provisions: Section 4-230 of the Connecticut General Statutes states that a "major state program means any program, excluding an exempt program, determined to be a major state program by the independent auditor pursuant to the requirements of the risk-based approach". Furthermore, section 4-235 of the Connecticut General Statutes states that the Secretary of the Office of Policy and Management "shall periodically issue a state single audit compliance supplement containing information to assist independent auditors in conducting state single audits. Such information shall include, but is not limited to, identification of state financial assistance programs and their significant compliance requirements, suggested audit procedures for determining compliance, exempt programs and information relevant to the risk-based approach for use in determining major state programs".

Process: In accordance with the above provisions of the Connecticut General Statutes the following process shall be followed by the independent auditor in the determination of major state programs.

Step 1. The independent auditor shall identify exempt programs and determine the amount of state financial assistance expended under each such program for the period under audit. Exempt programs cannot be considered a major state program and therefore shall be excluded from being considered a Type A or Type B program under the risk-based approach.

Step 2. The independent auditor shall identify the larger nonexempt state programs, which shall be labeled as "Type A" programs according to the following criteria:

a) For auditees with total nonexempt state program expenditures of less than or equal to $1,000,000 for the audit period, a Type A program shall be considered a nonexempt state program for which the amount of state financial assistance expended under the program for the audit period is equal to or in excess of $100,000;
b) For auditees with total nonexempt state program expenditures exceeding $1,000,000 for the audit period, a Type A program shall be considered a nonexempt state program for which the amount of state financial assistance expended under the program for the audit period equals or exceeds the larger of $200,000 or two percent (2%) of the nonstate entity's total nonexempt state financial assistance program expenditures;

Step 3. Nonexempt state programs not labeled as Type A programs shall be considered Type B programs.

Step 4.

a) The independent auditor shall identify Type A programs which are low-risk. For a Type A program to be considered low-risk, it shall have been audited as a major state program in at least one of the two most recent audit periods and, in the most recent audit period, it shall have had no reportable audit findings under Section 4-236-24(a) of the Regulations to the State Single Audit Act. In addition, the independent auditor shall use professional judgment in determining whether a Type A program is low-risk. In applying professional judgment, the independent auditor shall consider the criteria provided in Subpart C of this part ("criteria for state program risk"), the results of audit follow-up; and whether any changes in personnel or systems affecting a Type A program have significantly increased risk.

b) Notwithstanding step 4(a) of this Subpart, the Secretary of the Office of Policy and Management may approve a state awarding agency's request that a Type A program at a certain recipient(s) may not be considered low-risk. In such unique and rare circumstances, the state agency shall notify the nonstate entity and, if known, the independent auditor at least 180 days prior to the end of the fiscal year to be audited of the Secretary's approval.

Step 5.

a) The independent auditor shall identify Type B programs which are high risk using professional judgment. In applying professional judgment, the independent auditor shall consider the criteria in Subpart C of this Part ("criteria for state program risk") in determining whether a Type B program is high-risk. However, should the independent auditor select Option 2 under step 6 of this Subpart, the independent auditor is not required to identify more high-risk Type B programs than the number of low-risk Type A programs.

b) The independent auditor is not expected to perform risk assessments on relatively small state programs. Therefore, the independent auditor is only required to perform risk assessments on Type B programs with state financial assistance expenditures that exceed twenty-five thousand dollars ($25,000).

Step 6. At a minimum the auditor shall audit all of the following as major state programs:

a) All Type A programs, except the auditor may exclude any low-risk Type A programs identified under step 4 of this Subpart.

b) High-risk Type B programs as identified under either of the two following options listed below:

    1) Option 1. At least one half of the Type B programs identified as high-risk in step 5 of this Subpart, except the auditor is not required to audit more high-risk Type B programs than the number of low-risk Type A programs identified in step 4 of this Subpart. In identifying which high-risk Type B programs to audit as major state programs under this option, the independent auditor is encouraged to use an approach which provides an opportunity for different high-risk Type B programs to be audited as major over a period of time.
    2) Option 2. One high-risk Type B program for each low-risk Type A program identified in step 4 of this Subpart. In identifying which high-risk Type B programs to audit as major state programs under this option, the independent auditor is encouraged to use an approach which provides an opportunity for different high-risk Type B programs to be audited as major over a period of time.

c) Additional programs as may be necessary to provide audit coverage of at least fifty percent (50%) of the auditee's total nonexempt state program expenditures for the audit period. Such additional programs shall be audited as major state programs. This provision may require the independent auditor to audit more programs as major than the number of Type A programs.

SUBPART B – Independent Auditor's Judgment and Documentation of Risk, Deviation from Risk Criteria

Auditor Judgment and Documentation: The Regulations to the State Single Audit Act requires the independent auditor to document in the working papers the risk analysis process used in determining major state programs, as such the independent auditor shall provide such documentation in the working papers. When the major state program determination is performed and documented in accordance with this Part, the independent auditor's judgment in applying the risk-based approach shall be presumed to be correct. Challenges by state agencies and pass-through entities shall be for clearly improper use of the instructions in this part. However, guidance may be provided by state agencies and pass-through entities about the risk regarding a particular state program and the independent auditor shall consider this guidance in determining major programs for audits not yet completed.

Deviation from Using Risk Criteria: In conducting first-year audits, the independent auditor may elect to determine major state programs as all Type A programs plus any Type B programs necessary to meet the 50% of coverage rule provided in step 6c of Subpart A of this Part. Under this option, the independent auditor would not be required to perform the procedures provided in steps 4, 5, and 6 in Subpart A of this Part.

a) A first-year audit is the first year the nonstate entity is audited under this Part or the first year of a change in independent auditor.
b) To ensure that a frequent change of independent auditors would not preclude the auditing of high-risk Type B programs, the election for first-year audits may not be used by an auditee more than once in every three years.

SUBPART C – Criteria for State Program Risk

a) General. The auditor's determination should be based on an overall evaluation of the risk of noncompliance occurring which could be material to the State program. The auditor shall use auditor judgment and consider criteria, such as described in paragraphs (b), (c), and (d) of this section, to identify risk in State programs. Also, as part of the risk analysis, the auditor may wish to discuss a particular State program with auditee management and the State agency or pass-through entity.

b) Current and prior audit experience.
   1) Weaknesses in internal control over State programs would indicate higher risk. Consideration should be given to the control environment over State programs and such factors as the expectation of management's adherence to applicable laws and regulations and the provisions of contracts and grant agreements and the competence and experience of personnel who administer the State programs.
      i. A State program administered under multiple internal control structures may have higher risk. When assessing risk in a large single audit, the auditor shall consider whether weaknesses are isolated in a single operating unit (e.g., one college campus) or pervasive throughout the entity.

ii. When significant parts of a State program are passed through to subrecipients, a weak system for monitoring subrecipients would indicate higher risk.

iii. The extent to which computer processing is used to administer State programs, as well as the complexity of that processing, should be considered by the auditor in assessing risk. New and recently modified computer systems may also indicate risk.

2) Prior audit findings would indicate higher risk, particularly when the situations identified in the audit findings could have a significant impact on a State program or have not been corrected.

3) State programs not recently audited as major programs may be of higher risk than State programs recently audited as major programs without audit findings.

c) Oversight exercised by State agencies and pass-through entities.

1) Oversight exercised by State agencies or pass-through entities could indicate risk. For example, recent monitoring or other reviews performed by an oversight entity which disclosed no significant problems would indicate lower risk. However, monitoring which disclosed significant problems would indicate higher risk.

2) State agencies, with the concurrence of OPM, may identify State programs which are higher risk. OPM plans to provide this identification in the compliance supplement.

d) Inherent risk of the State program.

1) The nature of a State program may indicate risk. Consideration should be given to the complexity of the program and the extent to which the State program contracts for goods and services. For example, State programs that disburse funds through third party contracts or have eligibility criteria may be of higher risk. State programs primarily involving staff payroll costs may have a high-risk for time and effort reporting, but otherwise be at low-risk.

2) The phase of a State program in its life cycle at the State agency may indicate risk. For example, a new State program with new or interim regulations may have higher risk than an established program with time-tested regulations. Also, significant changes in State programs, laws, regulations, or the provisions of contracts or grant agreements may increase risk.

3) The phase of a State program in its life cycle at the auditee may indicate risk. For example, during the first and last years that an auditee participates in a State program, the risk may be higher due to start-up or closeout of program activities and staff.

4) Type B programs with larger State awards expended would be of higher risk than programs with substantially smaller State awards expended.

PRESENTATION/CASE STUDY
DETERMINATION OF MAJOR STATE PROGRAM IN ACCORDANCE WITH THE 2009 REVISED CONNECTICUT STATE SINGLE AUDIT ACT

MAJOR STATE PROGRAM DETERMINATION:

Steps of Risk-Based Approach — Step 1

- Identify each nonexempt state program for which expenditures of state financial assistance was made during the year under audit
  - Exempt programs are excluded from the risk-based approach determination of major programs and cannot be considered a Type A or Type B program

Steps of Risk-Based Approach — Step 2

- Identify Type A programs based on total nonexempt State Financial Assistance (SFA) expended:
  - Expenditures less than or equal to $1.0 million: $100k Expenditures
  - Expenditures over $1.0 million: Greater of $200k or 2.0% of nonexempt SFA Expenditures

Steps of Risk-Based Approach — Step 3

- All other nonexempt state programs are labeled Type B

Steps of Risk-Based Approach — Step 4

- Identify *low*-risk Type A programs
  - Audited as a major program in 1 of 2 most recent years
  - In most recent year, no audit findings for the program identifying:
    - Significant deficiencies or material weaknesses in internal control
    - Reportable/Material noncompliance with laws & regulations
    - Known questioned costs > $1,000
    - Known questioned costs when likely questioned costs > $1,000
    - Known fraud
    - Misrepresentations by auditee in summary schedule of prior audit findings
  - Use auditor judgment and criteria for State program risk provided in SSA Compliance Supplement

- Certain Type A programs may not be considered low-risk

Steps of Risk-Based Approach — Step 5

- Identify *high*-risk Type B programs
  - Use auditor judgment and criteria for State program risk provided in SSA Compliance Supplement
  - Risk assessments are not needed for small Type B programs (generally, programs of $25k or less)

Criteria for State Program Risk – See Part 5, Sec. 1.4-1.5 of the SSA Compliance Supplement
(to be used in Steps 4 and 5)

- Current and prior audit experience:
  - Weaknesses in controls over a State financial assistance program
  - Multiple operating units administering a State program
  - Significant subrecipients
  - Complexity of EDP systems (new or recently changed)
  - Prior audit findings
  - No recent audit
- Oversight by State agencies and pass-through entities (agency may identify programs at higher risk in the SSA Compliance Supplement)
- Inherent risk (program complexity, phase in life cycle, materiality)

Steps of Risk-Based Approach — Step 6

- Determine major programs as:
  - All Type A programs, except low-risk Type A programs, plus
  - High-risk Type B programs – using either of 2 options:
    - Option 1: At least 1/2 of high-risk Type B programs but not to exceed the number of low-risk Type A programs (the "cap") or
    - Option 2: One high-risk Type B program for each low-risk Type A program

  plus
  - Any programs required to be audited as major by grantor (grantor must notify 180 days before year-end and agree to pay full incremental cost), plus
  - Any Type A or B programs to meet percentage of coverage rule

Percentage of Coverage Rule

- The sum of major program expenditures must encompass at least 50% of the auditee's total nonexempt State awards expended
- Percentage of coverage rule must be met even if "the cap" on the number of major programs is exceeded
- Percentage of coverage rule is applied after Steps 1 through 5, and all other parts of Step 6 are performed
- When selecting additional programs to audit as major to comply with percentage of coverage rule, not necessary to consider risk -- only $

Deviation from Use of Risk Criteria

- For 1st year audits, major programs may be determined as:
  - All Type A programs, plus
  - Any Type B programs necessary to meet the percentage of coverage rule
- "1st year audit" defined as the 1st year:
  - Entity is audited under the October 2009 Revisions to the State Single Audit Act
  - Under a change in auditors (can be used only once every 3 years)

Risk-Based Approach -- An Overview

- Objective: Rotate the mix of State award programs covered by audit over time
- Auditors are responsible for determining major programs using risk-based approach
- Exempt State programs are excluded from the risk-based approach and cannot be considered a major state program
- May delay use of risk-based approach in 1st year under revised SSA Act
- Auditors' judgment required and presumed correct, if properly documented
- Incorporates percentage of coverage rule
- Instructions in the SSA Compliance Supplement prescribes a 6-step process to implement risk-based approach

Factors to Consider in Performing Risk Analysis/Determining Major State Programs

- Audit efficiency
- Responsiveness to client requests
- Severity of high risk assessment - i.e. number of factors considered
- Rotation of programs audited
- Auditor judgment

RISK-BASED APPROACH FOR DETERMINING MAJOR PROGRAMS
EXAMPLE FOR XYZ CASE STUDY

Introduction

The 2009 Revised State Single Audit Act requires that the independent auditor use a risk-based approach in determining major state programs. Instructions in regards to the risk-based approach are provided in Part 5, Section 1 of the State Single Audit Compliance Supplement.

The following example for XYZ Entity, is intended to illustrate the application of the risk-based approach. (Note: This Example is to be used as a training tool only in conducting an audit under the 2009 Revisions to the State Single Audit Act.)

Background on XYZ

XYZ had the following State awards expended for the year ended June 30, 2017:

Program 1	3,800,000
Program 2	2,200,000
Program 3	1,600,000
Program 4	1,000,000
Program 5	270,000
Program 6	220,000
Program 7	140,000
Program 8	120,000
Program 9	24,000
Total	$9,374,000

XYZ's fiscal year ends on June 30. For purposes of this example, XYZ had an audit conducted in accordance with the 2009 revisions to the State Single Audit Act since 2010. In addition the auditor reviewed the State Single Audit Compliance Supplement applicable for FYE 2017 and identified Program 6 as an exempt state program.

Program 1 Most of the expenditures from Program 1 are for payroll expenses. Employees paid from this program spend all of their time working on this program. XYZ has historically had an accurate and well controlled payroll system. No significant changes occurred in the payroll system or its personnel in the last several years. This program was audited for each of the last several years as a major program. No significant deficiencies, reportable or material matters of noncompliance, or other audit findings were reported in the last several years.

Program 2 This program has complex eligibility requirements. Audits of the last two years have disclosed matters of noncompliance, numerous significant deficiencies, and questioned costs. In 2016 there was an opinion qualification for a material noncompliance.

Program 3 This program is similar to Program 1 and was audited for the last several years as a major program. No significant deficiencies, reportable or material matters of noncompliance, or other audit findings were reported in the last several years.

Program 4 This is a new program in 2017, and it is similar to Program 1. This program was not audited previously.

Program 5 This program is administered 100% by a district office of XYZ which is located at a remote location away from XYZ's main office. The district office is staffed by an office manager and a part-time clerical employee with limited training. Program expenditures are approved by the office manager and, to minimize disruption, the original supporting documentation is retained at the district office. Because of the complexity of compliance requirements and the relatively small size of this program compared to others of XYZ, the central office's involvement is minimal. In prior years expenditures under this program was minimal and it was not audited as a major program or used to comply with the 50% coverage rule.

Program 6 This program was identified in the State Single Audit Compliance Supplement as an exempt program.

Program 7 This program was not previously audited as a major program or used to comply with the 50 percent rule. However, in 2016 a monitoring team from the State awarding agency performed a review and found significant internal control and compliance problems.

Program 8 This program is administered at the same district office as Program 5 and, it was not considered a major program or used to comply with the 50 percent rule in previous audits. Accordingly, controls were not subjected to risk assessment or testing and tests of compliance were not performed.

Program 9 The program is new for 2017.

Analysis for Major Program Determination in 2015

Step 1-3 - Identify Exempt Programs and Type A and Type B Programs

Since XYZ expended over $1.0 million (9,374,000 minus 220,000 = 9,154,000) in total nonexempt state financial assistance, a Type A program is determined to be any State program with State awards expended equal to or exceeding the larger of $200,000 or 2% of total nonexempt State expenditures (2% X $9,154,000 = $183,080). In this example, any nonexempt program with State expenditures of $200,000 or more is a Type A program and any nonexempt program below $200,000 is a Type B program.

Programs 1 through 5 are Type A and Programs 7 through 9 are Type B.

	$	**Type**
Program 1	$ 3,800,000	**A**
Program 2	2,200,000	**A**
Program 3	1,600,000	**A**
Program 4	1,000,000	**A**
Program 5	270,000	**A**
Program 7	140,000	**B**
Program 8	120,000	**B**
Program 9	24,000	**B**
Total Nonexempt	$9,154,000	
Program 6	220,000	Exempt

Step 4 - Identify Low-risk Type A Programs

Programs 1 and 3 are identified as low-risk because the programs were audited as major programs in 2016 with no audit findings, there were no significant changes in the personnel or systems affecting the programs which increased risk, and, in the auditor's judgment, the programs are low-risk due to the non-complex nature of the programs.

Program 2 is not low-risk because of audit findings in the prior year; Program 4 is not low-risk because it is a new program and was not audited previously; and Program 5 is not low-risk because of the complexity of the program and the weaknesses in the control environment and the program never being audited before.

Step 5 - Identify High-risk Type B Programs

Before risk assessments are begun, the auditor should consider which option is likely to be used to select high-risk Type B programs as major programs, if any. In this case, Option 1 is assumed to be the most efficient approach for this example. Therefore, risk assessments are performed for programs 7 and 8.

A risk assessment is not performed on Program 9 because the instructions provided in the SSA Compliance Supplement permits the auditor to exclude relatively small State programs from the risk analysis. For XYZ, risk assessments are not required for programs below $25,000.

Programs 7 and 8 are identified as high-risk.

Criteria considered in identifying Program 7 as high-risk include the size of the program, the program was never audited before, and the concerns raised by the 2016 monitoring visit. The auditor was told by the management of XYZ that the internal control concerns raised during the 2016 monitoring visit were not corrected. However, XYZ appointed a committee to start working on the internal control concerns and management assured the auditor that corrective action is imminent.

Program 8 was identified as high-risk because of its size, and similar risk as program 5.

Step 6 – Determine Major Programs

	$	**Type**	**Risk**
Program 1	$ 3,800,000	A	**Low**
Program 2	2,200,000	A	**High**
Program 3	1,600,000	A	**Low**
Program 4	1,000,000	A	**High**
Program 5	270,000	A	**High**
Program 7	140,000	B	**High**
Program 8	120,000	B	**High**
Program 9	24,000	B	—
Total Nonexempt	$9,154,000		

(a)
Non Low-risk Type A Programs - Type A Programs 2, 4 and 5 are not low-risk and, therefore, are major programs.

(b)
High-risk Type B Programs – The instructions on the risk-based approach provided in the SSA Compliance Supplement requires that at least one-half of the high-risk Type B programs be audited as major programs. However, that Section establishes a cap that the number of high-risk Type B programs audited as major programs need not exceed the number of low-risk Type A programs.

Programs 7 and 8 are identified as high-risk Type B programs under Step 5. Therefore, one-half of the number of high-risk Type B programs is one. Since the number of low-risk Type A programs (i.e. Programs 1 and 3) is two, the cap is not applicable in this case. Therefore, the auditor is required to select one high-risk Type B program as a major program. The auditor may choose either Program 7 or 8 and is not required to justify a decision of which high-risk Type B program is audited as a major program. The auditor selects Program *7* in this example. (Note: If there were no low-risk Type A programs, the auditor would not be required to audit any high-risk Type B programs as major programs. In addition, the auditor would not be required to perform risk assessments of Type B programs if there were no low-risk Type A programs.)

(c)
Percentage of Coverage Rule - Aggregate State expenditures for major Programs 2, 4, 5, and 7 total $3,610,000. This is only 39.4% of total nonexempt State awards expended.

The State Single Audit Act requires a minimum of 50% audit coverage of total nonexempt state program expenditures. To achieve 50% audit coverage, the auditor chooses to audit program 1, a low-risk Type A program as a major program. This provides coverage of $7,410,000 or 80.9% of nonexempt State awards expended, which meets the 50% coverage rule. (Note: the auditor could have selected any other State program or combination of State programs which would satisfy the 50% coverage rule.)

% of Coverage Rule

2017 Major Programs	
High Risk	$
Program 2	$2,200,000
Program 4	$1,000,000
Program 5	$ 270,000
Program 7	$ 140,000
	$3,610,000 (39.4% of $9,154,000)
% of Coverage Rule	
Program 1	$3,800,000 (41.5% of $9,154,000)
Total	$7,410,000 (80.9% of $9,154,000)

Results of 2017 Audit

Audit

Program 1 - No audit findings.

Program 2 - Internal controls improved. However, there was one significant deficiency in internal controls. There were three audit findings related to noncompliance and known questioned costs of $50,000. In evaluating the effect of questioned costs on the opinion on compliance, the auditor's best estimate was that total questioned costs did not exceed 3% of Program 2 expenditures. In the auditor's judgment, there was not material noncompliance.

Program 4- No audit findings.

Program 5 - Significant problems were discovered at the district office. The district office manager had neither retained documentation to support the expenditures nor documentation to support compliance with the program's complex requirements. All costs of the program were questioned, and there were material weaknesses in internal control and material matters of noncompliance.

Program 7 – No audit findings

Follow-up - Program 2 was the only program with prior audit findings and the follow-up was performed as part of auditing this program as a major program in the current year. For purposes of this example, in any year a program is major, the follow-up will be assumed to be done as part of auditing the major program. For non-major programs, audit follow-up is listed separately in the results of audit section.

2018 State Single Audit:

As a result of the 2017 State Single audit, programs 2 and 5 cannot be considered low-risk in 2018.

PART 6

COST STANDARDS

The Office of Policy and Management has established new statewide cost accounting standards to be used by all State agencies in determining the costs incurred by organizations under State awards. For these purposes, State award is defined as a fully executed Purchase of Service (POS) contract, grant, cooperative agreement, cost reimbursement contract, or other contract **for the purchase of health or human services** between a State agency and an organization. The cost standards must be used by all State agencies in determining the costs incurred by organizations under these State awards.

