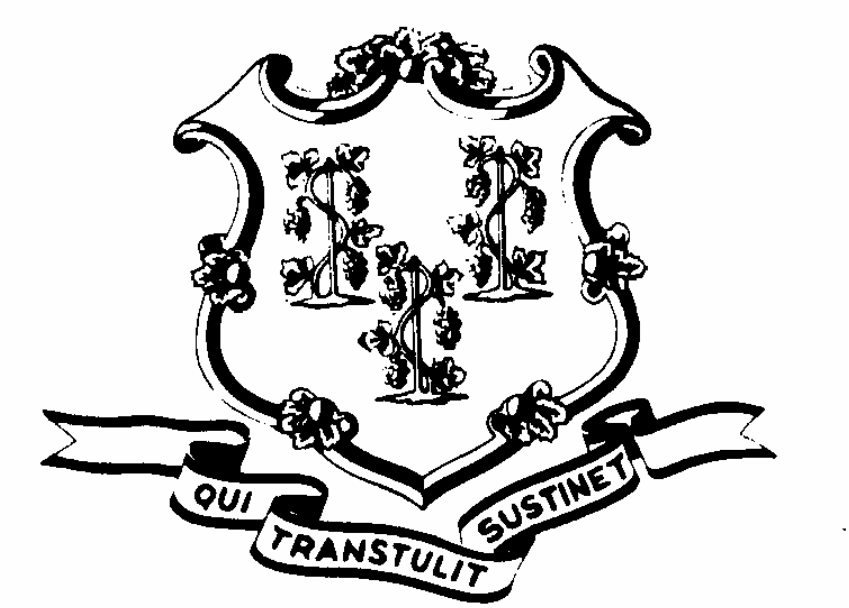
Compliance Supplement

to the

State Single Audit Act

For Fiscal Years Beginning On or After

July 1, 2010



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

COMPLIANCE SUPPLEMENT

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PART i - INTRODUCTION

CURRENT INFORMATION UPDATE FOR 2011

GENERAL INFORMATION

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 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 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.

RECENT LEGISLATIVE CHANGES

The Compliance Supplement is effective for audits of fiscal years beginning on or after July 1, 2010, and supersedes all previous compliance supplements including 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.

This Supplement is based on the 2009 revisions to the Connecticut State Single Audit Act (hereafter referred to as the "Act"). The Act is codified in Sections 4-230 through 4-236 of the Connecticut General Statutes. The Regulations to the Act are included in this supplement in Part 8.

Highlights of the 2009 changes are below:

- A State Single Audit is required when expenditures of assistance equal or exceed $300,000 in a fiscal year.

- Major programs are tested based on a risk assessment rather than on a numerical calculation. Similar to the federal process, programs are separated into Type A and Type B and evaluated before testing. This method allows for a rotation of programs being tested each year. Refer to Part 5 for details.
- Exempt programs are determined based on ongoing evaluations and are identified in part 4 of the Compliance Supplement.
- The Compliance Supplement contain: details of the risk based approach, identification numbers, suggested audit requirements and other guidance for auditors.
- Procedures for approving extensions have been modified to allow OPM to request data and conduct meetings prior to approving a request.
- Outdated terminology has been replaced: *significant deficiency replaces reportable condition*.
- Clarifies that responsibility for payment of audit fees rests with the auditee when OPM assigns an auditor.
- Allows for a single filing of audit reports with the cognizant agency rather than each state agency.

Regulations for implementing the 2009 revisions to the Act were adopted in December of 2010. Items include requiring that a Schedule of Prior Audit Findings be included in the audit report and the auditor's responsibility related to audit follow up. Clarifications were also made to the reporting of questioned costs as well as raising the reporting level to $1,000.

OPM has initiated a system to allow for 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.

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 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.

It should also be noted that key differences between the 2009 revised requirements to the State Single Audit Act and with Federal requirements do remain.