The cost standards are effective September 1, 2006 and must be incorporated into the provisions of State awards according to the following time frames:

- All new State awards effective on or after January 1, 2007
- All contract amendments modifying funding effective on or after January 1, 2007
- All State awards effective on or after July 1, 2007

Further information on the Cost Standards can be found at the website below:

OPM: POS Cost Standards

S t a t e o f C o n n e c t i c u t

OFFICE OF POLICY AND MANAGEMENT

COST STANDARDS

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Office of Policy and Management
450 Capitol Avenue
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Issued September 1, 2006
Revised: October 21, 2016

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Acronyms & Abbreviations

A&G	Administrative & General (costs)
CAP	Cost Allocation Plan
ERISA	Employment Retirement Income Security Act (federal)
FLSA	Fair Labor Standards Act (federal)
GAAP	Generally Accepted Accounting Principles
IRS	Internal Revenue Service (federal)
OMB	Office of Management & Budget (federal)
PA	Public Act (State)
PL	Public Law (federal)
POS	Purchase of Service
U.S.C.	United States Code

User Note

Certain key words used in this document are defined as follows:

- *can* – means "am (is, are) able" to do, make, or accomplish; not used as a substitute for "may"
- *may* – indicates permissible, but not required, tasks or actions
- *must* – indicates tasks or actions required by the cost standards
- *shall* – indicates tasks or actions required by the cost Standards
- *should* – indicates tasks or actions that are recommended, but not required, by the cost standards
- *will* – indicates anticipated or future actions, not required actions

INTRODUCTION

Purpose

This document establishes standards for determining the costs of contracts, grants, and other agreements with organizations that receive funding from the State of Connecticut.

Applicability

These cost standards must be used by all State agencies in determining the costs incurred by organizations under State awards. For purposes here, *State award* is defined as a fully executed POS contract, grant, cooperative agreement, cost reimbursement contract, or other contract for the purchase of health or human services between a State agency and an organization.

These cost standards:

(1) apply to both recipients and sub-recipients of State awards;
(2) supersede any cost standards, policies, or procedures issued by a State agency;
(3) do not supersede federal or State statutes or regulations.

Purchase of Service (POS) Contracts

A *POS contract* is a contract between a State agency and an organization for the purchase of ongoing direct health and human services to agency clients. The contract generally is not used for the purpose of purchasing administrative or clerical services, material goods, training, or consulting services. POS contracts are to be used to contract with nonprofit and proprietary corporations as well as partnerships, but cannot be used to contract with individuals.

Responsibilities

All State agencies entering into contracts, grants, or other agreements with organizations that receive funding from the State of Connecticut must implement the provisions of these cost standards.

Waiver

The Secretary of the Office of Policy and Management reserves the right to waive these cost standards, in whole or in part, when it is determined to be in the best interest of the State of Connecticut.

Sections

The cost standards and related policy guidelines are set forth in the following sections:

Part I. General Principles
Part II. Items of Cost
Glossary of Terms

Effective Date

These cost standards are effective January 1, 2007 and must be incorporated into the provisions of State awards according to the following time frames:

All new State awards effective on or after January 1, 2007. All contract amendments modifying funding effective on or after January 1, 2007. All State awards effective on or after July 1, 2007

Inquiries

For further information concerning these cost standards, contact:

Executive Finance Officer
Office of Finance
Office of Policy and Management
450 Capitol Avenue Hartford,
CT 06106

PART I. GENERAL PRINCIPLES

A. Basic Considerations

(1) Factors Affecting Allowability of Costs

To be allowable under a State award, costs must meet the following general criteria:

a. Be applicable to the State-sponsored program;

b. Be reasonable for the performance of the State award and be allocable thereto under these cost standards;

c. Conform to any limitations or exclusions set forth in these cost standards or in the State award as to types or amount of cost items;

d. Be consistent with policies and procedures that apply uniformly to both State-funded and other activities of the organization;

e. Be accorded consistent treatment; A cost may not be assigned to a State award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the State award as an indirect cost.

f. Be determined in accordance with Generally Accepted Accounting Principles (GAAP);

g. Not be included as a cost or used to meet cost sharing or matching requirements of any other State award in either the current or a prior period;

h. Be net of all applicable credits [see Part I, Section 4];

i. Be adequately documented.

(2) Documentation of Costs

Allowable costs must be adequately supported by invoices, cancelled checks, wire transfers, or other forms of documentation evidencing a disbursement and substantiating that a cost was incurred by the organization during the period of the State award.

Supporting documentation must demonstrate that the cost was incurred as a direct, allocable as direct, or administrative and general (A&G) cost in support of the State award.

The absence of adequate supporting documentation may render a cost unallowable.

(3) Reasonable Costs

A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonableness of a given cost, consideration must be given to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the State award;

b. The constraints or requirements imposed by such factors as generally accepted sound business practices, arm's length bargaining, Federal or State laws or regulations or terms and conditions of the State award;

c. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the organization, its members, employees, clients, the public at large, and the State;

d. Significant deviations from the established practices of the organization that may unjustifiably increase costs to the State award

(4) Applicable Credits

Applicable credits is defined as receipts or reduction-of-expenditures that operate to offset or reduce expense items that are allocable to awards as direct, allocable as direct, or A&G costs. Examples of such transactions include, but are not limited to, purchase discounts, rebates or allowances, client payments for participation in State-sponsored programs, recoveries or indemnities on losses, insurance refunds, or adjustments of overpayments or erroneous charges. To the extent that such credits accruing or received by the organization relate to an allowable cost, they must be credited to the State either as a cost reduction or cash refund, as appropriate.

In some instances, the amounts received from the State to finance organizational activities or service operations must be treated as applicable credits. For example, the concept of netting such credit items against related expenditures must be applied by the organization in determining the rates or amounts to be charged to the State award for services rendered whenever the facilities or other resources used in providing such services have been financed directly, in whole or in part, by State funds [see Part II, Item 13].

Program income, less adjustments, must be offset against the cost of State-funded expenses, in accordance with the terms and conditions of the State award.

Expenses related to restricted donations must be offset against restricted donation revenues.

B. Cost Allocation Plan

(1) Definition

The purpose of the cost allocation plan (CAP) is to summarize, in writing, the methods and procedures the organization will use to allocate costs to benefiting programs and activities. Only costs that are allowable, in accordance with these cost standards, shall be allocated to the State award. The CAP must include provisions for allocating allocable as direct costs [see Part I, Section C(4)], A&G costs [see Part I, Section D], and salaries and wages [see Part II, Item 8a(3), General section]. The plan must be initially approved by the Board of Directors for inclusion in the organization's official policies and procedures.

Although there are different methodologies available for allocating costs, the methodology used must result in a reasonable and equitable distribution of costs to programs and activities based upon the benefits received. Specific methods for allocating costs are determined by the organization receiving funding from the State. Organizations must have a system in place to equitably allocate costs. All costs and other data used to distribute costs in the CAP must be

supported by accounting and other records that ensure the propriety of costs assigned to the State award. Once an organization establishes an allocation methodology, it must be used consistently over time. The CAP must be retained on file for audit and made available to State agencies, upon request.

(2) Revisions to the Plan

The CAP must be reviewed on an annual basis and updated, as necessary, to reflect any changes in the allocation methodology. Significant changes to the allocation methodology require approval of the Board of Directors. Such changes must result in a more equitable distribution of costs. Justification for changes must be documented and supported by actual cost data.

C. Composition of Total Costs

(1) Definition

The total cost of the State award is the sum of the allowable direct costs, allocable as direct costs, and allocable A&G costs, less any applicable credits.

(2) Classification of Costs

There is no universal rule for classifying certain costs as either direct, allocable as direct, or A&G under every accounting system. Therefore, it is essential that each item of cost be treated consistently in like circumstances as a direct, allocable as direct, or A&G. The guidelines for determining direct, allocable as direct, and A&G costs charged to State awards are provided below.

(3) Direct Costs

Direct costs are those that can be specifically identified with a particular final cost objective (i.e., a particular program or activity) of the organization. Costs identified specifically with State awards are direct costs of the awards and are to be assigned directly thereto. Costs identified specifically with other final cost objectives of the organization are direct costs of those cost objectives and must not be assigned to State awards as direct, allocable as direct, or A&G costs.

The costs of certain activities are unallowable as charges to State awards [see Part II, Item 20]. Even though these costs are unallowable for purposes of computing charges to State awards, they must be treated as direct costs and be allocated their share of the organization's A&G costs if they represent activities that (1) include the salaries of personnel, (2) occupy space, or (3) benefit from the organization's A&G costs.

The costs of activities performed primarily as a service to members, clients, or the general public when significant and necessary to the organization's mission must be treated as direct costs whether or not allowable and be allocated an equitable share of A&G costs. Examples of these types of activities include:

a. Maintenance of membership rolls, subscriptions, publications, or related activities;

b. Providing services or information to members, legislative or administrative bodies, or the public;

c. Promotion, lobbying, or public relations;

d. Meetings or conferences, except those held to conduct the general administration of the organization;

e. Maintenance, protection, or investment of special funds not used in the operation of the organization;

f. Administration of group benefits on behalf of members or clients, including life or health insurance, annuity or retirement plans, financial aid, etc.

(4) Allocable as Direct Costs

Allocable as direct costs are joint costs that are allocated directly to two or more programs or activities. A cost is allocable as direct to a particular cost objective, such as a program or activity, in accordance with the relative benefits received. A cost is allocable as direct to a State award if it:

a. Benefits more than one program or activity and can be distributed in reasonable proportion to the benefits received. For example, the costs of a program manager who oversees both a residential program and a day program are allocable as direct to the two programs;

b. Is allowable under these cost standards;

c. Is not specifically incurred for activities in another state.

Organizations must document their allocation methodologies for allocable as direct costs in the CAP [see Part I, Section B]. The CAP must identify each type of allocable as direct cost that allocates costs to the organization's programs and activities. The CAP must document the percentage distribution of each allocable as direct cost to the benefiting programs and activities.

Any cost allocable as direct to a particular award or other cost objective under these principles must not be shifted to other State awards to overcome funding deficiencies or to avoid restrictions imposed by law or by the terms of the State award.

(5) Administrative & General Costs

A&G costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

Because of the diverse characteristics and accounting practices of organizations, it is not possible to specify the types of cost that may be classified as A&G costs in all situations. In addition, there is no universal definition of A&G costs in federal OMB circulars, GAAP, or other cost accounting standards. Therefore, for the purposes of these cost standards, A&G is defined as those costs that have been incurred for the overall executive and administrative offices of the organization or other expenses of a general nature that do not relate solely to any major cost objective of the organization. They are costs that by their nature are administrative in support of the overall organization. This category must also include its allocable share of fringe benefit costs, operation and maintenance expenses, depreciation, and interest costs.

For the purposes of clarification, examples of A&G costs include, but are not limited to, the following:

a. Business or office management;

b. Salaries and other expenses (e.g., payroll, taxes, benefits, travel) of executive directors, administrative personnel, or secretaries for portion of time spent administering the general organization's affairs;

c. Salaries and other expenses (e.g., payroll, taxes, benefits, travel) of employees whose duties consist primarily of general legal services; personnel administration; budget and planning; finance; accounting, auditing or financial reporting; business services; safety or risk management; management information systems; library; record keeping; filing, mail distribution, or other general services;

d. Providing executive direction and organization planning;

e. Attending general board, committee, or staff meetings (unless held in connection with specific programs or fundraising activities);

f. Annual meeting;

g. Preparation, publication, or distribution of an annual report;

h. Proportion of costs of training conferences, workshops, or seminars that deal with administration or general topics;

i. General legal services;

j. Personnel administration;

k. Budget and planning;

l. Finance;

m. Accounting, auditing or financial reporting;

n. Business services (purchasing, accounts payable, etc.);

o. Safety or risk management;

p. Management information systems;

q. Library;

r. Record keeping;

s. Filing, mail distribution, or other general services;

t. In addition to staff expenses, proportional office costs (e.g., building occupancy, telephone, office supplies, equipment).

Any A&G costs to a particular award or other cost objective under these standards must not be shifted to other State awards to overcome funding deficiencies or to avoid restrictions imposed by law or by the terms of the State award. Amounts not recoverable as A&G under one State award must not be shifted to another State award, unless specifically authorized by State legislation or regulation.

(6) Hierarchy of Costs

After (1) direct costs have been determined and assigned directly to the State award or other activities as appropriate and (2) allocable as direct costs have been appropriately allocated to the State award or other activities, A&G costs are those remaining to be allocated to benefiting cost objectives. The following examples are provided for clarification:

a. Example of a direct cost:

Costs of Employee A (salary and other expenses) relate 100% to a State-sponsored residential program. Therefore, allocation of costs for Employee A is 100% to the State-sponsored residential program.

b. Example of an allocable as direct cost:

Costs for Employee B (salary and other expenses) relate 50% to a State-sponsored residential program and 50% to a State-sponsored day program. Therefore, allocation of costs for Employee B is 50% to the residential program and 50% to the day program.

c. Example of both allocable as direct cost and A&G cost:

Costs of Employee C (salary and other expenses) relate 40% to a State-sponsored residential program, 30% to a State-sponsored day program, and 30% to A&G duties. Therefore, allocation of costs for Employee C is 40% to the residential program, 30% to the day program, and 30% to A&G.

d. Example of an A&G cost:

Costs of Employee D (salary and other expenses) relate 100% to A&G duties. Therefore, allocation of costs for Employee D is 100% to A&G.

D. Allocation of Administrative & General Costs

(1) Methodology

Specific methods for allocating A&G costs are determined by the organization receiving funding from the State. The methodology utilized by the organization must result in an allocation that is reasonable and equitable based upon the benefits received by the State-funded program and other activities.

The organization must document its allocation methodology for A&G costs in the CAP [see Part I, Section B]. The CAP must identify each type of A&G cost and each A&G cost pool that allocates costs to the organization's programs and activities. The CAP must document the specific method used to allocate each type of cost or specific cost pool.

(2) Administrative & General Cost Pools

The use of cost pools to distribute A&G costs is an allowable method to allocate costs to State funded programs. The cost pool methodology must result in an allocation of costs to both State funded programs and other activities and must be equitable and reasonable to the benefits received.

Direct costs that are applicable to an organization's programs or activities must not be included in any A&G cost pool that result in a charge to a State-funded program.

PART II. ITEMS OF COST

Paragraphs 1 through 54 of this section provide principles to be applied in establishing the allowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. Failure to mention that a particular item of cost is allowable or unallowable does not imply that it is allowed or disallowed; rather, determination as to allowability in such cases should be based on the treatment or principles provided for similar or related items of cost, and based on the principles described in Basic Considerations.

1. Advertising and Public Relations

a. Definitions

(1) The term advertising costs means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and the like.

(2) *Public relations* is defined as maintaining, protecting, or enhancing the image of the organization or to improving the public's understanding of the organization.

b. Allowable Costs

(1) Allowable advertising costs are those required to fulfill the requirements of the State award, including recruitment of personnel, procurement of goods or services, program outreach and other specific purposes necessary to meet the requirements of the State award or other specific purposes related to the State award.

(2) Allowable public relations costs are those required to fulfill the requirements of the State award, including the following:

(a) Costs of communicating with the public or press pertaining to specific initiatives or accomplishments that result from performance of the State award (i.e., costs considered necessary as part of the outreach effort for the program);

(b) Costs of conducting general liaison with news media or government public relations officers, to the extent that actions are limited to communication or liaison necessary to keep the public informed on matters of public concern, such as notices of contract or grant awards or financial matters or communicating about available services and access to care.

c. Unallowable Costs

Unallowable advertising or public relations costs include the following:

(1) Costs of meetings or other events not related to the state award

(2) Costs of memorabilia, models, gifts, or hospitality suites.

(3) Costs of advertising or public relations designed solely to promote the organization or solely for fundraising purposes.

2. Alcoholic Beverages

a. Definitions

Alcoholic beverages is defined as intoxicating drinks containing alcohol.

b. Allowable Costs

None.

c. Unallowable Costs

Costs of alcoholic beverages are unallowable.

3. Bad Debts

a. Definitions

Bad debts is defined as losses (whether actual or estimated) arising from uncollectible accounts or other claims, related collection costs, or related legal costs.

b. Allowable Costs

None.

c. Unallowable Costs

Bad debts are unallowable.

4. Bonding

a. Definitions

Bonding is defined as assurance required by the State or the organization against financial loss to itself or others by reason of the act or default of the organization. The definition includes bid, performance, payment, advance payment, infringement, or fidelity bonds.

b. Allowable Costs

Bonding costs required by the State or directly related to the terms of the State award are allowable.

c. Unallowable Costs

None.

5. Central Office

a. Definitions

Central office is defined as the place, site, or location that serves as the administrative center of the organization.

b. Allowable Costs

Costs are allowable to the extent that the aggregate amount of central office costs charged to State-funded programs (1) are reasonable, (2) are developed from an allocation methodology comprised of allowable costs, as defined by these cost standards, and (3) are applicable only to the administrative functions of the organization's central office operations.

c. Unallowable Costs

Unallowable costs are those that:

(1) result in an unreasonable charge to State-funded programs; or

(2) include unallowable costs as defined in these cost standards; or

(3) are related to the organization's activities in other states.

6. Client Support

a. Definitions

Client support is defined as travel allowances, recreation expenses, participation incentives (such as movie passes) or other expenses to encourage or enable clients to attend program-related events.

b. Allowable Costs

Client support costs for program-related events are allowed, including the costs for an employee to accompany a client to such a program-related event.

c. Unallowable Costs

None.

7. Communications

a. Definitions

Communications is defined as wire line telecommunication services (e.g., corded or cordless telephones), wireless telecommunication services (e.g., cellular or digital phones, pagers, two-way radios), postage, e-mail services, internet services, web sites, or other electronic communication devices or services.

b. Allowable Costs

Communications costs are allowable.

c. Unallowable Costs

None.

8. Compensation for Personal Services

General

a. Definitions

(1) Compensation for personal services is defined as all amounts paid currently or accrued by the organization for services of employees rendered during the period of performance of the State award. Such amounts include salaries, wages, and fringe benefits [see Item 8, Fringe Benefits section].

(2) Reasonableness

(a) When the organization is predominantly engaged in activities other than those sponsored by the State, compensation for employees on State-sponsored work shall be considered reasonable to the extent that it is consistent with that paid for similar work in the organization's other activities.

(b) When the organization is predominantly engaged in State-sponsored programs and in cases where the kind of employees required for the State-sponsored programs are not found in the organization, compensation for employees on State-sponsored work shall be considered reasonable to the extent that it is comparable to that paid for similar work in the labor markets in which the organization competes for the kind of employees involved.

(3) Payroll Distribution and Documentation

(a) The distribution of salaries and wages must be based on documented payrolls approved by a responsible official(s) of the organization.

(b) The organization must develop a cost allocation methodology for salaries and wages based on budgeted, planned, or assigned work activity. The methodology must result in a reasonable and equitable distribution of costs to programs and activities based upon the benefits received. Once established, the methodology must be used consistently over

time. Organizations must document their cost allocation methodology for salaries and wages in the CAP (see Part 1, section B).

(c) The payroll distribution system must be included as part of the official records of the organization and encompass both State-sponsored programs and all other activities on an integrated basis. Salary and wage charges may be made initially on the basis of estimates (i.e., the CAP) before the services are performed, provided that such charges are adjusted periodically. Allocations based solely on such estimates do not qualify as support of salaries and wages.

(d) The payroll distribution system must be kept current. Whenever a change occurs in an employee's work activity, the change must be reflected in the system.

(e) Distribution of salaries and wages must be supported by personnel activity reports. The reports must document the work of all employees (professional and nonprofessional) whose compensation is charged, in whole or in part, to State awards. The reports must:

(i) account for the total amount of work for which employees are compensated; and

(ii) be prepared at least monthly and coincide with one or more pay periods; and

(iii) be signed by both the employee and a responsible official(s) of the organization.

(f) Organizations may use electronic timekeeping or payroll systems that include "electronic signatures" (in lieu of someone signing a paper document).

(g) Organizations must confirm that costs distributed based on the cost allocation plan represent actual costs to the State award and adjust costs accordingly. Cost reports (e.g., quarterly cost reports, interim cost reports, annual cost reports) submitted to State agencies must include these reconciled and adjusted actual costs.

(4) Fair Labor Standards Act (FLSA):

In addition to the supporting documentation described above [see Item 8a(3), General section], charges for the salaries and wages of nonprofessional employees must also be supported by records indicating the total number of hours worked each day and maintained in conformance with U.S. Department of Labor regulations implementing the FLSA (29 CFR Part 516) of 1938, as amended. For this purpose, the term "nonprofessional employee" shall have the same meaning as "nonexempt employee" under FLSA.

(5) Matching:

Salaries and wages of employees used in meeting cost sharing or matching requirements on awards must be supported in the same manner as salaries and wages claimed for reimbursement from State awards.

b. Allowable Costs

Except as otherwise specifically provided in this item, the costs of such compensation are allowable to the extent that:

(1) Total compensation to individual employees is reasonable for the services rendered and conforms to the established written policies of the organization consistently applied to both State-funded programs and non-State activities.

(2) Charges to State awards are determined and supported as required in this item.

(3) Certain conditions require special consideration and possible limitations in determining the allowability of costs under State awards where amounts or types of compensation appear unreasonable. Among such conditions are the following:

(a) Compensation to members of organizations, trustees, directors, associates, officers, or the immediate families thereof. Determination must be made that such compensation is reasonable for the actual personal services rendered rather than a distribution of surplus funds.

(b) Any change in an organization's compensation policy resulting in a substantial increase in the organization's level of compensation.

c. Unallowable Costs

Costs that are unallowable under other items in Part II shall not be allowable under this item solely on the basis that they constitute personal compensation.

Fringe Benefits

a. Definitions

Fringe benefits is defined as:

(1) regular compensation paid to employees during periods of authorized absences from the job (such as vacation, sick, or military leave);

(2) employer contributions or expenses for social security, health insurance, retirement plans, workers' compensation, short-term or long-term disability, life insurance, health savings account, training, or tuition reimbursement;

(3) provisions for a reserve under self-insurance for unemployment compensation, workers' compensation, or health insurance;

(4) life insurance costs are the costs of insurance on the lives of trustees, officers, or other employees holding positions of similar responsibility.

b. Allowable Costs

(1) Fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job are allowable, provided such costs are in accordance with established written organizational policies and are distributed to all organizational programs and activities in proportion to the relative amount of time or effort actually devoted to each.

(2) Fringe benefits in the form of employer contributions are allowable in accordance with the provisions of these standards, provided such benefits are granted in accordance with established written organizational policies and are distributed to all organizational programs and activities on an equitable basis.

(3) Costs incurred for a reserve under self-insurance for unemployment, workers' compensation, or health insurance are allowable to the extent that (a) the provisions represent reasonable estimates of the liabilities for such compensation, and (b) the types of coverage, extent of coverage, and rates and premiums would have been allowable had insurance been purchased to cover the risks. However, provisions for self-insured liabilities that do not become payable for more than one year after the provision is made must not exceed the total projected loss as calculated by an independent third party.

(4) Life insurance costs are allowable only to the extent that the insurance represents additional compensation for personal services.

c. Unallowable Costs

Costs of insurance on the lives of trustees, officers, or other employees holding positions of similar responsibility when the organization is named as beneficiary are unallowable.

Organization – Furnished Automobiles

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a. Definitions

Automobiles is defined as passenger cars or other vehicles furnished by the organization to employees to perform their job duties and responsibilities.

b. Allowable Costs

These costs are allowable when necessary for the performance of the State award.

c. Unallowable Costs

The portion of the cost of organization-furnished automobiles that relates to personal use by employees is unallowable, regardless of whether the cost is reported as taxable income to the employees.

Retirement Plan

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a. Definitions

Costs of the organization's retirement plan that are incurred in accordance with the established written policies of the organization.

b. Allowable Costs

(1) Retirement plan costs are allowable, provided:

(a) Such policies meet the test of reasonableness; and

(b) The methods of cost allocation are equitable for all programs and activities; and

(c) The cost assigned to each fiscal year is determined in accordance with GAAP; and

(d) The costs assigned to a given fiscal year are paid or funded for all plan participants within applicable IRS and Employee Retirement Income Security Act (ERISA) of 1974 (PL 93406) guidelines;

(2) Retirement plan termination insurance premiums paid pursuant to ERISA are allowable.

c. Unallowable Costs

(1) Increases to normal or past service retirement costs caused by a delay in funding the actuarial liability beyond contractual or regulatory standards are unallowable.

(2) Late payment charges on retirement plan termination insurance premiums paid pursuant to ERISA are unallowable.

(3) Excise taxes on accumulated funding deficiencies, prohibited transactions of pension plan fiduciaries, and other penalties imposed under ERISA are unallowable.

Incentive Compensation and Bonuses

a. Definitions

(1) *Incentive compensation* is defined as payments to employees based on established written organizational policies (e.g., cost reduction, efficient performance, suggestion awards, safety awards).

(2) *Bonuses* are defined as one-time ad hoc distributions of surplus funds to employees of the organization.

b. Allowable Costs

Employee incentive compensation costs are allowable when the overall compensation is reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the organization and the employees before the services were rendered. Under the policy, criteria for awarding incentives must be specific, objective and measurable, and related specifically to the organization's objectives and goals.

c. Unallowable Costs

Costs of employee bonuses are unallowable.

9. Conferences and Meetings

a. Definitions

Conferences and meetings are defined as a retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the organization and is necessary and reasonable for successful performance under the State award.

b. Allowable Costs

Allowable conference and meeting costs paid by the organization as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the State award. As needed, the costs of identifying, but not providing, locally available dependent-care resources are allowable. Conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the State award.

c. Unallowable Costs

None.

10. Contingency Reserve

a. Definitions

Contingency reserve is defined as funds set aside to pay for possible unforeseen costs of the organization. The definition does not include self-insurance reserves [see Item 8b(3), Fringe Benefits section, and Item 24b(3)]; retirement plan costs [see Item 8, Retirement Plan section]; or reserves for normal severance pay [see Item 48b(2)].

b. Allowable Costs

None.

c. Unallowable Costs

Contributions to a contingency reserve are unallowable.

11. Contributions

a. Definitions

Contributions is defined as a gift of money or its equivalent made by the organization to another organization or person.

b. Allowable Costs

None.

c. Unallowable Costs

Contributions are unallowable.

12. Defense & Prosecution of Criminal & Civil Proceedings, Claims, Appeals & Patent Infringement

a. Definitions

(1) *Conviction* is defined as a judgment or a conviction of a criminal offense by any court of competent jurisdiction, whether entered upon as a verdict or a plea, including a conviction due to a plea of *nolo contendere*.

(2) Costs include, but are not limited to, administrative or clerical expenses; the cost of legal services, whether performed by in-house or private counsel; or the costs of the services of accountants, consultants, or others retained by the organization to assist it; costs of employees, officers or trustees, or any similar costs incurred before, during, or after commencement of a judicial or administrative proceeding that bears a direct relationship to the proceedings.

(3) *Fraud* is defined as:

(i) acts of fraud (e.g., intentionally deceiving another person and causing that person to suffer a loss), corruption, or attempts to defraud the State or to corrupt its agents;

(ii) acts that constitute a cause for debarment or suspension;

(iii) acts which violate the False Claims Act (31 U.S.C. 3729-3732) or the Anti-kickback Act (41 U.S.C 1320a-7b(b)).

(4) *Penalty* does not include restitution, reimbursement, or compensatory damages.

(5) *Proceeding* includes an investigation.

b. Allowable Costs

The following are allowable with prior approval of the awarding agency:

(1) If a proceeding referred to in Item 12c(1)(b) is commenced by the State and is resolved by consent or compromise pursuant to an agreement entered into by the organization and the State, then the costs incurred by the organization in connection with such proceedings that are otherwise not allowable under Item 12c(1)(b) may be allowed to the extent specifically provided in such agreement.

(2) If a proceeding referred to in Item 12c(1)(b) is commenced by a local or foreign government, the authorized State official may allow the costs incurred by the organization for such proceedings, if such authorized official determines that the costs were incurred as a result of:

(a) a specific term or condition of a State award; or

(b) specific written direction of the authorized State official.

(3) Legal costs incurred by the organization to appeal zoning or health code violations or defend permits are allowable to the extent that they relate to a specific term or condition of the State award.

c. Unallowable Costs

(1) Except as otherwise described in Item 12b, costs incurred in connection with any criminal, civil, or administrative proceeding (including filing of a false certification) commenced by the federal government, or a state, local or foreign government, are not allowable if the proceeding:

(a) Relates to a violation of, or failure to comply with, federal, state, local or foreign statute or regulation by the organization (including its agents or employees), and

(b) Results in any of the following dispositions:

(i) In a criminal proceeding, a conviction; or

(ii) In a civil or administrative proceeding involving an allegation of fraud or similar misconduct, a determination of organizational liability; or

(iii) In the case of any civil or administrative proceeding, the imposition of a monetary or civil penalty; or

(iv) A final decision by an appropriate federal or State official to debar or suspend the organization, to rescind or void an award, or to terminate an award for default by reason of a violation or failure to comply with a law or regulation; or

(v) A disposition by consent or compromise, if the action could have resulted in any of the dispositions described in Item 12c(i) through Item 12c(iv), inclusive.

(2) If more than one proceeding involves the same alleged misconduct, the costs of all such proceedings shall be unallowable if any one of them results in one of the dispositions shown in Item 12c(1).

(3) Costs incurred by the organization in connection with the defense of suits brought by its employees or ex-employees under section 2 of the Major Fraud Act of 1988 (18 U.S.C. § 1031), including the cost of all relief necessary to make such employee whole, where the organization was found liable or settled, are unallowable.

(4) Costs of legal, accounting, or consultant services, or related costs, incurred in connection with defense against State claims or appeals, antitrust suits, or the prosecution of claims or appeals against the State are unallowable.

(5) Costs of legal, accounting, or consultant services, or related costs, incurred in connection with patent infringement litigation, are unallowable, unless otherwise provided for in the State award.

(6) Costs that are unallowable under this item must be segregated and accounted for by the organization separately. While any proceeding covered by Item 12c(1)(b) is pending, the State shall generally withhold payment of such costs. If in the best interests of the State, the State may make conditional payment to the organization if the organization (1) provides adequate security or other adequate assurance, and (2) agrees to repay all unallowable costs, plus interest, if the costs are subsequently determined to be unallowable.

13. Depreciation and Use Allowance

a. Definitions

There are two methods for allocating the cost of a capital asset over its estimated useful life:

(a) Depreciation is the method for allocating the cost of fixed assets to periods benefitting from asset use. The organization may be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with GAAP, provided that they are used, needed in the organization's activities, and properly allocated to State awards. Such compensation must be made by computing depreciation.

(b) *Use allowance* is a federally defined means for recovering the cost of a capital asset. It sets the amortization rate for buildings at two percent (2 %) of acquisition cost and for equipment at six and two-thirds percent (6 ⅔ %) of acquisition cost. When the use allowance method is used for buildings, the entire building must be treated as a single asset without separating its "shell" from other building components.

b. Allowable Costs

An organization may be compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with GAAP, provided that they are used, needed in the organization's activities, and properly allocated to State awards. Such compensation must be made by computing depreciation.

Depreciation on buildings, other capital improvements, or equipment on hand is allowable under the following conditions:

(1) It must be based on the acquisition cost of the assets involved. In order to depreciate an asset, the organization must have incurred a cost when acquiring the asset.

(2) The period of useful life for each capital asset must take into consideration such factors as type of construction, nature of the equipment used, technological developments, or the renewal and replacement policies followed for the individual items or classes of assets involved. The method of depreciation used to assign the cost of an asset (or group of assets) to accounting periods must reflect the pattern of consumption of the asset during its useful life. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater or lesser in the early portions of its useful life than in the later portions, the straight-line method shall be presumed to be the appropriate method.

(3) Depreciation methods (e.g., straight line, declining balance) once used must not be changed without the prior approval of the awarding agency.

(4) When the depreciation method is applied to assets previously subject to a use allowance, the combination of use allowance and depreciation applicable to such assets must not exceed the total acquisition cost of the assets.

(5) Charges for depreciation must be supported by adequate property records and physical inventories must be taken periodically to ensure that assets exist and are usable and needed. When the depreciation method is followed, adequate depreciation records indicating the

amount of depreciation taken each period must also be maintained.

c. Unallowable Costs

(1) The computation of depreciation must exclude:

(a) The cost of land;

(b) Any portion of the cost of buildings or equipment borne by or donated by the State, irrespective of where title was originally vested or where it presently resides;

(c) Any portion of the cost of buildings or equipment contributed by or for the organization in satisfaction of a statutory matching requirement;

(d) Donated assets;

(e) Donated cash restricted for the purpose of purchasing an asset.

(2) When the depreciation method is used for a particular class of assets, no depreciation shall be allowed on any such assets that under Item 13b would be viewed as fully depreciated.

(3) Use allowance is unallowable.

14. Donated Goods and Services

a. Definitions

(1) *Donated goods* is defined as items or merchandise furnished free of charge to the organization (such as expendable personal properties, supplies, or use of space).

(2) *Donated services* is defined as assistance given free of charge to the organization by professional or technical personnel, consultants, skilled or unskilled labor, or other volunteers.

b. Allowable Costs

None.

c. Unallowable Costs

The value of donated services or goods is unallowable, except with prior approval of the awarding agency.

15. Employee Relocation

a. Definitions

Employee relocation is defined as the permanent change of duty assignment (for an indefinite period or for a stated period of not less than 12 months) of an existing employee or upon recruitment of a new employee.

b. Allowable Costs

None.

c. Unallowable Costs

Employee relocation costs are unallowable.

16. Employee Support

a. Definitions

Employee support is defined as promoting the morale, health, or welfare of the organization's employees.

b. Allowable Costs

The costs of in-house publications, health or first-aid clinics or infirmaries, recreation, employee counseling services, or other expenses incurred in accordance with the organization's established practice or custom for improving working conditions, employer-employee relations, employee morale, or employee performance are allowable. Such costs must be equitably apportioned to all activities of the organization. Income generated from any of these activities must be credited to the cost thereof, unless such income is required to be distributed to employee welfare organizations.

c. Unallowable Costs

(1) Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the State award or with prior written approval of the State awarding agency.

(2) The cost of membership in any country club, athletic club, social or dining club is unallowable.

17. Equipment

a. Definitions

(1) *Equipment* is defined as nonexpendable, tangible personal (non-real estate) property with a normal useful life of at least one year. Expenditures for equipment with an acquisition cost of $5,000 or greater are considered capital expenditures. The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the depreciation on the equipment or by amortizing the amount to be written off over a period of years as agreed to by the awarding agency.

(2) Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost of equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition

costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the organization's regular accounting *practices.*.

b. Allowable Costs

Expenditures for equipment with an acquisition cost of less than $5,000 are allowable.

c. Unallowable Costs

Expenditures for equipment with an acquisition cost of $5,000 or greater are considered capital expenditures and are unallowable, except with prior approval of the awarding agency [see Item 13 for allowability of depreciation on equipment and Item 43 for allowability of rental costs for equipment].

18. Facility Alterations

a. Definitions

Facility alternations is defined as changes, additions, or modifications of real property that go beyond normal maintenance and that affect or may affect the facility's usability [see Item 39a(1)].

b. Allowable Costs

Facility alteration costs incurred specifically for the State award are allowable.

c. Unallowable Costs

None.

19. Fines and Penalties

a. Definitions

Fines and penalties is defined as a sum imposed as punishment resulting from violations or failure of the organization to comply with federal, State, or local laws or regulations.

b. Allowable Costs

None.

c. Unallowable Costs

Costs of fines or penalties are unallowable, except when incurred as a result of compliance with specific provisions of the State award or specific written instructions from the awarding agency.

20. Fundraising

a. Definitions

Fundraising is defined as the organization's efforts to raise capital or obtain contributions (e.g., cash, non-cash assets, services, time, gifts) through financial campaigns, endowment drives, or other forms of solicitation.

Examples of fundraising costs include, but are not limited to, the proportional salaries and wages of staff members engaged in fundraising; fees for professional fundraisers; recruiting or training volunteer fundraisers; preparation, printing, or distribution of fundraising materials; preparation or maintenance of mailing lists; or participation in federated fundraising campaigns [see Item 1c(1)].

b. Allowable Costs

None.

c. Unallowable Costs

Fundraising costs, as defined in Item 20a, are unallowable.

21. Goods and Services for Personal Use

a. Definitions

Goods for personal use is defined as any commodity, merchandise, or item purchased for the sole benefit of the organization's employee(s).

Services for personal use is defined as any action taken, or any labor or work performed, for the sole benefit of the organization's employee(s).

b. Allowable Costs

None.

c. Unallowable Costs

Costs of goods or services for personal use are unallowable, regardless of whether the cost is reported as taxable income to the employees.

22. Housing and Personal Living Expenses

a. Definitions

(1) *Housing expenses* is defined as money spent to operate a principal residence (including, but not limited to, mortgages, mortgage interest, taxes, insurance premiums, rents, utilities, furnishings, depreciation, maintenance or repairs, or casualty losses);

(2) *Personal living expenses* is defined as money spent to maintain an individual in accordance

with his or her customary standard of living (including, but not limited to, food, apparel or apparel services, personal care products or services, or housekeeping supplies).

(3) *Officer* is defined as any current or past president, vice-president, secretary, or treasurer of the organization, or any other individual holding a position of similar responsibility

b. Allowable Costs

None.

c. Unallowable Costs

The costs related to housing or personal living expenses of the organization's officers or employees are unallowable, regardless of whether the costs are reported as taxable income.

23. Idle Facilities and Idle Capacity

a. Definitions

(1) *Facilities* is defined as land and buildings or any portion thereof, equipment individually or collectively, or any other tangible capital asset, wherever located, and whether owned or leased by the organization.

(2) *Idle capacity* is defined as partially unused facilities that are excess to the organization's current needs.

(3) *Idle facilities* is defined as completely unused facilities that are excess to the organization's current needs.

b. Allowable Costs

Costs of idle capacity include, but are not limited to, maintenance, repair, housing, rent, or other related costs (such as property taxes, insurance, or depreciation) and are allowable if:

(1) the capacity is reasonably anticipated to be necessary or was originally reasonable; and

(2) the capacity is not subject to reduction or elimination by subletting, renting, or sale, in accordance with sound business practices.

c. Unallowable Costs

Costs of idle facilities include, but are not limited to, maintenance, repair, housing, rent, or other related costs (such as property taxes, insurance, or depreciation) are unallowable, except with prior approval of the awarding agency and to the extent that:

(1) they are necessary to meet fluctuations in workload; or

(2) they were necessary when acquired and are now idle because of changes in program requirements, efforts to achieve more economical operations, reorganization, program startup or termination, or other causes that could not have been reasonably foreseen. Under these conditions, the costs of idle facilities are allowable for a reasonable period of time, depending upon the initiative taken to use, lease, or dispose of such facilities [see Item 43b(2) and Item 43b(4)].

24. Insurance

a. Definitions

Insurance is defined as:

(1) protection against potential financial loss that the organization is required to carry; or

(2) any other such protection that the organization maintains in connection with the general conduct of its operations.

The definition does not include insurance that represents fringe benefits for employees [see Item 8, Fringe Benefits section and Retirement Plan section].

b. Allowable Costs

(1) Costs of insurance required and maintained pursuant to the State award are allowable, provided that the types and extent of coverage are in accordance with sound business practice and that the rates and premiums are reasonable and typical under the circumstances.

(2) Costs of other insurance maintained by the organization in connection with the general conduct of its operations are allowable subject to the following limitations:

(a) Costs allowed for business interruption or other similar insurance must be limited to exclude coverage of management fees and are allowable to the extent the necessity of such insurance is a reasonable and appropriate cost of the program.

(b) Costs of insurance or of any provisions for a reserve covering the risk of loss or damage to State property are allowable only to the extent that the organization is liable for such loss or damage. The insurance policy must name the State as an additional insured party.

(3) Provisions for a self-insurance reserve are allowable to the extent that the provisions represent reasonable estimates of the liabilities for such compensation and that the types of coverage, extent of coverage, and rates and premiums would have been allowable had insurance been purchased to cover the risks. However, provisions for self-insured liabilities must not exceed the total projected loss as calculated by an independent third party.

(4) Medical liability (malpractice) insurance is an allowable cost only to the extent that the program involves human subjects or training of participants in research techniques. Such insurance costs must be assigned to activities based on the risk to the population covered by the insurance.

c. Unallowable Costs

(1) Costs of insurance with respect to any costs incurred to correct defects in the organization's materials or workmanship are unallowable.

(2) Actual losses that could have been covered by permissible insurance (through the purchase of insurance or self-insurance) are unallowable unless expressly provided for in the State award, except for:

(a) Costs incurred because of losses not covered under nominal deductible insurance

coverage provided in keeping with sound business practice are allowable.

(b) Minor losses not covered by insurance, such as spoilage, breakage, or disappearance of supplies, that occur in the ordinary course of operations, are allowable.

25. Interest and Investment Management

a. Definitions

(1) *Interest* is defined as the charges incurred for:

(a) borrowing money to finance or refinance the acquisition or replacement of capital assets (including renovations, alterations, equipment, land, or capital assets acquired through capital leases) used in support of the State award; or

(b) a line of credit used to meet requirements of the State award when gaps in State funding occur; or

(c) borrowing capital from or the temporary use of endowment funds.

(2) *Re-acquired assets* is defined as assets previously held by the organization that the organization now again holds, whether through repurchase or refinancing. The definition does not include assets acquired to replace older assets.

(3) *Investment management* is defined as paying a retainer for investment counsel or employing staff for the sole purpose of enhancing income from investments.

b. Allowable Costs

(1) Interest, as defined in Item 25a(1)(a), is allowable, provided that:

(a) Upon request, a needs justification must be provided to the agency as a prerequisite for the continued allowability of interest on debt and depreciation related to the facility. The needs justification for the acquisition of a facility must include, at a minimum, the following:

(i) a statement of purpose and justification for facility acquisition or replacement;

(ii) a statement as to why current facilities are not adequate;

(iii) a statement of planned future use of the facility;

(iv) a description of the financing agreement to be arranged for the facility;

(v) a summary of the building contract with estimated cost information, and statement of sources and uses of funds;

(vi) a schedule of planned occupancy dates.

(b) The actual interest cost claimed is predicated upon interest rates that are no higher than the fair market rate available to the organization from an unrelated (arm's length) third party.

(c) Investment earnings (including interest income) on bond or loan principal, pending payment of the construction or acquisition costs, are used to offset allowable interest cost. Arbitrage earnings reportable to the Internal Revenue Service (IRS) are not required to be offset against allowable interest costs.

(d) Substantial relocation of a program from a facility financed by indebtedness (the cost of which was funded in whole or part through State reimbursements) to another facility prior to the expiration of a period of 20 years requires notice to the State agency. The extent of the relocation, the amount of State participation in the financing, and the depreciation and interest charged to date must be agreed to by the State. A downward adjustment of replacement space charged to future programs may be required.

(2) Interest costs incurred for a line of credit, as defined in Item 25a(1)(b), are allowable.

(3) For organization entity fiscal years beginning on or after January 1, 2016, intangible assets include patents and computer software. For software development projects, only interest attributable to the portion of the project costs capitalized in accordance with GAAP is allowable.

c. Unallowable Costs

(1) Interest costs on borrowed capital from or temporary use of endowment funds, as defined in Item 25a(1)(c), are unallowable.

(2) Interest costs on debt incurred to finance or refinance reacquired assets, as defined in Item 25a(2), are unallowable.

(3) Investment costs, as defined in Item 25a(3), are unallowable.

26. Labor Relations

a. Definitions

Labor relations is defined as establishing and maintaining satisfactory interactions or communications between the organization's upper management and the rest of its employees through such means as labor-management committees, employee publications, and the like.

b. Allowable Costs

Labor relations costs are allowable.

c. Unallowable Costs

None.

27. Lobbying

a. Definitions

Lobbying is defined as:

(1) Attempts to influence the outcomes of any federal, State, or local election, referendum,

initiative, or similar procedure, through in kind or cash contributions, endorsements, publicity, or similar activity;

(2) Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other entity established for the purpose of influencing the outcomes of elections;

(3) Any attempt to influence:

(a) the introduction of federal or State legislation; or

(b) the enactment or modification of any pending federal or State legislation through communication with any member or employee of the Congress or State legislature (including efforts to influence State or local officials to engage in similar lobbying activity) or through communication with any government official or employee in connection with a decision to sign or veto legislation; or

(c) the enactment or modification of any pending federal or State legislation by preparing, distributing, or using publicity or propaganda, or by urging members of the general public or any segment thereof to contribute to or participate in any mass demonstration, march, rally, fundraising drive, lobbying campaign, letter writing, or telephone campaign; or

(4) Legislative liaison activities (including attendance at legislative sessions or committee hearings, gathering information regarding legislation, or analyzing the effect of legislation) when such activities are carried on in support of or in knowing preparation for an effort to engage in lobbying.

b. Allowable Costs

None.

c. Unallowable Costs

All costs associated with lobbying, as defined in Item 27a, are unallowable.