- The State Single Audit still requires major program testing coverage of 50% of non-exempt expenditures. There is no provision for being a "low risk auditee."
- Type A and B programs are determined using different criteria.
- The threshold for requiring audits is different ($300,000 vs. $500,000).
- State Single Audits are due six months after year-end.

UPDATE OF 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 of nonstate entity 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.

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 2009-10 reporting period (the first reporting period under the 2009 revisions to the State Single Audit Act).

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 Codes (Part 17)

Vendor and Subrecipients (Part 18)

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

SECTION 1
CONNECTICUT COMMISSION ON CULTURE AND TOURISM

This section has no deleted or new programs.

SECTION 2
DEPARTMENT OF CHILDREN AND FAMILIES

1) The following grants have been DELETED:

   a) 11000-DCF91110-16132 BOARD AND CARE FOR CHILDREN – ADOPTION COMMUNITY

SECTION 3
CHILDREN'S TRUST FUND

This section has been deleted.

SECTION 3
DEPARTMENT OF CORRECTION

This section has no deleted or new programs.

SECTION 4
DEPARTMENT OF DEVELOPMENTAL SERVICES

This section has no deleted or new programs.

SECTION 5
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

1) The following grants have been DELETED:

a)	12064-ECD46000-40237-008 12064-ECD46000-40238-008	HOUSING COMMUNITY DEVELOPMENT
b)	12064-ECD46000-40238-023 12064-ECD46000-40240-023	INFRASTRUCTURE
c)	12064-ECD46000-40238-011 12064-ECD46000-40237-011	LAND BANK/LAND TRUST PROGRAM
d)	12064-ECD46000-40238-048 12064-ECD46000-40240-048	MUTUAL HOUSING PROGRAM
e)	12064-ECD46000-40237-017 12064-ECD46000-40238-017	PRIVATE RENTAL INVESTMENT AND MORTGAGE EQUITY PROGRAM (PRIME)
f)	12064-ECD46000-40240-012 12064-ECD46000-40238-012	URBAN HOMESTEADING

2) The following grants have a NAME CHANGE:

(NEW) AFFORDABLE HOUSING (Flexible Program)
(OLD) FLEXIBLE HOUSING AND COMMUNITY DEVELOPMENT

SECTION 6
DEPARTMENT OF EDUCATION

1) The following grants have been DELETED:

a)	11000-SDE64000-12300	EVERYBODY WINS! READERS AS LEADERS

SECTION 7
DEPARTMENT OF ENVIRONMENTAL PROTECTION

This section has no deleted or new programs.

SECTION 8
DEPARTMENT OF HIGHER EDUCATION

This section has no deleted or new programs.

SECTION 9
JUDICIAL BRANCH

1) The following grants have been DELETED:

a)	11000-JUD96114-12105-056	JUVENILE REVIEW BOARD
b)	11000-JUD96114-12105-053	JUVENILE RISK REDUCTION CENTER
c)	11000-JUD96114-12375-028	LATINO YOUTH OFFENDERS SERVICES
d)	11000-JUD96114-12043-005	RESIDENTIAL SERVICES SUBSTANCE ABUSE TREATMENT
e)	11000-JUD96114-12375-062	YOUTH RISK REDUCTION CENTER
f)	11000-JUD96114-12043-074	WOMEN'S COMMUNITY TREATMENT PROGRAM

2) The following grants have been NEW:

a)	11000-JUD96114-12105-076	MENTORING PROGRAM

SECTION 10
DEPARTMENT OF LABOR

1) The following grants have been DELETED

a)	12060-DOL40000-90135	WORKFORCE TRAINING

SECTION 11
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

1) The following grants have been DELETED

a)	11000-MHA53000-35160	COMMUNITY MENTAL HEALTH INVESTMENT FUND
b)	11000-MHA53000-16039	GOVERNOR'S PARTNERSHIP FOR CONNECTICUT'S WORKFORCE