28. Losses on Other Awards

a. Definitions

Losses is defined as any excess of costs over income on an award.

Other awards is defined as awards other than the State award.

b. Allowable Costs

None.

c. Unallowable Costs

Losses on other awards are unallowable as a cost of the State award.

29. Maintenance and Repair

a. Definitions

Maintenance and repair is defined as:

(1) necessary preservation, care, or upkeep of buildings or equipment (including State property unless otherwise provided for) that neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition; or

(2) improvements that add to the permanent value of the buildings or equipment or appreciably prolong their intended life must be treated as capital expenditures [see Item 17 and Item 39].

b. Allowable Costs

Maintenance and repair costs, as defined in Item 29a(1), are allowable.

c. Unallowable Costs

Maintenance and repair costs, as defined in Item 29a(2), are unallowable, except with the prior approval of the awarding agency.

30. Materials and Supplies

a. Definitions

Materials and supplies is defined as commodities, goods, or other consumables obtained from outside suppliers and used in the performance of the State award.

b. Allowable Costs

The costs of materials or supplies are allowable, provided that such costs are charged at their actual prices after deducting all cash discounts, trade discounts, rebates, or allowances received by the organization. Incoming transportation charges may be included as part of the cost.

Withdrawals from general stores or stockrooms must be charged at cost under any recognized method of pricing consistently applied. Due credit must be given for any excess materials or supplies retained or returned to vendor.

c. Unallowable Costs

None.

31. Memberships, Subscriptions, and Professional Activity

a. Definitions

(1) *Memberships* is defined as the organization's membership in business, technical, trade, or professional organizations;

(2) *Subscriptions* is defined as the organization's subscriptions to business, professional, or technical periodicals;

(3) *Professional activity* is defined as:

(a) attending meetings or conferences, when the primary purpose is the dissemination of technical information (including costs of meals, transportation, rental of facilities, or other items incidental to such meetings or conferences); or

(b) the organization's joining or belonging to any civic or community association located in Connecticut; or

(c) the organization's joining or belonging to any civic or community association located outside Connecticut.

b. Allowable Costs

(1) Membership costs, as defined in Item 31a(1), are allowable.

(2) Subscription costs, as defined in Item 31a(2), are allowable.

(3) Professional activity costs, as defined in Item 31a(3)(a) and Item 31a(3)(b), are allowable.

c. Unallowable Costs

Professional activity costs, as defined in Item 31a(3)(c), are unallowable.

32. Organization Establishment and Reorganization

a. Definitions

Organization establishment and reorganization is defined as expenditures related to the formation or structural change of the organization.

b. Allowable Costs

None.

c. Unallowable Costs

Organization establishment and reorganization costs (such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors, whether or not employees of the organization) are unallowable, except with prior approval of the awarding agency.

33. Overtime

a. Definitions

Overtime is defined as work in excess of the maximum regular hours of work, extra-pay shifts, or multi-shift work in accordance with established, written organizational policies.

b. Allowable Costs

Overtime costs are allowable when:

(1) Necessary to cope with emergencies, such as those resulting from accidents, natural disasters, or breakdowns of equipment; or

(2) Necessary to meet employee-to-client staffing ratios; or

(3) Employees are engaged in A&G functions, such as administration, maintenance, or accounting; or

(4) The performance of tests, laboratory procedures, or other similar operations is continuous in nature and cannot reasonably be interrupted or otherwise completed; or

(5) Lower overall cost to the State will result.

c. Unallowable Costs

None.

34. Participant Support

a. Definitions

(1) *Participant* is defined as a board member, volunteer, or trainee of the organization.

(2) *Participant support* is defined as stipends or subsistence allowances, travel allowances, recreation expenses, or registration fees paid to or on behalf of participants in connection with meetings, conferences, symposia, or training projects.

b. Allowable Costs

Participant support costs are allowable, if they are related to the State award.

c. Unallowable Costs

None.

35. Pre-award

a. Definitions

Pre-award is defined as the time prior to the effective date of the award, directly pursuant to the negotiation, and in anticipation of the award.

b. Allowable Costs

Costs incurred during pre-award are allowable only if:

(1) they are necessary to comply with the proposed delivery schedule or term of the award; and

(2) they would have been allowable if incurred after the date of the award; and

(3) the organization has the prior approval of the awarding agency to incur such costs.

c. Unallowable Costs

None.

36. Professional and Consultant Services a.

Definitions

Professional and consultant services is defined as paid work performed by persons who are members of a particular profession or possess a special skill and who are not officers or employees of the organization.

b. Allowable Costs

(1) Costs of professional or consultant services are allowable when reasonable in relation to the services rendered and:

(a) the organization is unable to identify a "no cost" source for the desired services; and

(b) the organization can establish that the benefits of such a decision clearly justify the associated costs; and

(c) the organization's employees do not have the necessary expertise or are already fully committed to other responsibilities; and

(d) the services can be performed more economically by contracting rather than direct employment.

(2) Retainer fees are allowable when supported by evidence of bona fide services available or rendered and are specified in the State award.

c. Unallowable Costs

None.

37. Profits and Losses on Disposition of Depreciable Property or Other Capital Assets a.

Definitions

Profit is defined as the excess of income over expenses on the sale, retirement, or other disposition of depreciable property or other capital assets.

Loss is defined as the excess of expenses over income on the sale, retirement, or other disposition of depreciable property or other capital assets.

b. Allowable Costs

Profits or losses on the sale, retirement, or other disposition of depreciable property or other capital assets are allowable under the following conditions:

(1) The profits or losses must be included in the year in which they occur as credits or charges to cost grouping(s) in which the depreciation applicable to such property was included; and

(2) The amount of the profit or loss to be included as a credit or charge to the appropriate cost grouping(s) shall be the difference between the amount realized on the property and the undepreciated basis of the property.

c. Unallowable Costs

Profits or losses on the sale, retirement, or other disposition of depreciable property or other capital assets are unallowable under the following conditions:

(1) The profit or loss is processed through a depreciation reserve account and is reflected in the depreciation allowable under Item 13; or

(2) The depreciable property or other capital asset is given in exchange as part of the purchase price of a similar item and the profit or loss is taken into account in determining the depreciation cost basis of the new item; or

(3) A loss results from the failure to maintain permissible insurance, except as otherwise provided in Item 24c(2).

Profits or losses of any nature arising from the sale or exchange of property other than the property covered in this item must be excluded in computing State award costs.

Profits or losses arising from mass or extraordinary sales, retirements, or other dispositions shall be considered on a case-by-case basis.

38. Publication and Printing

a. Definitions

Publication is defined as the act of issuing or distributing printed (paper) materials to the public or posting the content of these materials on a website.

Printing is defined as the process of producing printed materials for sale or distribution (including the processes of composition, plate-making, press work, or binding).

b. Allowable Costs

Program-related publication or printing costs are allowable.

c. Unallowable Costs

None.

39. Real Property

a. Definitions

(1) *Real property* is defined as land and buildings. Land, in its general usage, includes not only the face of the earth, but everything of a permanent nature over or under it. This includes improvements, structures, or fixtures located thereon, including, but not limited to, prefabricated movable structures (such as Butler-type storage warehouses, Quonset huts, or house trailers with or without undercarriages) or appurtenances thereto.

(2) *Land* is defined as non-expendable, real property whose title is held by the organization. The recorded asset cost may include, in addition to the acquisition price, such ancillary costs as legal and title fees, unpaid taxes assumed, surveying and recording fees, appraisal and negotiation fees, damage payments, site preparation costs (clearing, filling, or leveling), or demolition of unwanted structures. Land is considered a non-exhaustible asset owing to its significantly long expected useful life. Non-exhaustible assets are not to be depreciated [see Item 13].

Note: The cost of land does not include expenditures in connection with land improvements such as paving, fencing, or lighting. These costs are included in a separate asset category "Improvements to Land and Buildings." Unlike land, these items have finite lives.

(3) *Buildings* is defined as all real estate, excluding land, that is used for shelter, dwelling, or other similar organizational purposes. The State definition of a *building* is "a relatively permanent structure to house persons or property." The recorded asset cost may include the purchase or construction cost, professional fees for architects, attorneys, appraisers, or financial advisors, or any other expenditures necessary to put a building or structure into its intended state of operation.

(4) *Improvements to real property* is defined as all improvements to land or buildings, except non-depreciable improvements to land parcels (such as grading or filling). Included within this category are organization-maintained infrastructures (such as roads, bridges, curbs, surface gutters, streets, sidewalks, drainage systems, parking lots, lighting systems, or similar assets) that, while not identifiable to any particular structure, have a quantifiable value to the organization.

The main criteria for capitalization of building improvements are that the expenditures significantly extend the useful life or enhance the value of the individual building. Expenditures not meeting these criteria must be expensed.

b. Allowable Costs

None.

c. Unallowable Costs

(1) Capital expenditures for land or buildings are unallowable, except with the prior approval of the awarding agency.

(2) Capital expenditures for improvements to land or buildings that materially increase their value or useful life are unallowable, except with the prior approval of the awarding agency [see Item 13 for allowability of depreciation on buildings and capital improvements and Item 43 for allowability of rental costs for land and buildings].

40. Reconversion

a. Definitions

Reconversion is defined as costs incurred in the restoration or rehabilitation of the organization's facilities to approximately the same condition existing immediately prior to commencement of State awards, fair wear and tear excepted.

b. Allowable Costs

Reconversion costs are allowable.

c. Unallowable Costs

None.

41. Recruiting

a. Definitions

Recruiting is defined as "help wanted" advertising, employment office operations, or travel for employees while engaged in recruiting personnel. The size of staff recruited and maintained must be in keeping with workload requirements.

b. Allowable Costs

(1) Recruiting costs, as defined in Item 41a, are allowable.

(2) When the organization uses employment agencies, costs that are not in excess of standard commercial rates for such services are allowable.

c. Unallowable Costs

(1) Travel costs of applicants for interviews for prospective employment are unallowable.

(2) Relocation costs incurred incident to recruitment of new employees are unallowable.

(3) Costs of special emoluments, fringe benefits, or salary allowances incurred to attract professional personnel from other organizations are unallowable.

42. Related Party Transactions

a. Definitions

Related party (or *less than arm's length*) *transactions* is defined as transactions with persons or organizations related through marriage, ability to control, ownership, family, or business association. Past exercise of influence or control need not be shown, only the potential or ability to directly or indirectly exercise influence or control [see Item 43a(2)].

Note: Findings of relatedness may be made in the absence of majority stock ownership of the related party in the organization. The determination of a related party transaction applies to any transaction between an organization and a related party (including, but not limited to, one-time or multiple transactions involving services or supplies, or one-time sales or lease of the facility itself).

b. Allowable Costs

Costs of related party transactions are allowable under the following conditions:

(1) costs are limited to the actual costs of the goods or services provided; and

(2) the actual costs are applicable, appropriate, and necessary to the transaction; and

(3) the actual costs do not exceed what a prudent person in a non-related party transaction would incur under the circumstances prevailing at the time the costs were incurred;

(4) the decision-making process for selecting the related party is fully documented.

c. Unallowable Costs

Costs of (1) mark-ups, (2) profits, or (3) rates of return included in related party transactions are unallowable.

43. Rental

a. Definitions

(1) *Fair market rate* is defined as the rate determined to be reasonable in light of such factors as rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.

(2) *Less than arm's length lease* is defined as a lease under which one party to the lease agreement is able to control or substantially influence the actions of the other. Such leases include, but are not limited to, those between:

(1) divisions of the organization; or

(2) organizations under common control through common officers, directors, or members; or

(3) the organization and a director, trustee, officer, or key employee of the organization or his / her immediate family either directly or through corporations, trusts, or similar

arrangements in which they hold a controlling interest

(4) Immediate family members include one party with any of the following relationships to another party:

(i) Spouse, and parents thereof;
(ii) Children, and spouses thereof;
(iii) Parents, and spouses thereof;
(iv) Siblings, and spouses thereof;
(v) Grandparents and grandchildren, and spouses thereof; and
(vi) Domestic partner and parents thereof, including domestic partners of any individual in 2 through 5 of this definition.
(vii) Any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

(3) *Capital lease* is defined as a non-cancelable contract wherein (1) a tenant makes payments to lessor in return for use of an asset for a specified term, and (2) the lessor transfers ownership to the tenant at the end of the lease term. A capital lease is a direct substitute for the purchase of the asset with borrowed money and transfers substantially all the benefits and risks inherent in the ownership of the property to the lessee. A capital lease is distinct from an operating lease or rental arrangement.

b. Allowable Costs

(1) Rental costs are allowable if they represent fair market rate.

(2) Rental costs under sale and leaseback arrangements are allowable only up to the amount that would be allowed had the organization continued to own the property.

(3) Rental costs under less than arm's length leases are allowable only up to the amount that would be allowed had title to the property been vested in the organization.

(4) Rental costs under leases, which are required to be treated as capital leases under GAAP, are allowable only up to the amount that would be allowed had the organization purchased the property on the date the lease agreement was executed (i.e., to the amount that minimally would pay for depreciation, maintenance, taxes, and insurance). Interest costs related to capitalized leases are allowable to the extent they meet criteria in Item 25b(1).

c. Unallowable Costs

Unallowable costs include amounts paid for profit, management fees, or taxes that would not have been incurred had the organization purchased the facility.

44. Return on Investment and Profit Margins

a. Definitions

Return on investment is defined as revenues generated by charging a State agency for the use of the organization's assets in the performance of an award.

Profit margin is defined as the amount by which an organization's (combined) revenues exceeds its (combined) expenses, expressed as a percentage.

b. Allowable Costs

None.

c. Unallowable Costs

Costs of return on investment are unallowable.

Profits margins taken or obtained from a State award are unallowable.

45. Royalties and Amortization Costs for Use of Patents and Copyrights

a. Definitions

Royalties is defined as payments to the holders of a patent or copyright for the right to use their property.

Amortization is defined as reducing a debt through installments payments of principal and earned interest over a definite period of time. The debt referenced here is the cost of acquiring by purchase a copyright, patent, or rights thereto.

b. Allowable Costs

(1) Royalties and amortization costs that are reasonable and necessary for the proper performance of the award are allowable.

Note: Special care should be exercised in determining the allowability of royalties when they are the result of less than arm's length bargaining, such as (a) royalties paid to persons, including corporations, affiliated with the organization; (b) royalties paid to unaffiliated parties, including corporations, under an agreement entered into in anticipation that a federal or State award would be made; and (c) royalties paid under an agreement entered into after an award is made to the organization.

(2) In any case involving a patent or copyright formerly owned by the organization, the amount of royalty allowed must not exceed the cost that would have been allowed had the organization retained title thereto.

c. Unallowable Costs

(1) Royalties and amortization costs are unallowable when:

(a) the federal or State government has a license or the right to free use of the patent or copyright; or

(b) the patent or copyright has been adjudicated to be invalid, or has been administratively determined to be invalid; or

(c) the patent or copyright is considered to be unenforceable; or

(d) the patent or copyright is expired.

46. Security

a. Definitions

Security is defined as the precautionary measures taken by the organization to guard or protect its clients, employees, or property against crime or other dangers.

b. Allowable Costs

Security costs include, but are not limited to, wages and uniforms of personnel engaged in security activities; equipment; barriers; protective (non-military) gear, devices, and equipment; contractual security services; and consultants are allowable. Capital expenditures for plant security purposes are subject to Item 17. Equipment of this section.

c. Unallowable Costs

None.

47. Selling and Marketing

a. Definitions

Selling is defined as offering the products or services of the organization in an open market in exchange for an agreed sum of money.

Marketing is defined as the techniques used to attract and persuade consumers to purchase the organization's products or services.

b. Allowable Costs

None.

c. Unallowable Costs

The costs of selling and marketing are unallowable, except when related to certain State-funded business enterprise programs (such as those funded by the State Board of Education and Services for the Blind).

48. Severance Pay

a. Definitions

Severance pay, also commonly referred to as *dismissal wages*, is defined as a payment in addition to regular salary or wages by the organization to a worker whose employment is being terminated.

b. Allowable Costs

(1) Costs of severance pay are allowable only to the extent that (a) in each case it is required by law, contract, bargaining unit agreement, or written policy, and (b) the severance pay is reasonable. Where not required by law, contract, bargaining unit agreement, or written policy, severance pay that is *reasonable* is defined as an amount not to exceed the equivalent

of one week of pay per year of service of the terminated employee. Any severance pay in excess of the foregoing reasonableness standard shall only be allowable upon prior approval of the awarding agency.

(2) Where the organization provides for a reserve for normal severances, such method may be acceptable if:

(a) the charge to current operations is reasonable in light of payments actually made for normal severances over a representative past period; and
(b) the amounts charged are reasonable and equitable allocations based on the benefits received.

c. Unallowable Costs

Costs incurred in certain severance pay packages (commonly referred to as a "golden parachute" payment) that are in an amount in excess of the normal severance pay paid by the organization to an employee upon termination of employment and are paid to the employee contingent upon a change in management control over, or ownership of, the organization's assets are unallowable.

49. Taxes

a. Definitions

(1) *Taxes* is defined as payments the organization is required to make that are paid or accrued in accordance with GAAP.

(2) In lieu of taxes, payments commensurate with services received may be made to local governments.

b. Allowable Costs

(1) Taxes are allowable.

(2) Payments made to local governments in lieu of taxes are allowable.

(3) Payments made to local governments when a tax exemption is not granted by the local government are allowable.

(4) Where it is not reasonable or practical for the organization to enforce an exemption from taxes for client-related needs (e.g., fast food restaurants, recreational costs), the tax payments are allowable costs.

(5) Any refund of taxes or any payment to the organization of interest thereon that was allowed as State award costs must be credited either as a cost reduction or cash refund, as appropriate, to the State award.

c. Unallowable Costs

(1) Taxes paid when an exemption is available directly or indirectly to the organization are unallowable.

(2) Special assessments on land that represent capital improvements are unallowable.

(3) State or federal income taxes are unallowable.

50. Termination

a. Definitions

Termination is defined as the cancellation or discontinuance of the award at any time prior to the award's end date.

b. Allowable Costs

None.

c. Unallowable Costs

Termination costs are unallowable, except under the following conditions:

(1) the awarding agency specifically agrees to fund such termination costs, including any costs that would not have arisen had the award not been terminated; and

(2) the organization and awarding agency enter into a written agreement concerning such termination costs prior to the organization's incurring them; and

(3) the termination costs are related to the orderly transfer or continuation of client services or other anticipated settlement expenses.

51. Training and Education

a. Definitions

(1) *Training* is defined as the preparation or provision of instruction, including, but not limited to, on-the job, classroom, or apprenticeship training designed to develop or improve employee job-related skills.

(2) *Continuing education* is defined as training or classes that are essential and necessary to maintain licenses or certification for employment.

(3) *Education* is defined as classes that are taken at an undergraduate or graduate level and are directly related to the field in which the employee is now working or may reasonably be expected to work.

b. Allowable Costs

(1) Costs of training directly related to the State award are allowable, including:

(a) training materials, textbooks, salaries or wages of trainees (excluding resulting overtime compensation); or

(b) the salaries of the director of training and staff when the training program is conducted by the organization; or

(c) tuition and fees when the training is in an institution not operated by the organization.

(2) Costs of continuing education directly related to the State award are allowable.

(3) Costs of education directly related to the State award are allowable.

c. Unallowable Costs

(1) Contributions or donations to educational or training institutions (including, but not limited to, the donation of facilities or other properties, or scholarships or fellowships) are unallowable.

(2) Employee compensation (i.e., salaries or wages) for time spent attending education classes is unallowable.

52. Transportation

a. Definitions

Transportation is defined as the transfer or conveyance of goods from one place to another by air, rail, sea, or road.

b. Allowable Costs

Transportation costs are allowable (including freight, express, cartage, or postage charges relating either to goods purchased, in process, or delivered).

c. Unallowable Costs

None.

53. Travel

a. Definitions

Domestic travel is defined as transportation, lodging, food, or related items connected with trips taken within the continental United States by employees who are on official business of the organization.

Foreign travel is defined as transportation, lodging, food, or related items connected with trips taken outside the continental United States by employees who are on official business of the organization.

b. Allowable Costs

(1) Domestic travel costs are allowable when directly related to the State award. Such costs must be charged on an actual basis, on a per diem basis, or on mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used results in charges consistent with those normally allowed by the organization in its regular operations. Mileage basis must not exceed the mileage allowance allowed by the IRS.

(2) Foreign travel costs are allowable only with prior approval of the awarding agency.

c. Unallowable Costs

None.

54. Trustee Support

a. Definitions

Trustee is defined as a member of the organization's governing board (of directors).

Support is defined as resources, reimbursements, or other forms assistance (including, but not limited to, transportation, lodging, or food) provided to trustees in their official capacity.

b. Allowable Costs

Costs are allowable, subject to restrictions of Item 53.

c. Unallowable Costs

None.

GLOSSARY OF TERMS

- *activity* – the non-State-sponsored work of an organization
- *administrative & general (A&G) costs* – costs incurred for common or joint objectives and not readily identified with a particular final cost objective
- *agency* – an executive branch agency of the State of Connecticut
- *allocable as direct costs* – joint costs allocated directly to two or more programs or activities in accordance with the relative benefits received
- *client* – an individual receiving services under the State award
- *cost allocation plan* – formal documentation of the methods and procedures an organization uses to allocate costs to benefiting programs and activities
- *direct costs* – costs identified specifically with a particular final cost objective (i.e., a particular program or service) of an organization
- *organization* – a non-State entity that is a recipient of award funds from the State of Connecticut
- *participant* – a board member, volunteer or trainee of the organization
- *prior approval* – the written permission, given in advance by the awarding agency to the organization, to incur costs for certain items of cost, as identified by these cost standards
- *program* – the State-sponsored work of an organization
- *State award* – a fully executed POS contract, grant, cooperative agreement, cost reimbursement contract, or other contract for the purchase of health or human services between the State and an organization
- *sub-recipient* – a non-State entity which receives funds from a State award by means of a pass-through from an organization and which is accountable to the organization for the use of those funds

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Part 7

STATE SINGLE AUDIT ACT

(2009 REVISION)

C.G.S. 4-230 THROUGH 4-236

CHAPTER 55b
SINGLE AUDITS AND PROGRAM-SPECIFIC AUDITS FOR RECIPIENTS OF STATE FINANCIAL ASSISTANCE

Sec. 4-230. Definitions. As used in sections 4-230 to 4-236, inclusive:

(1) "Cognizant agency" means a state agency which is assigned by the secretary the responsibility for implementing the requirements of sections 4-230 to 4-236, inclusive;

(2) "Secretary" means the Secretary of the Office of Policy and Management;

(3) "State financial assistance" means assistance that a nonstate entity receives or administers which is provided by a state agency or pass-through entity in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance or direct appropriations, but does not include direct state cash assistance to individuals or payments to a vendor;

(4) "State agency" means any department, board, commission, institution or other agency of the state;

(5) "Generally accepted accounting principles" has the meaning specified in the generally accepted auditing standards issued by the American Institute of Certified Public Accountants (AICPA);

(6) "Generally accepted government auditing standards" (GAGAS) means the generally accepted government auditing standards issued by the Comptroller General of the United States that are applicable to financial audits;

(7) "Independent auditor" means a public accountant who is licensed to practice in the state and meets the independence standards included in generally accepted government auditing standards;

(8) "Internal controls" means a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in: (A) Reliability of financial reporting, (B) effectiveness and efficiency of operations, and (C) compliance with applicable laws and regulations;

(9) "Municipality" means a town, consolidated town and city, consolidated town and borough, city or borough, including a local board of education as described in subsection (c) of section 7-392;

(10) "Audited agency" means a district, as defined in section 7-324, the Metropolitan District of Hartford County, a regional board of education, a regional planning agency, any other political subdivision of similar character which is created or any other agency created or designated by a municipality to act for such municipality whose annual receipts from all sources exceed one million dollars or any tourism district established under section 10-397;

(11) "Nonprofit agency" means any organization that is not a for-profit business and provides services contracted for by (A) the state or (B) a nonstate entity. It also means private institutions of higher learning which receive state financial assistance;

(12) "Major state program" means any program, excluding an exempt program, determined to be a major state program by the independent auditor pursuant to the requirements of the risk-based approach, provided such requirements shall (A) encompass factors consistent with requirements established by the United States Office of Management and Budget, and (B) include, but not be limited to, current and prior audit experience, oversight by state agencies and pass-through entities and the risk inherent in state programs;

(13) "Public accountant" means an individual who meets the standards included in generally accepted government auditing standards for personnel performing government audits and the licensing requirements of the State Board of Accountancy;

(14) "Subrecipient" means a nonstate entity that receives state financial assistance from a pass-through entity, but does not include an individual who receives such assistance;

(15) "Tourism district" means a district established under section 10-397;

(16) "Nonstate entity" means a municipality, tourism district, audited agency or nonprofit agency;

(17) "Pass-through entity" means a nonstate entity that provides state financial assistance to a subrecipient;

(18) "Program-specific audit" means an audit of a single state program conducted in accordance with the regulations adopted under section 4-236;

(19) "Expended" and "expenditures" have the meanings attributed to those terms in generally accepted accounting principles, except that (A) state financial assistance received which does not specify a required use shall be assumed to be fully expended in the fiscal year of receipt, and (B) exempt programs shall be assumed to be expended in the fiscal year that the state financial assistance is received;

(20) "Exempt program" means any state program designated to be exempt by the secretary after consultation with the Auditors of Public Accounts and the commissioner of the state agency that awarded the state financial assistance;

(21) "Vendor" means a dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of a state program. Such goods or services may be for an organization's own use or for the use of beneficiaries of the state program; and

(22) "Single audit" means an audit, as provided in section 4-235, that encompasses an entity's financial statements and state financial assistance.

Sec. 4-231. Single audit or program-specific audit requirements. Exemption. Records.

(a)(1) Each nonstate entity which expends a total amount of state financial assistance equal to or in excess of three hundred thousand dollars in any fiscal year of such nonstate entity beginning on or after July 1, 2009, shall have either a single audit or a program-specific audit made for such fiscal year, in accordance with the provisions of subdivision (2) or (3) of this subsection and the requirements of regulations adopted pursuant to section 4-236.

(2) If the total amount of state financial assistance expended in any such fiscal year is for a single program, such nonstate entity may elect to have a program-specific audit made in lieu of a single audit, provided a grant agreement or a statutory or regulatory provision governing the program of state financial assistance does not require a financial statement audit of such nonstate entity.

(3) If the total amount of state financial assistance expended in any such fiscal year is for more than one program, such entity shall have a single audit made for such fiscal year.

(b) Notwithstanding any provision of the general statutes or any regulation adopted under any provision of the general statutes, each nonstate entity that expends total state financial assistance of less than three hundred thousand dollars in any fiscal year of such nonstate entity beginning on or after July 1, 2009, shall be exempt with respect to such year from complying with any statutory or regulatory requirements concerning financial or financial and compliance audits that would otherwise be applicable.

(c) No provision of this section shall be deemed to exempt a nonstate entity from complying with any statutory or regulatory provision requiring the entity to (1) maintain records concerning state financial assistance or (2) provide access to such records to a state agency.

Sec. 4-232. Designation of independent auditor to conduct audit. Audit report filing.

(a) Each nonstate entity which is required to be audited pursuant to sections 4-230 to 4-236, inclusive, shall designate an independent auditor to conduct such audit. Not later than thirty days before the end of the fiscal period for which the audit is required, the nonstate entity shall file the name of such auditor with the cognizant agency. If a nonstate entity fails to make such filing, the cognizant agency may designate an independent auditor to conduct the audit. A nonstate entity shall be responsible for paying the costs of any audit conducted by an independent auditor designated by a cognizant agency.

(b) (1) Upon the completion of the audit, pursuant to sections 4-230 to 4-236, inclusive, the nonstate entity shall file a copy of the audit report with the cognizant agency and, if applicable, state grantor agencies and pass-through entities. Once filed, such report shall be made available by the nonstate entity for public inspection. Copies of the report shall be filed not later than thirty days after completion of such report, if possible, but not later than six months after the end of the audit period. The cognizant agency may grant an extension of not more than thirty days, if the auditor conducting the audit and the chief executive officer of the nonstate entity jointly submit a request in writing to the cognizant agency that includes the reasons for such extension and an estimate of the time needed for completion of such audit, at least thirty days prior to the end of such six-month period. If the reason for the extension relates to deficiencies in the accounting system of the nonstate entity, the request shall be accompanied by a corrective action plan. The auditor or chief executive officer shall promptly provide any additional information the cognizant agency may require. Before determining whether to grant an extension request, the cognizant agency may require the auditor and officials of the nonstate entity to meet with representatives of the cognizant agency.

(2) Any nonstate entity, or auditor of such nonstate entity, which fails to have the audit report filed on its behalf within six months after the end of the fiscal year or within the time granted by the cognizant agency may be assessed, by the Secretary of the Office of Policy and Management, a civil penalty of not less than one thousand dollars but not more than ten thousand dollars. In addition to, or in lieu of such penalty, the cognizant agency may assign an auditor to perform the audit of such nonstate entity. In such case, the nonstate entity shall be responsible for the costs related to the audit. The secretary may, upon receipt of a written request from an official of the nonstate entity or its auditor, waive all such penalties if the secretary determines that there appears to be reasonable cause for the entity not having completed or provided the required audit report.

Sec. 4-233. Conduct and scope of audits. When corrective action required.

(a) Each audit required by sections 4-230 to 4-236, inclusive, shall:

(1) Be conducted in accordance with generally accepted government auditing standards, except that, for the purposes of said sections such standards shall not be construed to require economy and efficiency audits, program results audits, or program evaluations; and

(2) Except in the case of program-specific audits, cover the entire operations, including financial operations, of the nonstate entity, except that such audit may exclude public hospitals.

(b) Each such audit shall determine and report whether: (1) The financial statements of the nonstate entity are presented fairly in all material respects in conformity with generally accepted accounting principles; (2) the schedule of expenditures of state financial assistance of the nonstate entity is presented fairly in all material respects in relation to the financial statements taken as a whole; (3) in addition to the

requirements of generally accepted government auditing standards, the auditor has performed procedures to obtain an understanding of internal control over state programs sufficient to (A) plan the audit to support a low assessed level of control risk for major state programs, (B) plan the testing of internal control over major state programs to support a low assessed level of control risk for the assertions relevant to the compliance requirement for each major state program, and (C) perform testing of internal controls; and (4) the nonstate entity has complied with laws, regulations and grant or contract provisions that may have a material effect upon individual compliance requirements for each major state program. In complying with the requirements of subdivision (4) of this subsection, the independent auditor shall select and test a representative number of transactions from each major state program to provide the auditor sufficient evidence to support an opinion of compliance. Each audit report shall identify which programs were tested for compliance.

(c) When the total expenditures of a nonstate entity's major state programs are less than fifty per cent of such nonstate entity's total expenditures of state financial assistance, excluding exempt program expenditures, the independent auditor shall select and test additional programs as major state programs as may be necessary to achieve audit coverage of at least fifty per cent of the nonstate entity's total expenditures of state financial assistance, excluding exempt program expenditures.

(d) If an audit conducted pursuant to this section finds any material or reportable noncompliance by a nonstate entity with applicable laws, regulations and grant or contract provisions, or finds any significant deficiency or material weakness with respect to the internal controls of the nonstate entity concerning the matters described in subsection (b) of this section, the nonstate entity shall submit to appropriate state officials a plan for corrective action to eliminate such material or reportable noncompliance, significant deficiency or material weakness.

Sec. 4-234. Audits in lieu of financial or financial and compliance audits. Additional audits.

(a) An audit conducted in accordance with sections 4-230 to 4-236, inclusive, shall be in lieu of any financial or financial and compliance audit of state financial assistance programs which a nonstate entity is required to conduct under any other state law or regulation. To the extent that such audit provides a state agency with the information it requires to carry out its responsibilities under state law or regulations, a state agency shall rely upon and use such information and plan and conduct its own audits accordingly in order to avoid a duplication of effort.

(b) Notwithstanding the provisions of subsection (a) of this section, a state agency shall conduct any additional audits which it deems necessary to carry out its responsibilities, upon a written determination by the executive authority of the agency, based on evidence of fiscal irregularities or noncompliance with applicable laws and regulations, and after consulting with the cognizant agency. The provisions of sections 4-230 to 4-236, inclusive, do not authorize a cognizant agency or any nonstate entity, or any subrecipient thereof, to constrain, in any manner, such state agency from carrying out such additional audits. As used in this subsection and subsection (d) of this section, "executive authority" shall be construed as defined in section 4-37e.

(c) The provisions of sections 4-230 to 4-236, inclusive, do not (1) limit the authority of state agencies to conduct, or enter into contracts for the conduct of, audits and evaluations of state financial assistance programs or (2) limit the authority of any state agency auditor or other state audit official.

(d) A state agency that performs or contracts for audits in addition to the audits conducted for recipients of state financial assistance pursuant to sections 4-230 to 4-236, inclusive, shall, consistent with other

applicable law, pay for the cost of such additional audits. Such additional audits may include, but shall not be limited to, economy and efficiency audits, program results audits and program evaluations. The state agency shall use the results of the single audit as a basis for any additional requirements, and shall not duplicate the single audit unless the executive authority of such agency determines in writing that such duplication is necessary.

Sec. 4-235. Designation of cognizant agencies. Issuance of compliance supplement. Pass-through entities and subrecipients.

(a) The secretary shall designate cognizant agencies for audits conducted pursuant to sections 4-230 to 4-236, inclusive, and shall periodically issue a state single audit compliance supplement containing information to assist independent auditors in conducting state single audits. Such information shall include, but is not limited to, identification of state financial assistance programs and their significant compliance requirements, suggested audit procedures for determining compliance, exempt programs and information relevant to the risk-based approach for use in determining major state programs.

(b) A cognizant agency shall: (1) Ensure through coordination with state agencies, that audits are made in a timely manner and in accordance with the requirements of sections 4-230 to 4-236, inclusive; (2) ensure that corrective action plans made pursuant to section 4-233 are transmitted to the appropriate state officials; and (3)(A) coordinate, to the extent practicable, audits done by or under contract with state agencies that are in addition to the audits conducted pursuant to sections 4-230 to 4-236, inclusive; and (B) ensure that such additional audits build upon the audits conducted pursuant to said sections.

(c) (1) Each pass-through entity which is subject to the audit requirements of sections 4-230 to 4-236, inclusive, shall:

(A) Advise subrecipients of requirements imposed on them by state laws, regulations, and the provisions of contracts or grant agreements, and any supplemental requirements imposed by the pass-through entity;

(B) If the subrecipient is subject to an audit in accordance with the requirements of said sections 4-230 to 4-236, inclusive, review such audit and ensure that prompt and appropriate corrective action is taken with respect to material or reportable findings of noncompliance with individual compliance requirements or significant deficiencies or material weaknesses in internal controls pertaining to state financial assistance provided to the subrecipient by the pass-through entity; or

(C) If the subrecipient is not subject to an audit in accordance with the requirements of said sections 4-230 to 4-236, inclusive, monitor the activities of subrecipients as necessary to ensure that state financial assistance is used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements.

(2) Each pass-through entity, as a condition of receiving state financial assistance, shall require each of its subrecipients to permit the independent auditor of the pass-through entity to have such access to the subrecipient's records and financial statements as may be necessary for the pass-through entity to comply with sections 4-230 to 4-236, inclusive.

Sec. 4-236. Regulations.

(a) The secretary shall, in consultation with the Auditors of Public Accounts, appropriate state officials and representatives of nonstate entities, adopt regulations pursuant to the provisions of chapter 54 to implement the provisions of sections 4-230 to 4-235, inclusive.

(b) The secretary shall also adopt regulations, in accordance with the provisions of chapter 54, (1) concerning the recovery of grant funds based on audit findings, as the secretary deems appropriate for any grantee which is found as a result of an audit to not be in compliance with the standards established pursuant to section 4-233, and (2) establishing uniform standards which prescribe the cost accounting principles to be used in the administration of state financial assistance by the recipients of such assistance.

Part 8

STATE SINGLE AUDIT REGULATIONS

C.G.S. 4-236-18 THROUGH 4-236-30

STATE SINGLE AUDIT REGULATIONS
C.G.S. 4-236-18 THROUGH 4-236-30

Section 4-236-18. Definitions

(a) As used in sections 4-236-18 through 4-236-30, inclusive**,** of the Regulations of Connecticut State Agencies:

(1) “Auditee” means any nonstate entity, which is required to be audited pursuant to section 4-231 of the Connecticut General Statutes;

(2) “Questioned cost ” means a cost that is questioned by the independent auditor because of an audit finding: (1) Which resulted from a violation or possible violation of a provision of law, regulation, contract, grant, or other agreement or document governing the use of State financial assistance, including funds used to match state financial assistance; (2) Where the costs, at the time of the audit, are not supported by adequate documentation; or (3) Where the costs incurred appear unreasonable, unrelated, or do not reflect the actions a prudent person would take in the circumstances; and

(3) "Working papers" has the same meaning as in Generally Accepted Government Auditing Standards (GAGAS).

(b) For the purpose of said sections 4-236-18 through 4-236-30**,** inclusive, the definitions in section 4-230 of the Connecticut General Statutes are also applicable.

Section 4-236-19. Applicability

(a) Any financial report involving an audit of a state financial assistance program shall be made pursuant to sections 4-230 through 4-236, inclusive, of the Connecticut General Statutes.

(b) Each independent auditor selected to provide audit services, pursuant to section 4-232 of the Connecticut General Statutes, shall issue an audit report in accordance with sections 4-236-23 through 4-236-30, inclusive of the Regulations of Connecticut State Agencies.

Section 4-236-20. Responsibilities of the Secretary of the Office of Policy and Management

The secretary shall, after consulting with applicable state agencies and representatives of nonstate entities, publish a Compliance Supplement disclosing statutory and regulatory requirements applicable to state financial assistance programs. The Compliance Supplement shall contain requirements for compliance with laws and regulations and suggested audit procedures for state financial assistance programs, and shall be updated periodically for program changes.

Section 4-236-21. Responsibilities of cognizant agencies, state agencies and nonstate entities

(a) A cognizant agency shall:

(1) Provide technical advice and liaison to nonstate entities and independent auditors;

(2) Promptly inform other affected state agencies and appropriate state and local law enforcement officials of any direct reporting by the auditee or its auditor of irregularities or illegal acts, as required by GAGAS or laws and regulations;

(3) Advise the independent auditor and, where appropriate, the auditee of any deficiencies found in an audit report when the deficiencies require corrective action by the independent auditor. When advised of deficiencies, the auditee shall work with the independent auditor to take corrective action. If corrective action is not taken, the cognizant agency shall notify the independent auditor, the auditee, each agency having provided state financial assistance and each pass-through entity of the facts and make recommendations for follow-up action. In cases involving repetitive substandard performance or major inadequacies, the independent auditor may be referred to appropriate state and professional bodies for disciplinary action;

(4) Obtain or conduct quality control reviews of selected audits made by independent auditors of nonstate entities, at its discretion;

(5) Ensure the resolution of audit findings that affect the programs of more than one state agency;

(6) Coordinate, to the extent practical, audits or reviews made by or for state agencies that are in addition to the audits made pursuant to sections 4-236-23 and 4-236-26 of the Regulations of Connecticut State Agencies, so that the additional audits or reviews build upon audits performed in accordance with this part; and

(7) Inform a state awarding agency of an extension granted to an auditee for report submission.

(b) A state agency that provides state financial assistance shall:

(1) At the time of awarding state financial assistance to a nonstate entity, identify each state award made by informing the nonstate entity of the State Program Identification Number, award name, contract number, and award year. When some of this information is not available at the time the award is made, the State agency shall provide information necessary to clearly describe the State award;

(2) Advise nonstate entities of requirements imposed on them by state laws, regulations, and the provisions of contracts or grant agreements;

(3) Work with the cognizant agency to ensure that audits are completed and reports are received in a timely manner;

(4) Promptly notify the cognizant agency if audit reports are not submitted by the due date;

(5) Provide program related technical advice and counsel to nonstate entities and independent auditors as requested;

(6) Follow up on audit findings affecting a state agency's programs and ensure that the auditee takes appropriate and timely corrective action**;** and

(7) Assign a person the responsibility of providing annual updates of the Compliance Supplement to the secretary.

(c) A nonstate entity that is subject to the audit requirements of sections 4-230 through 4-236, inclusive, of the Connecticut General Statutes shall:

(1) Identify, in its records, any state financial assistance received, the program under which it is authorized, and the amounts expended. State program identification shall include, as applicable, the State Program Identification Number and program name, the contract number and year, the name of the state agency having awarded the assistance, and the name of the pass-through entity;

(2) Maintain internal control over state programs that provides reasonable assurance that the nonstate entity is managing state financial assistance in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on each of its state programs;

(3) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each state program;

(4) Prepare appropriate financial statements, including a schedule of expenditures of state financial assistance, in accordance with section 4-236-23(a)(4) of the Regulations of Connecticut State Agencies;

(5) Ensure that each audit required by section 4-231 of the Connecticut General Statutes is properly performed and that each audit report is submitted when due;

(6) When notified of an extension to an audit report submission due date, promptly notify each applicable pass-through entity of the extension;

(7) Follow up on audit findings, prepare a corrective action plan and a schedule of prior audit findings in accordance with section 4- 236-24 of the Regulations of Connecticut State Agencies and take corrective action as necessary; and

(8) Promptly notify the cognizant agency and law enforcement officials of any violation of law including illegal acts and irregularities.

Section 4-236-22. Basis for determining state financial assistance expended

Except in the case of an exempt program, the determination of when state financial assistance is expended shall be based on when the related program activity occurs. Generally, such an activity is one that a nonstate entity is required to take in order to comply with applicable laws, regulations and the provisions of contracts or grant agreements. Examples of such activities include expenditure/expense transactions associated with grants, cost-reimbursement contracts, direct appropriations or the use of loan proceeds, the disbursement of funds passed through to a subrecipient or the receipt or use of program income. State financial assistance which does not specify a required use and which cannot be described by any of the examples provided in this section shall be considered fully expended in the fiscal year in which the state financial assistance is paid by the State agency. Loans payable, the proceeds of which were received and expended in a year prior to that which an audit covers are not considered state financial assistance expended for purposes of this section.

Section 4-236-23. Audit scope and reporting.

(a) Audits will be conducted based on the year-end of the nonstate entity. The independent auditor's report may be in the form of either combined or separate reports and may be organized differently from the manner presented in this section. The independent auditor's report shall state that the audit was conducted in accordance with this section and shall include the following:

(1) An opinion or disclaimer of opinion as to whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion or disclaimer of opinion as to whether the schedule of expenditures of state financial assistance is presented fairly in all material respects in relation to the financial statements taken as a whole**;**

(2) A report on internal control related to the financial statements and on compliance with applicable laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements. This report shall describe the scope of the testing of internal control and the results of the tests. Where applicable, the report shall refer to the separate schedule of findings and questioned costs described in subdivision **(**5**)** of this subsection;

(3) A report on compliance with requirements applicable to each major program and internal control over compliance requirements in accordance with section 4-233 of the Connecticut General Statutes. This report shall include an opinion or disclaimer of opinion as to whether the auditee complied with applicable laws, regulations, and the provisions of contracts or grant agreements which could have a direct and material effect on each major program. When appropriate, the report shall refer to the separate schedule of findings and questioned costs described in subdivision **(**5**)** of this subsection;

(4) A schedule of expenditures of state financial assistance. Such schedule, which shall be based on the fiscal year used for the nonstate entity's financial statements, shall include the following minimum information:

(A) A list of individual programs grouped by state agency;

(B) The total state financial assistance expended for each state program identified by State Program Identification Number. If the State Program Identification Number is not available, the contract number shall be used to identify the program;

(i) The auditee may include additional information. For example, when a state program has multiple award years, the auditee may list the amount of state financial assistance expended for each award year separately.

(C) A listing of exempt programs and the amounts expended for each exempt program;

(D) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each state program;

(E) The name of the pass-through entity and identifying number assigned by the pass-through-entity shall be included; and

(F) Notes that describe the significant accounting policies used in preparing the schedule. Such notes shall include the amount of loans and loan guarantees and shall disclose any changes in loan activity during the period being audited.

(5) A schedule of findings and questioned costs which shall include the following three components:

(A) A summary of the auditor's results which shall include:

(i) The type of report the auditor issued on the financial statements of the auditee (i.e., unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion);

(ii) Where applicable, a statement that significant deficiencies in internal control were disclosed by the audit of the financial statements and whether any such deficiencies were material weaknesses;

(iii) A statement as to whether the audit disclosed any noncompliance which is material to the financial statements of the auditee;

(iv) Where applicable, a statement that significant deficiencies in internal control over major programs were disclosed by the audit and whether any such deficiencies were material weaknesses;

(v) The type of report the auditor issued on compliance for major programs (i.e., unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion);

(vi) A statement as to whether the audit disclosed any audit findings, which the auditor is required to report under section 4-236-24 of the Regulations of Connecticut State Agencies;

(vii) An identification of major programs, including programs tested in accordance with section 4-233 of the Connecticut General Statutes; and

(viii) the dollar threshold used to distinguish between type A and type B programs as provided under the risk-based approach used in determining major state programs.

(B) Findings relating to the financial statements which are required to be reported in accordance with GAGAS; and

(C) Findings and questioned costs related to state financial assistance, including those set forth in subsection (a) of section 4-236-24 of the Regulations of Connecticut State Agencies.

(i) Audit findings that relate to the same issue (e.g., internal control findings, compliance findings, questioned costs, or fraud) should be presented as a single audit finding.

(ii) Audit findings that relate to both the financial statements and state financial assistance, as reported in subparagraphs (B) and (C) of this subdivision, should be reported in each appropriate section of the schedule. However, a report in one section of the schedule may be in summary form with a reference to the more detailed report in another section of the schedule.

(b) When internal control over some or all of the compliance requirements for a major program are likely to be ineffective in preventing or detecting noncompliance, the planning and performing of testing described in section 4-233 of the Connecticut General Statutes is not required for those compliance requirements. However, the independent auditor shall report a significant deficiency (including whether any such deficiency is a material weakness) in accordance with section 4-236-24 of the Regulations of Connecticut State Agencies, assess the related control risk at the maximum, and consider whether additional compliance tests are required because of ineffective internal control.

(1) The compliance requirements of various state programs may be ascertained by referring to the Compliance Supplement for state financial assistance programs.

(2) For those state programs not covered in the Compliance Supplement, the independent auditor shall use the types of compliance requirements contained in the Compliance Supplement as guidance for identifying the types of compliance requirements to test, and determine the requirements governing the state program by reviewing the provisions of contracts and grant agreements and the laws and regulations referred to in such contracts and grant agreements.

(3) The independent auditor may consider the Compliance Supplement a "safe harbor" for identification of compliance requirements to be tested for the programs included therein if, the independent auditor: (A) Performs reasonable procedures to ensure that the requirements in the Compliance Supplement are current and to determine whether there are any additional provisions of contract and grant agreements that should be covered by an audit in accordance with sections 4-236-18 through 4-236-30 of the Regulations of Connecticut State Agencies, inclusive, and (B) updates or augments the requirements contained in the Compliance Supplement, as appropriate.

(4) The compliance testing shall include tests of transactions and such other auditing procedures necessary to provide the independent auditor sufficient evidence to support an opinion on compliance.

(c) The independent auditor shall follow up on audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee, and report as a current year finding, when the auditor concludes that the summary schedule materially misrepresents the status of any prior year audit finding. The independent auditor shall perform follow-up procedures regardless of whether a prior year audit finding relates to a major state program in the current year.

Section 4-236-24. Audit findings.

(a) The independent auditor shall report the following as audit findings in a schedule of findings and questioned costs:

(1) Significant deficiencies in internal control over major programs. The independent auditor's determination of whether a deficiency in internal control is a significant deficiency for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program or an audit objective identified in the Compliance Supplement. The independent auditor shall identify significant deficiencies, which are individually or cumulatively material weaknesses;

(2) Material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program. The independent auditor's determination of whether a noncompliance with the provisions of laws, regulations, contracts, or grant agreements is material for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program or an audit objective identified in the Compliance Supplement;

(3) Known questioned costs which are greater than $1,000 for a type of compliance requirement for a major program. Known questioned costs are those specifically identified by the auditor. In evaluating the effect of questioned costs on the determination of compliance, the auditor shall consider the best estimate of total costs questioned (likely questioned costs), not just the questioned costs specifically identified (known questioned costs). The auditor shall also report known questioned costs when likely questioned costs are greater than $1,000 for a type of compliance requirement for a major program. In reporting questioned costs, the auditor shall include information to provide proper perspective for judging the prevalence and consequences of the questioned costs;

(4) Known questioned costs which are greater than $1,000 for a state program which is not audited as a major program. Except for audit follow-up, the auditor is not required under this section to perform audit procedures for such a state program; therefore, the auditor will normally not find questioned costs for a program which is not audited as a major program. However, if the auditor does become aware of questioned costs for a state program which is not audited as a major program (e.g., as part of audit follow-up or other audit procedures) and the known questioned costs are greater than $1,000, then the auditor shall report this as an audit finding;

(5) The circumstances concerning why the independent auditor's report on compliance for major programs is other than an unqualified opinion, unless such circumstances are otherwise reported as audit findings in the schedule of findings and questioned costs for state financial assistance;

(6) Known fraud affecting state financial assistance, unless such fraud is otherwise reported as an audit finding in the schedule of findings and questioned costs for state financial assistance. This subdivision does not require the independent auditor to make an additional reporting when the independent auditor confirms that the fraud was reported outside of the independent auditor's report under the direct reporting requirements of GAGAS; and

(7) Instances where the results of audit follow-up procedures reveals that the summary of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit finding.

(b) Audit findings shall be presented in sufficient detail for the auditee to prepare a corrective action plan and take corrective action and for state agencies and pass-through entities to arrive at a management decision in response to such findings. The following specific information, as applicable, shall be included in audit findings, which shall be numbered or otherwise separately identified in order to allow for ease of reference during follow-up:

(1) State Program Name and specific State Program Identification Number, name of state agency, and name of the applicable pass-through entity. When such information is not available, the independent auditor shall use the best information available to describe the state award;

(2) The criteria or specific requirements upon which the audit findings are based, including statutory, regulatory, or other citations;

(3) The condition found, including facts that support the deficiency identified in the audit findings;

(4) Identification of questioned costs and how they were computed;

(5) Information to provide proper perspective for judging the prevalence and consequences of the audit findings, such as whether they represent an isolated instance or a systemic problem. Instances identified shall be related to the universe and the number of cases examined, and shall be quantified in terms of dollar value;

(6) The possible asserted effect to provide sufficient information to the auditee and state agency, or pass-through entity in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action;

(7) Recommendations to prevent future occurrences of the deficiency identified in the audit findings; and

(8) Views of responsible officials of the auditee when there is disagreement with the audit findings, to the extent practical.

(c) The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee, upon completion of the audit, shall prepare a corrective action plan to address each audit finding included in the current year independent auditor's report. The corrective action plan shall provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan shall include a statement to that effect and specific reasons in support of such opinion. Said plan shall be included in the State Single Audit Reporting package. In addition, the auditee is responsible for preparing a schedule of prior audit findings which shall report the status of audit findings reported in the prior year's audit report.

Section 4-236-25. Submission of reports

(a) The reporting package shall include audited financial statements, state single audit reports, including the applicable schedule(s) required under these regulations, reports prepared in accordance with GAGAS, a corrective action plan and a separately issued management letter, if applicable.

(b) Reports, including program audit reports, prepared in accordance with sections 4-236-23 and 4-236-26 of the Regulations of Connecticut State Agencies shall be submitted by the auditee to the cognizant agency and, if applicable, state grantor agencies and pass-through entities. Reports shall be submitted no later than six months after the end of the period under audit, pursuant to section 4-232 of the Connecticut General Statutes.

(c) The cognizant agency may authorize extensions in the filing due date in accordance with section 4-232 of the Connecticut General Statutes. At no time may the extension exceed six months. The cognizant agency shall notify those state agencies providing state financial assistance to the nonstate entity of the extension.

Section 4-236-26. Program Specific Audits

(a) In some cases, a program-specific audit guide will be available to provide specific guidance to the independent auditor with respect to internal control, compliance requirements, suggested audit procedures, and audit reporting requirements. The independent auditor shall contact the state agency awarding the funds to determine whether such a guide is available. When a current program-specific audit guide is available, the independent auditor shall follow GAGAS and the guide when performing a program-specific audit. Report submissions shall follow the requirements identified in the program-specific audit guide.

(b) When a program-specific audit guide is not available, the auditee and independent auditor shall have basically the same responsibilities for the state program as they would have for an audit of a major program in a single audit of state financial assistance. In such cases the following is required:

(1) The auditee shall prepare the financial statement(s) for the state program that includes, at a minimum, a schedule of expenditures of state financial assistance for the program and notes that describe the significant accounting policies used in preparing the schedule, a summary schedule of prior audit findings and a corrective action plan consistent with the requirements of section 4-236-24(c) of the Regulations of Connecticut State Agencies.

(2) The independent auditor shall:

(A) Perform an audit of the financial statement(s) for the state program in accordance with GAGAS;

(B) Obtain an understanding of internal control and perform tests of internal control over the state program consistent with the requirements of section 4-233 of the Connecticut General Statutes, for a major program;

(C) Perform procedures to determine whether the nonstate entity has complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on the state program consistent with the requirements of section 4-233 of the Connecticut General Statutes; and

(D) Prepare report(s) in the form of either combined or separate reports, which may be organized differently from the manner presented in this section. The independent auditor's report(s) shall state that the audit was conducted in accordance with this section and shall include the following:

(i) An opinion (or disclaimer of opinion) as to whether the financial statement(s) of the state program is presented fairly in all material respects in conformity with the stated accounting policies;

(ii) A report on internal control related to the state program, which shall describe the scope of testing of internal control and the results of the tests;

(iii) A report on compliance which includes an opinion (or disclaimer of opinion) as to whether the nonstate entity complied with laws, regulations, and the provisions of contracts or grant agreements which could have a direct and material effect on the state program; and

(iv) A schedule of findings and questioned costs for the state program that includes a summary of the independent auditor's results relative to the state program consistent with the requirements of section 4-236-23 of the Regulations of Connecticut State Agencies.

(c) The reports identified in this section shall be submitted in accordance with the provisions of section 4-236-25 of the Regulations of Connecticut State Agencies.

Section 4-236-27. Illegal acts

If, during or in connection with an audit of a nonstate entity, the independent auditor becomes aware of illegal acts or irregularities, such acts shall be reported in accordance with the provisions of GAGAS.

Section 4-236-28. Penalty for noncompliance

No audit costs shall be charged to state programs when audits required by the State Single Audit Act have not been made or have been made but not in accordance with sections 4-236-23 and 4-236-26 of the Regulations of Connecticut State Agencies. In cases of continued inability or unwillingness to have a proper audit conducted in accordance with sections 4-236-23 and 4-236-26 of the Regulations of Connecticut State Agencies, state agencies shall consider appropriate sanctions including, but not limited to: (1) Withholding a percentage of financial assistance until the audit is completed satisfactorily; (2) Withholding or disallowing overhead costs; or (3) suspending state financial assistance until the audit is completed.

Section 4-236-29. Audit resolution and recovery of state program funds based on audit findings

(a) As provided in section 4-236-21 of the Regulations of Connecticut State Agencies, the cognizant agency shall be responsible for ensuring the resolution of audit findings that affect the programs of more than one state agency. Resolution of findings that relate to the programs of a single state agency shall be the responsibility of the recipient and the agency. Alternate arrangements may be made on a case-by-case basis by agreement among the agencies concerned.

(b) After the audit report is accepted by the cognizant agency, the grantor state agencies shall review the audit report including the audit findings relating to the agencies' programs and the auditee's corrective action plans. Pass-through entities are also responsible for reviewing the audit reports of their subrecipients.

(c) State grantor agencies shall follow up on audit findings to ensure proper resolution. Follow up procedures regarding a current year or prior year audit finding may include, but are not limited to, communication with the nonstate entity and review of the nonstate entity's records. Pass-through entities shall work with state grantor agencies and develop a course of action to resolve audit findings relating to state financial assistance provided to subrecipients.

(d) Agencies shall determine whether to "allow" or "disallow" the reported expenditures in findings involving questioned costs.

(1) If the state grantor agency decides the expenditures were proper (i.e., the independent auditor’s questioned costs are not sustained), they are “allowed costs” and no further action is required.

(2) If the state grantor agency decides the expenditures were improper (i.e., the independent auditor's findings are sustained), the nonstate entity shall consider the questioned costs to be ineligible; they are "disallowed costs".

(3) The state grantor agency shall notify the nonstate entity of any disallowed costs, and, unless successfully appealed to the executive authority of the agency, the state financial assistance received with respect to such disallowed costs shall be returned to the applicable state government agency. The state agencies shall also establish an accounting record of the debt, require other necessary corrective actions, and follow-up on corrective actions to ensure compliance.

Section 4-236-30. Retention of working papers and reports

The independent auditor shall document in the working papers the risk analysis process used in determining major state programs. Following completion of an audit, the independent auditor shall make available working papers, upon request, to the cognizant agency, its designee, the Auditors of Public Accounts and awarding agencies. Awarding agencies shall notify the cognizant agency of their intent to review working papers. The independent auditor shall retain working papers and reports for a minimum of five years from the date of filing a certified copy of the audit report with the cognizant agency, unless the independent auditor is notified in writing by the cognizant agency to extend the retention period.

Part 9

ILLUSTRATIVE AUDITOR'S REPORTS AND SCHEDULES FOR LOCAL GOVERNMENTAL ENTITIES - MUNICIPALITIES AND AUDITED AGENCIES AND NONPROFIT ORGANIZATIONS

THE STATE SINGLE AUDIT ACT

C.G.S. Sections 4-230 to 4-236

Issued by:

THE OFFICE OF POLICY
AND MANAGEMENT

OFFICE OF FINANCE

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INTRODUCTION

Examples of auditor's reports and schedules included in this part are presented as guidance for independent auditors performing state single audits. Auditors should modify the reports as necessary for scope limitations, uncertainties and noncompliance.

The State Single Audit Act was last revised in October 2009 and the example reports provided in this part of the Supplement reflects reporting under the revised Act.

The following reporting package is required to comply with the provisions of the State Single Audit Act:

Report Item	Authoritative Reference/Examples
Basic financial statements (annual audit report) and report of independent auditor	AICPA Audit Guide - *Audits of State and Local Governments and Accounting Guide for Not-for-Profit Organizations*
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*	AICPA Audit Guide - *Government Auditing* Standards *and Single Audits;* Compliance Supplement, Example 7-7a
Independent auditors' report on the schedule of expenditures of state financial assistance	Compliance supplement, Example 1
Report on compliance for each major state program; Report on internal control over compliance; and Report on the schedule of expenditures of state financial assistance in accordance with the State Single Audit Act	Compliance supplement, Example 1 – 3c
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Example 1 provides guidance for the preparation of a typical report when there are no opinion modifications on compliance, no material weaknesses or significant deficiencies. In order to minimize the presentation of numerous combinations of other report examples, Examples 2 to 3c provides individual alternatives for compliance and/or internal control situations. These examples were developed based on guidance contained in AICPA Audit Guide - *Government Auditing Standards* and *Single Audits* and represent the most common situations which may be encountered. The AICPA Audit Guide - *Government Auditing Standards* and *Single Audits* should be used for reference when conditions exist which have not been presented in this compliance supplement. Examples of program specific reports can also be found in the AICPA Audit Guide.

Examples 7 and 7a, Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*, are provided for guidance and to emphasize the requirement that such reporting must be submitted within the state single audit reporting package. The report examples in this manual represent the latest guidance available at the time the supplement was updated. Please refer to the AICPA website (AICPA.org) for periodic updates.

The ***schedule of findings and questioned costs*** is a mandatory element of the reporting package. It has been developed to provide certain information in a manner which will assist users in understanding and evaluating the audit report.

The Schedule of the Status of Prior Year Findings is a mandatory element as indicated in the Regulations to the State Single Audit Act. It should report on the current status of findings reported from prior years related to both the entity under audit financial statement and State programs. (See Part 10 of the Supplement.)

Additional questions on reporting issues should be addressed to the cognizant agency (Part 13).

EXAMPLE 1

**Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act[1]**

Independent Auditor's Report

[Addressee]
[Address]

Report on Compliance for Each Major State Program

We have audited [name of entity]'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of [name of entity] 's major state programs for the year ended June 30, 20XX. [Name of entity]'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of [name of entity]'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about [name of entity]'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of [name of entity]'s compliance.

Opinion on Each Major State Program

In our opinion, [name of entity], complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 20XX.

Report on Internal Control over Compliance

Management of [name of entity], is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered [name of entity]'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of [name of entity]'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act [2,3]

We have audited the financial statements of [name of entity], as of and for the year ended June 30, 20XX and have issued our report thereon dated [*report date]*, which contained an unmodified opinion on those financial statements[4]. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

[Auditor's Signature]
[Office City, State]
[report date]

[1] Examples 2 to 3c provide guidance for alternative situations for reporting on compliance and internal control.

[2] The opinion relating to the schedule of expenditures of state financial assistance may be presented along with the report on the entity's financial statements. Refer to AICPA Audit Guide - *Government Auditing Standards* and *Single Audits* for guidance.

[3] The example shown is for a Non-Profit entity, if a governmental entity, use the example paragraph below.

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *[name of entity]* as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise the [name of entity]'s basic financial statements. We have issued our report thereon dated [report date], which contained unmodified opinions on those financial statements[4]. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the [name of entity]'s basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

[4] This paragraph should indicate the type of opinion(s) expressed on the financial statements; if the opinion(s) is other than unmodified, describe the opinion modifications. In addition, if the auditor issues a qualified opinion on the financial statements and the qualification has an effect on the schedule of expenditures of state financial assistance, the last sentence of this paragraph would be replaced with the following:

In our opinion, except for the effect on the accompanying schedule of expenditures of state financial assistance of the qualified opinion on the financial statements as described above, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

If the auditor disclaims an opinion on the financial statements or issues an adverse opinion, the auditor is precluded by SAS No.119 from issuing an opinion on the supplementary information.

Report on Compliance for Each Major State Program
In Accordance with the State Single Audit Act (Material Compliance with Reportable Noncompliance)

Report on Compliance for Each Major State Program

We have audited the [name of entity]'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the [name of entity]'s major state programs for the year ended June 30, 20XX. The [name of entity]'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the [name of entity]'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the [name of entity]'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the [name of entity]'s compliance.

Opinion on Each Major State Program

In our opinion, the [name of entity], complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 20XX.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Single Audit Act and which are described in the accompanying schedule of findings and questioned costs as item(s) (*List the reference numbers of the related findings*). Our opinion on each major state program is not modified with respect to these matters.

The [name of entity]'s response to the noncompliance finding(s) identified in our audit is described in the accompanying schedule of findings and questioned costs. The [name of entity]'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Compliance for Each Major State Program In Accordance with the State Single Audit Act (Qualified Opinion)

Report on Compliance for Each Major State Program

We have audited the [name of entity]'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the [name of entity]'s major state programs for the year ended June 30, 20XX. The [name of entity]'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the [name of entity]'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the [name of entity]'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major state programs. However, our audit does not provide a legal determination of the [name of entity]'s compliance.

Basis for Qualified Opinion on [Identify Major State Program]

As described in the accompanying schedule of findings and questioned costs, the [name of entity], did not comply with requirements regarding [identify the major state program and type(s) of compliance requirements] as described in finding number(s) [list the reference numbers of the related findings, for example 20XX-1, 20XX-2]. Compliance with such requirements is necessary, in our opinion, for the [name of entity], to comply with the requirements applicable to that program.

Qualified Opinion on [Identify Major State Program]

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the [name of entity], complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on [identify the major state program] for the year ended June 30, 20XX.

Unmodified Opinion on Each of the Other Major State Programs

In our opinion, the [name of entity], complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 20XX.

EXAMPLE 3a

REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT (Significant Deficiencies Identified)

Management of the [name of entity], is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the [name of entity]'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the [name of entity]'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items *[list the reference numbers of the related findings, for example 20XX-1, 20XX-2]*, that we consider to be significant deficiencies.

The [name of entity]'s response to the internal control over compliance finding(s) identified in our audit is described in the accompanying schedule of findings and questioned costs. The [name of entity]'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

EXAMPLE 3b

**REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT
(Material Weaknesses Identified; No Significant Deficiencies Identified)**

Management of the [name of entity], is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the [name of entity]'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the [name of entity]'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items *[list the reference numbers of the related findings, for example 20XX-1, 20XX-2]*, that we consider to be material weaknesses.

The [name of entity]'s response to the internal control over compliance finding(s) identified in our audit is described in the accompanying schedule of findings and questioned costs. The [name of entity]'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

EXAMPLE 3c

**REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT
(Material Weaknesses and Significant Deficiencies Identified)**

Management of the [name of entity], is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the [name of entity]'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the [name of entity]'s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item(s) *[list the reference numbers of the related findings, for example, 20XX-1 and 20XX-2]* to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item(s) *[list the reference numbers of the related findings, for example, 20XX-3 and 20XX-4]* to be significant deficiencies.

The [name of entity]'s response to the internal control over compliance finding(s) identified in our audit is described in the accompanying schedule of findings and questioned costs. The [name of entity]'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

EXAMPLE 4

[NAME OF ENTITY]

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 20XX

STATE GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE	STATE GRANT PROGRAM CORE-CT NUMBER	PASSED THROUGH TO SUBRECIPIENTS*	EXPENDITURES
Office of Policy and Management			
Local Capital Improvement Program	12050-OPM20600-40254		xxx,xxx
Property Tax Relief of Property of Totally Disabled Persons	11000-OPM20600-17011		xxx,xxx
Property Tax Relief For Elderly Homeowners – Freeze Program	11000-OPM20600-17021		xxx,xxx
Property Tax Relief For Veterans	11000-OPM20600-17024		xxx,xxx
Payment In Lieu Of Taxes (Pilot) On State-Owned Property	11000-OPM20600-17004		xxx,xxx
Department of Education			
School Breakfast Program	11000-SDE64000-17046	$ xx,xxx	xx,xxx
Adult Education	11000-SDE64000-17030		xx,xxx
Health Services	11000-SDE64000-17034	xx,xxx	xx,xxx
Youth Services Bureau	11000-SDE64000-17052		xx,xxx
Magnet Schools	11000-SDE64000-17057	xx,xxx	xx,xxx
Department of Transportation			
Town Aid Road Grant	12052-DOT57131-43455-34005		xx,xxx
Office of Early Childhood			
Child Day Care	11000-OEC64840-16274-83012	$ xx,xxx	xxx,xxx
School Readiness In Priority School Districts	11000-OEC64840-16274-83014	xx,xxx	xx,xxx

[NAME OF ENTITY]

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 20XX

STATE GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE	STATE GRANT PROGRAM CORE-CT NUMBER	PASSED THROUGH TO SUBRECIPIENTS*	EXPENDITURES
Department of Public Health			
Pass-Through from: [Name of Pass-Through Entity] School Based Health Clinics	11000-DPH48500-17019	xx,xxx	xxx,xxx
Total State Financial Assistance before exempt programs			$ x,xxx,xxx
EXEMPT PROGRAMS			
Department of Education			
Education Cost Sharing	11000-SDE64000-17041-82010		xxx,xxx
Excess Cost - Student Based	11000-SDE64000-17047		xxx,xxx
Department of Construction Services			
School Construction Grants	13010-DAS27000-40901		xxx,xxx
School Construction-Interest	13009-DAS27000-40896		xxx,xxx
Office of Policy and Management			
Mashantucket Pequot/Mohegan Fund	12009-OPM20600-17005		xxx,xxx
Municipal Revenue Sharing	11000-OPM20600-17102		xxx,xxx
Municipal Stabilization Grant	11000-OPM20600-17104		xxx,xxx
Municipal Transition Grant	11000-OPM20600-17103		xxx,xxx
Total Exempt Programs			$ x,xxx,xxx
TOTAL STATE FINANCIAL ASSISTANCE		$ x,xxx,xxx	$ xx,xxx,xxx

See Notes to Schedule

[NAME OF ENTITY]

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 20XX

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the [name of entity] under programs of the State of Connecticut for the fiscal year ended June 30 20XX. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including *[list financial assistance functions].*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the *[name of entity]* conform to accounting principles generally accepted in the United States of America as applicable to *[indicate whether governments or not-for-profit organizations].*

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the [identify the basis of accounting] basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

2. LOAN PROGRAMS

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the Schedule of Expenditures of State Financial Assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 20XX:

Department of Transportation:

Local Bridge Programs (21010-DOT57000-42310):

	ABC Bridge	XYZ Bridge
Issue Date	xx/xx/xx	xx/xx/xx
Interest Rate	x.xx	x.xx
Original Amount	$xxx,xxx	$xxx,xxx
Balance, Beginning of Year	$ xx,xx	$xx,xxx
Paid	xx,xxx	xx,xxx
Balance, End of Year	$xx,xxx	$xx,xxx

Department of Energy and Environmental Protection:

Clean Water Funds 21014-OTT14000-40001:

	Issue Date	Interest Rate	Original Amount	Balance Beginning	Issued	Retired	Balance Ending
114C	xx/xx/xx	x.xx	$ xxx,xxx	$xxx,xxx		$xx,xxx	$xxx,xxx
209D	xx/xx/xx	x.xx	xxx,xxx	xxx,xxx		xx,xxx	xxx,xxx
114C	xx/xx/xx	x.xx	x,xxx,xxx	xxx,xxx		xx,xxx	xxx,xxx
209C	xx/xx/xx	x.xx	x,xxx,xxx		$xxx,xxx	xx,xxx	xxx,xxx

3. SUBRECIPIENTS *

* The Schedule Of Expenditures Of State Financial Assistance is to include an identification of the total amount provided to subrecipients from each state program. This identification should be presented on the face of the Schedule.

[NAME OF ENTITY]

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 20XX

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued [*unmodified, qualified, adverse, or disclaimer*]:

Internal control over financial reporting:
- Material weakness(es) identified? _____ yes _____ no
- Significant deficiency(ies) identified? _____ yes _____ none reported

Noncompliance material to financial statements noted? _____ yes _____ no

State Financial Assistance

Internal control over major programs:
- Material weakness(es) identified? _____ yes _____ no
- Significant deficiency(ies) identified? _____ yes _____ none reported

Type of auditor's opinion issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]:[1]

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ yes _____ no

- The following schedule reflects the major programs[2] included in the audit:

State Grantor and Program	**State Core-CT Number**	**Expenditures**
Department of [*name of grantor*]: [*Grantor program title*]	xxxxx-ABCxxxxx-xxxxx	$xxx,xxx
Department of [*name of grantor*]: [*Grantor program title*]	xxxxx-ABCxxxxx-xxxxx	$xxx,xxx

- Dollar threshold used to distinguish between type A and type B programs $_____

II. FINANCIAL STATEMENT FINDINGS [3, 4]

This section should identify the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting. (See Section 4-236-23 of the Regulations to the State Single Audit Act and Chapters 4 and 13 of the audit guide, Government Auditing Standards and Single Audits for further details.)

If there are no findings, this section could state that no matters were reported. Alternatively, this section could be omitted without confusing the schedule's users because the summary of auditor's results section would indicate that there are no findings. Each finding should be presented in the level of detail shown in the following listing, as applicable.

Identify each finding with a reference number.

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's Response / Views of Responsible Officials:[5] Although a reference to the corrective action plan or a summary of the plan may be presented here, it does not satisfy the requirement that the corrective action plan be presented in a document separate from the Schedule of Findings and Questioned Costs.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS [4]

This section should identify the audit findings required to be reported by Section 4-236-24 of the Regulations (for example, significant deficiencies, material weaknesses, and reportable/material instances of noncompliance, including questioned costs) – as well as any abuse findings involving state financial assistance that is material to a major program. Where practical, findings should be organized by state agency or pass-through entity.

If there are no findings, this section could state that no matters were reported. Alternatively, this section could be omitted without confusing the schedule's users because the summary of auditor's results section would indicate that there are no findings. Each finding should be presented in the level of detail shown in the following listing, as applicable.

Identify each finding with a reference number.

FINDING # [*list reference number, for example 2019-1*]

Grantor:

State Program Name:

Pass-through Entity:

State Grant Program
CORE-CT Number:

Criteria

The criteria or specific requirement upon which the audit finding is based, including statutory, regulatory, or other citation.

Condition

The condition found, including facts that support the deficiency identified in the audit finding.

Questioned Cost

Identification of questioned costs and how they were computed.

Context

Information to provide proper perspective for judging the prevalence and consequences of the audit findings, such as whether the audit findings represent an isolated instance or a systemic problem. Where appropriate, instances identified shall be related to the universe and the number of cases examined and is quantified in terms of dollar value.

Effect

The possible asserted effect to provide sufficient information to the auditee and State agency, or pass-through entity in the case of a subrecipient, to permit them to determine that cause and effect to facilitate prompt and proper corrective action.

Cause

The reason or apparent reason that the condition or situation occurred.

Recommendation

Recommendations to prevent future occurrences of the deficiency identified in the audit finding.

Management's Response / Views of Responsible Officials[5]

Although a reference to the corrective action plan or a summary of the plan may be presented here, it does not satisfy the requirement that the corrective action plan be presented in a document separate from the Schedule of Findings and Questioned Costs. If the organization believes a corrective action is not required, a statement describing the reasons should be included.

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[1] If the audit opinion on compliance for one or more major programs is other than unmodified, indicate the type of opinion issued for each program. For example, if the audit report on major program compliance for an auditee having five major programs includes an unmodified opinion for three of the programs, a qualified opinion for one program, and a disclaimer of opinion for one program, the response to this question could be as follows: "Unmodified for all major programs except for [*name of program*], which was qualified and [*name of program*], which was a disclaimer.".

[2] Major programs should generally be identified in the same order as reported on the schedule of expenditures of state financial assistance. See Section 4-230(12) and 4-233(c) of the State Single Audit Act and Part 5 of this supplement for determining major programs. Programs tested as major programs are treated as such and should be listed here.

[3] See Chapter 4 of the AICPA Audit Guide Government Auditing Standards and Single Audits for a discussion of the Government Auditing Standards requirements for presenting findings.

[4] Audit findings that relate to both the financial statements and state financial assistance should be reported in both section II and section III. However, the reporting in one section may be in summary form with a reference to a detailed reporting in the other section of the schedule.

[5] The auditor should report management views including a summary of planned corrective actions for the findings identified in the Schedule of Findings and Questioned Costs. Alternatively, depending on the status of the development of the corrective action plan at the time the auditor's reports are released, the auditor may be able to refer to the corrective action plan as the required presentation of Management's Response / Views of Responsible Officials. **However, the corrective action plan must be in a separate document from the auditor's findings.** See part 11 of the State Single Audit Compliance Supplement for a sample separate presentation of a corrective action plan.

EXAMPLE 7

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards (No Material Weaknesses, No Significant Deficiencies, No Reportable Instances of Noncompliance or Other Matters)* [1]

Independent Auditor's Report

[Addressee]
[Address]

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the [name of entity], which comprise the statement of financial position as of June 30, 20XX and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated *[report date]*. [2, 3]

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered [name of entity]'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the [name of entity]'s internal control. Accordingly, we do not express an opinion on the effectiveness of the [name of entity]'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.[4a, 4b]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the [name of entity]'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of [name of entity]'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the [name of entity]'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

[Auditor's Signature]
[Office City, State]
[report date]

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[1] Refer to the audit guide, *Government Auditing Standards and Single Audits* and the AICPA website (aicpa.org) for further explanation and variations of reporting.

[2] This illustration assumes the entity audited is a nonprofit entity. If the entity audited is a governmental entity, substitute the following for the first paragraph.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the [name of entity], as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise the [name of entity]'s basic financial statements, and have issued our report thereon dated [report date].[3]

[3] Disclose the type of independent auditors' report issued if other than unmodified (qualified, adverse, disclaimer).

[4a] If significant deficiencies are identified but material weaknesses are not identified, substitute the following paragraph:

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiency in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [*List the reference numbers of the related findings for example 20XX-1 and 20XX-2*].

[4b] If material weaknesses are identified but significant deficiencies are not identified, substitute the following paragraph:

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. [*List the reference numbers of the related findings for example 20XX-1 and 20XX-2*].

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards (Material Weaknesses and Significant Deficiencies Identified and Reportable Instances of Noncompliance and Other Matters Identified)* [1]

Independent Auditor's Report

[Addressee]
[Address]

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the [name of entity], which comprise the statement of financial position as of June 30, 20XX and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated *[report date]*. [2, 3]

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the [name of entity]'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the [name of entity]'s internal control. Accordingly, we do not express an opinion on the effectiveness of the [name of entity]'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies .

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items (*List the reference numbers of the related findings, for example 20XX-1 and 20XX-2)* to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items (*List the reference numbers of the related findings, for example 20XX-3 and 20XX-4)* to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the [name of entity]'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items (*List the reference numbers of the related findings, for example 20XX-5 and 20XX-6).*

The [Name of Entity]'s Response to Findings

The [name of entity]'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The [name of entity]'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the [name of entity]'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the [name of entity]'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

[Auditor's Signature]
[Office City, State]
[report date]

[1] Refer to the audit guide, *Government Auditing Standards and Single Audits* and the AICPA website (aicpa.org) for further explanation and variations of reporting. In addition, see footnotes 4a and 4b of Example 7 in Part 9 of this Supplement for reporting when either significant deficiencies or material weaknesses are identified but not both.

[2] This illustration assumes the entity audited is a nonprofit entity. If the entity audited is a governmental entity, substitute the following for the first paragraph.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the [name of entity], as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise the [name of entity]'s basic financial statements, and have issued our report thereon dated [report date].[3]

[3] Disclose the type of independent auditors' report issued if other than unmodified (qualified, adverse, disclaimer).

PART 10
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS[1]
XYZ ENTITY
FISCAL YEAR ENDED 20XX

Financial Statement Findings:

Finding No. 2018-1

Condition: Inadequate segregation of duties in the Finance Office

Current Status: The finding has been corrected

State Program Findings:

Finding No. 2018-2

Condition: XYZ did not comply with the reporting requirements for the Adult Education Program.

Current Status: The finding has been corrected.

Finding No. 2017-1

Condition: Certain eligibility procedures for the Disabled Homeowners Program were not complied with by XYZ.

Current Status: Finding was first reported for fiscal year ended June 30, 2017 and is being repeated as 2017-1. There was a lack of understanding by staff administering the grant of the new procedures to be implemented as part of the previously developed corrective action plan.

Planned Corrective Action: See response included in the current year Corrective Action Plan.

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[1] The Summary Schedule of Prior Audit Findings should report the status of all audit findings included in the prior year's State Single Audit Schedule of Findings and Questioned Costs. Unless there were no such findings reported for the prior year, the Summary Schedule is required to be included in the audit reporting package filed with OPM.

The auditee is responsible for developing and implementing corrective action on all audit findings. As part of this responsibility, the auditee is responsible for the Summary Schedule which shall include the reference numbers the auditor assigns to audit findings. Since the Summary Schedule may include audit findings from multiple years, it shall indicate the fiscal year in which the findings initially occurred and the current status of each of the findings. Where appropriate, the auditee may include comments on the Schedule describing why it believes a finding is no longer valid or not warranting further corrective action.

Auditees are reminded that the independent auditor is required to follow-up on prior audit findings and perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings. The auditor is responsible for reporting a current year finding if the Summary Schedule materially misrepresents the status of any prior audit finding.

Part 11

[ORGANIZATION'S LETTERHEAD]

[Date of Submission]

[Name of Organization]
State Single Audit Corrective Action Plan*
For the Fiscal Year Ended _____

Office of Policy and Management
450 Capitol Avenue MS-54MFS
Hartford, Connecticut 06106-1379

Municipal Finance Services Unit Att: William Plummer

AUDIT FINDINGS

Finding Reference Number: (Review the State Single Audit reporting package for the finding reference number assigned to each finding.)

Description of Finding: (Provide a brief summary description of the finding.)

Statement of Concurrence or Nonconcurrence: (The organization should provide a statement indicating whether it agrees or disagrees with the audit finding. If there is a finding that the organization disagrees with, specific information should be provided by the organization to support its position.)

Corrective Action: (The organization should provide a plan for resolving the audit finding. The plan should provide pertinent information on detailed action taken or planned to correct the finding, or a statement that describes the reason(s) that corrective action is unnecessary.)

(If the audit finding is being repeated from the report of the previous year(s), indicate the actions taken to date to correct the audit finding and the significant corrective actions that remain to be completed in order to resolve fully the audit finding. If the corrective action plan submitted is different than the corrective action plan previously submitted, provide the reason(s) for the differing plans.)

Name of Contact Person: (The name, title, telephone number and e-mail address of the official(s) responsible for completing the corrective action plan should be provided.)

Projected Completion Date: (The anticipated date for resolving the audit finding. Organizations should monitor the corrective action plan during the year (quarterly basis suggested) to determine its status and to ensure full implementation of corrective action by the projected completion date.)

QUESTIONED COSTS (Include only if applicable.)

1. For each questioned cost, the organization should identify the amount by state financial assistance or award program and the program period.

2. If the organization believes a questioned cost is an allowable cost, a statement providing reasons for the organization's position should be included.

3. If the cost is questioned because the organization failed to provide the auditors with documentation supporting the allowability of the questioned cost, and the documentation subsequently becomes available,

the organization should provide such documentation as part of the submission of the corrective action plan. The organization should describe how the records document the allowability of the cost.

4. If the organization determines that the questioned costs are unallowable or that the charges cannot be supported, the organization should provide a statement to that effect and remit payment for the unallowable or unsupported costs with the corrective action plan.

If the (Office of Policy and Management and/or Oversight Agency) has questions regarding this Plan, please call (Name) at (Telephone).

Sincerely yours,

[Name]

[Title]

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* The Office of Policy and Management (OPM) as the cognizant agency for municipalities, tourism districts, other local governments and nonprofit entities, require that the corrective action plan be included in the paper copy of the reporting package submitted to OPM and that it be included in the electronic version of the reporting package filed on OPM's Electronic Audit Reporting System (EARS) website. Grantor agencies have agreed to use the electronic version of the State Single Audit reporting packages filed on EARS instead of receiving individual paper audit reporting packages. Therefore, audit reporting packages filed electronically on OPM's website are not considered complete without the corrective action plan being included for state grantor agencies to review.

Grant recipients are responsible for preparing a corrective action in regard to the audit findings identified in Section 4-236-24 of the Regulations to the State Single Audit Act, including the following:

- Findings related to the financial statements required to reported in accordance with Government Auditing Standards (including significant deficiencies, material weaknesses, reportable/material instances of noncompliance and material abuse);
- Findings related to major state financial assistance programs required to be reported in accordance with the State Single Audit Act (including significant deficiencies, material weaknesses, and reportable/material instances of noncompliance);
- Known questioned costs exceeding one-thousand dollars regarding a type of compliance requirement of a major state program, or known questioned costs when likely questioned costs exceed one-thousand dollars for a type of compliance requirement of a major state program, or known questioned costs exceeding one-thousand dollars for a state program not audited as a major program;
- Significant instances of abuse material to a major state program or abuse that is less than material to a major state program, but for which, in the auditor's judgment, is of sufficient importance to communicate to management and those charged with governance;
- The circumstances why the independent auditor's report on compliance over major state programs is other than an unmodified opinion (unless already reported as an audit finding); and
- Instances where the results of audit follow-up procedures reveals that the summary of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit finding.

PART 12

AGENCY CONTACTS

&

PROGRAM CONTACTS

for use with:

THE STATE SINGLE AUDIT

Agency Contacts for State Single Audit

	VOICE	FAX
Melanie Sparks Director, Division of Contract Management Department of Children and Families 505 Hudson Street Hartford, Connecticut 06106 melanie.sparks@ct.gov	(860) 550-6545	(860) 560-7084
Michael Lettieri Fiscal Administrative Manager Department of Correction 24 Wolcott Hill Road Wethersfield, Connecticut 06109-1152 michael.lettieri@ct.gov	(860) 692-6261	(860) 692-6869
Shawn Boisclair Director of DDS Audit Department of Developmental Services 460 Capitol Avenue Hartford, Connecticut 06106	(860) 418-6109	(860) 622-2641
Beth Bye Commissioner Office of Early Childhood 450 Columbus Boulevard Hartford, Connecticut 06103	(860) 500-4412	
Steve Pons Office of Financial Review- Audit Section Department of Economic and Community Development 450 Columbus Boulevard, 5th Floor Hartford, Connecticut 06103	(860) 500-2409	(860) 500-2440
Nora Chapman Office of Internal Audit Department of Education 450 Columbus Boulevard P.O. Box 2219 Hartford, Connecticut 06145	(860) 713-6536	

Agency Contacts for State Single Audit

	VOICE	FAX
Kathleen Duffy Department of Emergency Services and Public Protection 1111 Country Club Road P.O. Box 2794 Middletown, Connecticut 06457-9294	(860) 685-8229	(860) 685-8357
Randy Michaelson Bureau of Financial and Support Services Department of Energy and Environmental Protection 79 Elm Street Hartford, Connecticut 06106	(860) 424-3124	(860) 424-4072
Donna K. Gaywood Department of Finance and Administration Office of Higher Education 450 Columbus Boulevard, Suite 701 Hartford, Connecticut 06103	(860) 947-1853	(860) 947-1310
Christina Keune Department of Housing Office of Policy and Research 505 Hudson Street Hartford, Connecticut 06106 christina.keune@ct.gov	(860) 270-8204	(860) 706-5741
Marcelle Griffin Judicial Branch Administrative Services Division Financial Services – Internal Audit 80 Washington Street Hartford, Connecticut 06106 marcelle.griffin@ct.gov	(860) 756-7887	
Brian Richard Chief of Fiscal/Administrative Services Department of Labor 200 Folly Brook Boulevard Wethersfield, Connecticut 06109-1114	(860) 263-6048	(860) 263-6027
William Quinn Director of Internal Audit Department of Mental Health and Addiction Services 410 Capitol Avenue P.O. Box 341431 Hartford, Connecticut 06134 william.quinn@ct.gov	(860) 418-6798	(860) 418-6698

Agency Contacts for State Single Audit

	VOICE	FAX
William Plummer Office of Policy & Management Office of Finance 450 Capitol Avenue MS-54MFS Hartford, Connecticut 06106-1379	(860) 418-6367	
Crystal Hunter Office of Policy and Management – Grantor Agency Division of Administration 450 Capitol Avenue MS #55 ADM Hartford, Connecticut 06106-1379	(860) 418-6208	
Bruce R. Wallen Chief of Contracts and Grant Management Department of Public Health 410 Capitol Ave, P.O. Box 34038 Hartford, Connecticut 06134-0308	(860) 509-7704	(860) 509-8210
Stephanie Marino Program Manager Department of Rehabilitation Services State Unit on Aging 55 Farmington Avenue Hartford, Connecticut 06105 stephanie.marino@ct.gov	(860) 424-5452	(860) 424-5301
Frank Calvi Fiscal Administrative Manager Connecticut State Library 231 Capitol Avenue Hartford, Connecticut 06106 frank.calvi@ct.gov	(860) 757-6564	(860) 757-6680
John Jakubowski Office of Quality Assurance Department of Social Services 55 Farmington Avenue Hartford, Connecticut 06105	(860) 424-5049	(860) 424-5900
Lorraine Paris Office of External Audits Department of Transportation P.O. Box 317546 Newington, Connecticut 06131 lorraine.paris@ct.gov	(860) 594-2188	(860) 594-3094

DEPARTMENT OF CHILDREN AND FAMILIES

505 Hudson Street
Hartford, Connecticut 06106

Contact person for all programs: Melanie Sparks ..... (860) 550-6545
melanie.sparks@ct.gov

DEPARTMENT OF CORRECTION

24 Wolcott Hill Road
Wethersfield, Connecticut 06109-1152

Contact person for all programs: Michael Lettieri ..... (860) 692-6261
Michael.lettieri@ct.gov

DEPARTMENT OF DEVELOPMENTAL SERVICES

460 Capitol Avenue
Hartford, Connecticut 06106

Contact person for all programs: Shawn Boisclair..... (860) 418-6109

OFFICE OF EARLY CHILDHOOD

450 Columbus Boulevard
Hartford, Connecticut 06103

Contact person for all programs: Beth Bye..... (860) 500-4412

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

450 Columbus Boulevard, 5th Floor
Hartford, Connecticut 06103

Endangered Property Grants	Mary Dunne	(860) 500-2356
Historic Preservation Activities	Mary Dunne	(860) 500-2356
Historic Restoration	Mary Dunne	(860) 500-2356
All other programs:	Steve Pons	(860) 500-2409

DEPARTMENT OF EDUCATION

450 Columbus Boulevard
Hartford, Connecticut 06103

Contact person for all programs..... Nora Chapman..... (860) 713-6536

DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION

1111 Country Club Road
P.O. Box 2794
Middletown, Connecticut 06457-9294

Telecommunications Fund ..... Carey Thompson ..... (860) 685-8031

DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

79 Elm Street
Hartford, Connecticut 06106

Clean Water Fund..... Marie Moylan Hoadley..... (860) 702-3138
c/o State Treasurer
55 Elm Street
Hartford, Connecticut 06106

CT Bikeway, Pedestrian, Recreational
Trail and Greenway Program ..... Laurie Giannotti ..... (860) 424-3578

Drinking Water Program ..... Marie Moylan Hoadley..... (860) 702-3138
c/o State Treasurer
55 Elm Street
Hartford, Connecticut 06106

Flood Control and Beach Erosion ..... Charles Lee ..... (860) 424-3716

Grants for Water Pollution Control..... Susan Hawkins ..... (860) 424-3325

Protected Open Space and Watershed Land
Acquisition Grant Program..... Graham Stevens ..... (860) 424-4166

Potable Water Supply Facilities ..... William Warzecha..... (860) 424-3776

OFFICE OF HIGHER EDUCATION

450 Columbus Boulevard, Suite 701
Hartford, Connecticut 06103

Roberta B. Willis Scholarship Program: Mark French..... (860) 947-1856

CT College Awareness and Preparation Program: Jacqueline Johnson (860) 947-1828

DEPARTMENT OF HOUSING

505 Hudson Street
Hartford, Connecticut 06106

Contact person for all programs: Christina Keune..... (860) 270-8204
Christina.keune@ct.gov

JUDICIAL BRANCH

80 Washington Street
Hartford, Connecticut 06106

Contact person for all programs: Marcelle Griffin..... (860) 756-7887
marcelle.griffin@ct.gov

DEPARTMENT OF LABOR

200 Folly Brook Boulevard
Wethersfield, Connecticut 06109-1114

CETC Workforce	Kathleen Marioni	(860) 263-6526
Connecticut Youth Employment Program	Mark Polzella	(860) 263-6031
Jobs First Employment Services	Michael Bartley.....	(860) 263-6796
Manufacturing Pipeline Initiative	Mark Polzella.....	(860) 263-6031
Mortgage Crisis Relief	Mark Polzella.....	(860) 263-6031
New Haven Jobs Funnel.....	Kathleen Marioni.....	(860) 263-6526
Occupational Health Clinics	Catherine Zinsser	(860) 263-6942
Opportunity Industrial Centers.....	Lori-Lynn Chatlos.....	(203) 455-2601
Opportunities for Long Term Unemployment	Mark Polzella.....	(860) 263-6031
Spanish American Merchant Assoc.	Kathleen Marioni.....	(860) 263-6526
STEP UP	Mark Polzella.....	(860) 263-6031

DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

410 Capitol Avenue
P.O. Box 341431
Hartford, Connecticut 06134

Contact Person for all programs: William Quinn..... (860) 418-6798

OFFICE OF POLICY AND MANAGEMENT

450 Capitol Avenue MS-54MFS
Hartford, Connecticut 06106-1379

Body Worn Recording Equipment Reimbursement	Nichole Howe	(860) 418-6443
Council of Governments	Dan Morley	(860) 418-6343
Local Capital Improvement Program	Kathy Taylor	(860) 418-6379
Municipal Grant In Aid	Martin Heft	(860) 418-6355
Nonprofit Grant Program	Valerie Clark	(860) 418-6313
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	Patrick Sullivan	(860) 418-6406
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	Martin Heft	(860) 418-6355
Payment in Lieu of Taxes (PILOT) on State-Owned Property	Martin Heft	(860) 418-6355
Project Longevity Grant Program	Eleanor Michael	(860) 418-6298
Property Tax Relief for Elderly Homeowners – Freeze Program	Patrick Sullivan	(860) 418-6406
Property Tax Relief for Veterans	Patrick Sullivan	(860) 418-6406
Property Tax Relief on Property of Totally Disabled Persons	Patrick Sullivan	(860) 418-6406
Regional Performance Incentive Program	Dan Morley	(860) 418-6343
Small Town Economic Assistance Program	Kathy Taylor	(860) 418-6379
Responsible Growth and Transit Oriented Development (TOD) and Predevelopment Activities Grant Program	Matt Pafford	(860) 418-6412
Urban Act Grants	Kathy Taylor	(860) 418-6379

DEPARTMENT OF PUBLIC HEALTH

410 Capitol Avenue
Hartford, Connecticut 06134

Contact person for all programs:	Daniel Fisher	(860) 509-8258

DEPARTMENT OF REHABILITATION SERVICES

55 Farmington Ave
Hartford, Connecticut 06105

Contact person for all programs: Stephanie P. Marino..... (860) 424-5452

CONNECTICUT STATE LIBRARY

231 Capitol Avenue
Hartford, Connecticut 06106

Contact person for all programs: Frank Calvi ..... (860) 757-6564

DEPARTMENT OF SOCIAL SERVICES

55 Farmington Avenue
Hartford, Connecticut 06105

Acquired Brain Injury (ABI)	Dorian Long.....	(860) 424-5964
Connecticut Home Care Program	Kathy Bruni	(860) 424-5177
Fatherhood Initiative Program (FIP)	Tony Judkins.....	(860) 424-5696
Hispanic Programs (HHD).....	Carlene Taylor	(860) 424-5889
Human Services Infrastructure (HSI).....	Carlene Taylor	(860) 424-5889
Medicaid	Chris LaVigne	(860) 424-5719
Neighborhood Facilities (NF).....	Carlene Taylor	(860) 424-5889
Nutritional Supplemental Program.....	Dorian Long.....	(860) 424-5964
Safety Net Services Program	Peter Hadler.....	(860) 424-5385
Shelter Services Program (Domestic Violence) (SSP)	Dorian Long.....	(860) 424-5964
Teenage Pregnancy Prevention	Dorian Long.....	(860) 424-5964

DEPARTMENT OF TRANSPORTATION
P.O. Box 317546
Newington, Connecticut 06131-7546

Local Bridge Program - Transportation Fund.....	Francisco T. Fadul .. francisco.fadul@ct.gov	(860) 594-2078
Local Transportation Capital Improvement Program	Hugh Hayward ..... hugh.hayward@ct.gov	(860) 594-3219
.....	Kelly Cain ..... kelly.cain@ct.gov	(860) 594-2981
Town Aid Road Grants - Transportation Fund	Lori Kiniry ..... lori.kiniry@ct.gov	(860) 594-3076
Transit District Grants and Loans – Transportation Fund	Ricardo Almeida ..... ricardo.almeida@ct.gov	(860) 594-2839
Transportation for Employment Independence	Lisa Rivers ..... lisa.rivers@ct.gov	(860) 594-2834

PART 13

COGNIZANT AGENCY ASSIGNMENTS

In accordance with Section 4-235(a) of the Connecticut General Statutes, the Secretary of the Office of Policy and Management has designated the Cognizant Agencies for municipal and nonprofit entities, for audits conducted pursuant to Section 4-230 to 4-236 of the General Statutes. The Cognizant agencies are as follows:

Municipal Entities	Cognizant Agency
• Municipalities	Office of Policy and Management
• All other Quasi-governmental units	Office of Policy and Management
• Nonprofit Organizations	Office of Policy and Management
• Tourism Districts	Office of Policy and Management
• Regional School Districts, Regional Educational Service Centers, and Charter Schools	Department of Education
• Regional Planning Agencies, Council of Governments and Regional Council of Elected Officials and Transit Districts	Department of Transportation
• Housing Authorities	Department of Housing

PART 14

APPOINTMENT OF AUDITOR
ANNUAL NOTIFICATION FORM

Connecticut General Statutes (C.G.S. Sections 7-396 and 4-232) require the appointing authority of any municipality, audited agency or non-profit agency to file with the Secretary of the Connecticut Office of Policy and Management (OPM) the name of the independent auditor designated to conduct the audit. The notification must be made at least thirty days before the end of the fiscal period of the entity for which the audit is required.

This information should be furnished to OPM on the Appointment of Auditor Annual Notification Form. The notification is required to be submitted on an annual basis regardless of whether the entity to be audited has retained the same audit firm as in the prior year. The form is to be submitted electronically to the e-mail address provided on the form.

APPOINTMENT OF AUDITOR ANNUAL NOTIFICATION

TO: Municipal Finance Services
Office of Policy and Management
450 Capitol Avenue, MS#54MFS
Hartford, CT 06106-1379

Complete this fillable form and return by e-mail attachment to the e-mail address below. For questions on this form please contact us at the telephone number indicated below.

E-Mail: OPM.mfsforms@ct.gov **Telephone:** (860) 418-6400

FROM: Entity Name: _____

_____

Entity Address: _____

_____

Federal Employer Identification Number (FEIN): _____

Chief Fiscal Officer (Municipal): _____

Executive Director (Nonprofit): _____

Telephone (with area code): _____

Email Address: _____

Chair, Board of Directors (Nonprofit): _____

Telephone Number of Bd. Chairman: _____

The following information is furnished in compliance with CT General Statutes 7-396 and/or 4-232:

1. Independent Accountant or Accounting Firm Performing the Audit:

Firm Name: _____

Firm Address: _____

_____

State of CT Board of Accountancy CPA Firm Permit: _____

Audit Firm Federal Employer Identification Number: _____

Contact Person & Title: _____

Telephone (with area code): _____

Email Address: _____

2. Fiscal Period of Audit: From: _____ (beginning of fiscal year) To: _____ (end of fiscal year)

3. Appointment Date of Auditor: _____

4. Name/Title of Appointing Authority: _____

Note: C.G.S. 7-396 and 4-232 require this form to be submitted on an annual basis no later than 30 days prior to the fiscal year end of the entity to be audited. This form will not be accepted without a complete and accurate federal employer identification number of the entity and its auditor.

Part 15

EXTENSION REQUEST FOR FILING FINANCIAL AND STATE SINGLE AUDITS

State Single Audit reports are to be submitted within 6 months subsequent to the entity's fiscal year end, unless an extension of time for submitting the report has been granted by the Cognizant State Agency. The enclosed Extension Form is to be used to request such an extension when OPM is the Cognizant State Agency for the entity under audit.

EXTENSION REQUEST FOR FILING
FINANCIAL AND STATE SINGLE AUDITS

Complete the form below and return by e-mail attachment to: **OPM.mfsforms@ct.gov** at least 30 days prior to the end of the 6-month filing period.

Pursuant to C.G.S. 7-393 and/or S.S.A. Regulation 4-236-25, a _____ day extension
*(Number of days)**
for filing the _____/_____/_____ Audited Financial Statements ____ State Single Audit ____ is
(Fiscal Year Ended) *(Check applicable reports)*
requested until ____/____/____ for _____
(New filing date) *(Name of entity)*

Entity Federal Employer Identification Number (FEIN): _____

Entity Address_____
_____ Zip _____

Contact Person & Title _____

Telephone (____)_____ Email _____

Specific Reasons For the Request: (Requests will not be approved if specific reasons are not provided)

List State Agency(s) providing funds
(To be completed by entity receiving funds)_____

Requested by:
Independent Accountant or Accounting Firm _____

Address _____
_____ Zip _____

Telephone (____)_____ Email _____

_____	_____	_____
Independent Auditor's Name	*Independent Auditor's Signature*	*Date*
_____	_____	_____
Chief Executive Officer's Name	*Chief Executive Officer's Signature*	*Date*

FOR OPM ACTION ONLY

Extension Approved ____ Denied ____ Date ____/____/____ For OPM _____

Date Auditor Emailed : ____/____/____ Date State Agencies Notified : ____/____/____

Comments _____
_____

04/22/19

* Requests for extensions should not exceed 30 days per request. Please allow 10 days for processing.

Part 16

The purpose of the **State Single Audit Filing Exemption Notification** is to advise the Office of Policy and Management that a nonstate entity is not required to conduct a State Single Audit because the entity did not expend $300,000 or more of State Financial Assistance during its fiscal year. The form should be filed no later than sixty (60) days subsequent to the entity's fiscal year end.

STATE SINGLE AUDIT
FILING EXEMPTION NOTIFICATION

Date: _____

Municipal Finance Services
Office of Policy and Management
450 Capitol Avenue MS#54MFS Hartford,
CT 06106-1379

To whom it may concern,

This letter is to inform the Office of Policy and Management that for our fiscal year ended / / , the total expenditures of State financial assistance were less than $300,000.

Total expenditures of State financial assistance awards for all programs were $ _____.

Based on the guidelines established in C.G.S. 4-231(b), we are exempt from filing a State Single Audit for this fiscal period. If you have any questions please contact:

Contact Person and Title: _____

Name of Nonprofit/Government: _____

*Federal Employer Identification Number (FEIN): _____

Address: _____

_____ Zip: _____

Telephone: (_____) _____ Email: _____

Very truly yours,

_____ _____

*Chief Executive Officer *Chief Financial Officer

* This form will not be accepted without a complete and accurate federal employer identification number and the appropriate signatures.

Complete and return this form to OPM by email to OPM.mfsforms@ct.gov.

3-26-19

PART 17

STATE AGENCY DEPARTMENT LISTING

Up-to-date as of July 1, 2016

Business Unit	Agency Name	Department ID Listing
AESM1	Agricultural Experiment Station	AES48000 - AES48131
APAM1	Auditors of Public Accounts	APA11000
APTM1	CT Airport Authority	APT59500 - APT59752
BORM1	Board of Regents	BOR77700 - BOR85500
BORAA	Bd. of Regents - Academic Awards	BOR77900
BORMA	CT Comm. Coll. Board	BOR78000
BORMB	CCC - Manchester	BOR78300
BORMC	CCC - Northwestern	BOR78500
BORMD	CCC - Norwalk	BOR78700
BORME	CCC - Housatonic	BOR78900
BORMF	CCC - Middlesex	BOR79100
BORMG	CCC - Capital	BOR79300
BORMH	CCC - Naugatuck Valley	BOR79500
BORMI	CCC - Gateway	BOR79700
BORMJ	CCC - Tunxis	BOR79900
BORMK	CCC - Three Rivers	BOR80100
BORML	CCC - Quinebaug Valley	BOR80300
BORMM	CCC - Asnuntuck	BOR80500
BORUS	Connecticut State Universities	BOR83500
BORCU	CSU - Central	BOR84000
BOREU	CSU - Eastern	BOR85500
BORSU	CSU - Southern	BOR85000
BORWU	CSU - Western	BOR84500
CDAM1	CT Development Authority	CDA47100
CEOM1	Comm on Equity & Opportunity	CEO11970
CEQM1	Environmental Quality Council	CEQ45000
CIIM1	CT Innovations Inc	CII47000
CJCM1	Criminal Justice Commission	CJC31000
CLCM1	Connecticut Lottery Corp.	CLC19000 - CLC19350
CMEM1	Chief Medical Examiner's Offc	CME49500 - CME49530
CPAM1	CT Port Authority	CPA47300
CRDM1	Capitol Region Dev Auth	CRD47200
CSLM1‡	Connecticut State Library	CSL66000 - CSL66094
CWSM1	Comm on Children, Women & Seniors	CWS11960
DAGM1‡	Dept. of Agriculture	DAG42500 - DAG42750

Business Unit	Agency Name	Department ID Listing
DASM1	Dept of Administrative Svcs	DAS23000 - DAS27753
DCFM1	Dept. of Children and Families	DCF91000 - DCF93069
DCFR0	DCF - Solnit Children Center North	DCF91400 - DCF91452
DCFR1	DCF - Southwest Region	DCF91700 - DCF91799
DCFR2	DCF - CT Juvenile Training Sch	DCF91210 - DCF91253
DCFR3	DCF - Eastern Region	DCF92350 - DCF92369
DCFR4	DCF - South Central Region	DCF92020 - DCF92064
DCFR5	DCF - Northwest Region	DCF91500 - DCF91354
DCFR6	DCF - Solnit Children Center South	DCF91600 - DCF91652
DCFR8	DCF - North Central Region	DCF91260 - DCF91292
DCJM1	Division of Criminal Justice	DCJ30000 - DCJ30780
DDSM1	Department of Development Serv	DDS50000 - DDS52544
DEPM1	Dept of Energy & Environ Prot.	DEP38000 - DEP44920
DHEM1	Office of Higher Education	DHE66500 - DHE66590
DMVM1	Dept. of Motor Vehicles	DMV35000 - DMV35950
DOBM1	Dept. of Banking	DOB37000 - DOB37050
DOCM1	Dept. of Correction	DOC88000 - DOC89354
DOHM1	Dept. of Housing	DOH46900 - DOH46961
DOIM1	Dept. of Insurance	DOI37500 - DOI37590
DOLM1	Dept. of Labor	DOL40000 - DOL40740
DOTM1	Dept. of Transportation	DOT57000 - DOT57951
DPHM1	Dept. of Public Health	DPH48500 - DPH48991
DPSM1	Dept of Emrg Svc & Public Prot	DPS32000 - DPS32990
DRSM1	Dept. of Revenue Services	DRS16000 - DRS16456
DSRM1	Division of Special Revenue	DSR18000 - DSR18402
DSSM1	Dept. of Social Services	DSS60000 - DSS61132
DVAM1	Dept. of Veterans' Affairs	DVA21000 - DVA21760
ECDM1	Econ. & Community Development	ECD46000 - ECD46850
ELEM1	Elections Enforcement Comm.	ELE13500
ETHM1	Office of State Ethics	ETH13600
FOIM1	Freedom of Information Comm	FOI13700 - FOI13730
GOVM1‡	Governor's Office	GOV12000 - GOV12040
HCAM1	Office of Health Care Access	HCA49000 - HCA49040
HFAM1	CT Housing & Fin. Authority	HFA19600
HROM1‡	Human Rights & Opportunities	HRO41100 - HRO41110
JUDM1	Judicial Branch	JUD95000 - JUD96562
LGOM1‡	Lieutenant Governor's Office	LGO13000
MCOM1	Off of the Healthcare Advocate	MCO39400 - MCO39430
MHAM1	Mental Health & Addiction Serv.	MHA53000 - MHA55366
MHAM2	MHA - Southeastern Mental Health	MHA53980 - MHA54127
MHAM3	MHA Southwest CT Mental Health	MHA55040 - MHA55200
MHAM4	MHA - Western CT Mental Health	MHA53810 - MHA53974
MHAM5	MHA - CT Mental Health Center	MHA54350 - MHA54549

Business Unit	Agency Name	Department ID Listing
MHAM6	MHA - Capital Region MH Center	MHA54570 - MHA54722
MHAM7	MHA - Cedarcrest	MHA54740 - MHA55018
MHAM8	MHA - CT Valley Hospital	MHA53350 - MHA53778
MHAM9	MHA - River Valley Services	MHA54150 - MHA54352
MILM1	Military Dept.	MIL36000 - MIL36402
OAGM1	Attorney General's Office	OAG29000 - OAG29480
OECM1	Office of Early Childhood	OEC64800 - OEC64870
OGAM1	Office of Governmental Accountability	OGA17000 - OGA17450
OLMM1	Legislative Management	OLM10000
OPAM1‡	Off. of Protection & Advocacy	OPA41200 - OPA41243
OPMM1	Office of Policy & Management	OPM20000 - OPM20900
OSCM1	State Comptroller's Office	OSC15000 - OSC15999
OTTM1	Office of the State Treasurer	OTT14000 - OTT14740
PCAM1	Probate Court Administration	PCA98000 - PCA98699
PDSM1	Public Defender Services	PDS98500 - PDS98980
PRBM1	State Properties Review Board	PRB13900
PRCM1	Capitol Preserv. & Restoration	PRC11800
SDAM1	State Dept on Aging	SDA62500 - SDA62810
SDEM1	State Dept of Education	SDE64000 - SDE64551
SDRM1	Dept of Rehabilitation Services	SDR63500 - SDR63850
SOSM1	Secretary of the State	SOS12500
TRBM1	Teachers' Retirement Board	TRB77500
UHCM1	UConn Health Center	UHC72000
UOCM1	University of Connecticut	UOC67000
WCCM1	Worker's Compensation Comm	WCC42000 - WCC42400

‡ indicates SmART agency

PART 18

SUBRECIPIENT AND CONTRACTOR (VENDOR) DETERMINATION

Guidance for determining whether an entity is a subrecipient or contractor (vendor) for purposes of the State Single Audit can be found in OMB Uniform Guidance. An excerpt follows:

Subrecipient and Contractor Determinations. An entity may concurrently receive Federal funds as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. Federal agencies may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

(1) Subrecipients. A Federal subaward of Federal financial assistance creates a Federal assistance relationship between the pass-through entity and the subrecipient. Characteristics whose presence supports the classification of an entity as a subrecipient are when the entity receiving funds under the award:

(A) Determines who is eligible to receive what Federal assistance;

(B) Has its performance measured in relation to whether objectives of a Federal program were met;

(C) Has responsibility for programmatic decision making;

(D) Is responsible for adherence to applicable Federal program requirements specified in the Federal award;

(E) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, , as opposed to providing goods or services for the benefit of the pass-through entity.

(2) Contractors. Contracts awarded by non-Federal entities under Federal financial assistance awards for the purpose of obtaining goods and services for the entity's own use are not considered subawards for purposes of this guidance. Such a contract creates a procurement relationship between the parties. Characteristics indicative of a procurement relationship between a nonfederal entity and a contractor are when the entity receiving the Federal funds:

(A) Provides the goods and services within normal business operations;

(B) Provides similar goods or services to many different purchasers;

(C) Normally operates in a competitive environment;

(D) Provides goods or services that are ancillary to the operation of the Federal program; and

(E) Is not subject to compliance requirements of the Federal program as a result of the subaward, though similar requirements may apply for other reasons.

(3) Use of judgment in making determination. In determining whether an agreement between a pass-through entity and another entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.