2) The following grants are NEW:

a)	11000-MHA53000-12505	NEXT STEPS SUPPORTIVE HOUSING

SECTION 12
OFFICE FOR WORKFORCE COMPETITIVENESS

1) The following grants have been DELETED

a)	11000-OWC22000-12448	ADULT LITERACY COUNCIL
b)	11000-OWC22000-12322	CAREER LADDER PILOT PROGRAM
c)	11000-OWC22000-12311	CONNECTICUT CAREER CHOICES
d)	11000-OWC22000-12386	FILM INDUSTRY EQUIPMENT
e)	11000-OWC22000-12387	FILM INDUSTRY STUDY
f)	11000-OWC22000-12449	FILM INDUSTRY TRAINING PROGRAM

SECTION 13
OFFICE OF POLICY AND MANAGEMENT

This section has no deleted or new programs.

SECTION 14
DEPARTMENT OF PUBLIC HEALTH

1) The following grants have been DELETED

a)	11000-DPH48500-12112	SERVICES FOR CHILDREN AFFECTED BY AIDS
b)	11000-DPH48500-16133	LOAN REPAYMENT PROGRAM

2) The following grants have a NAME CHANGE:

(NEW) SEXUALLY TRANSMITTAD DISEASES
(OLD) VENERIAL DISEASE CONTROL

SECTION 15
DEPARTMENT OF PUBLIC SAFETY

This section has no deleted or new programs.

SECTION 16
CONNECTICUT STATE LIBRARY

This section has no deleted or new programs.

SECTION 17
DEPARTMENT OF SOCIAL SERVICES

1) The following grant is NEW:

   a) 11000-DSS60000-16160-10403 CONGREGATE HOUSING SUPPORT PROGRAM-STATE MATCH

2) The following grant has been DELETED:

   a) 11000-DSS60000-16137 TRANSITIONARY RENTAL ASSISTANCE (TRA)

SECTION 18
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 Circular A-133 Audits for further information.

The latest revisions to the State Single Audit Act were effective for fiscal years beginning on or after July 1, 2009. As a result of these changes and the issuance of several auditing standards that affect the auditing and reporting under the State Single Audit Act, a higher than normal amount of reporting problems were observed in State Single Audit reports for the 2009-10 reporting period. The following are the most common problems found during the desk reviews of these reports:

<u>Schedule of Expenditures of State Financial Assistance</u>

- 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.
- 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.

<u>Schedule Of Findings And Questioned Costs</u>

- 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.
- Part 1 of the Schedule should disclose whether there were "significant deficiencies" as opposed to whether there were "significant deficiencies not considered material weaknesses".
- The Independent Auditor's Opinion on the financial statements was qualified but the Schedule indicates that the opinion was unqualified.
- The Independent Auditor's Opinion on compliance over major state programs was qualified for one major program and unqualified for the remaining major programs but the Schedule indicates that the opinion on compliance was unqualified 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.

<u>Summary Schedule of Prior Audit Findings</u>

- The prior year's State Single Audit Report disclosed a significant deficiency or reportable instance of noncompliance regarding a major state program. The current year's State Single Audit Report did not include a Summary Schedule of Prior Audit Findings describing the status of the prior year finding.

<u>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</u>

- The Independent Auditor's report on the Financial Statements includes a qualified opinion. Therefore, the report should reference a qualified 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.
- The language provided in the compliance section of the Report is not in conformace with the latest AICPA reporting guidance.

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 reflect the recent changes provided under Statement of Auditing Standards No. 117.
- The internal control section of the Report does not conform with the latest guidance provided in the State Single Audit Compliance Supplement.
- The title of the report is incorrect.

Miscellaneous

- The Independent Auditor's Report is not signed.
- The Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of the Financial Statements performed in accordance with Government Auditing Standards indicates that a separate management letter was issued, but the management letter is not included in the reporting package submitted.
- Reference numbers are not used when referencing audit findings.

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
- ◊ Special tests and provisions
- ◊ Subrecipient monitoring

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 decisionmakers 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 judgement.

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. 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.

F. 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 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).

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.

<u>Internal Control</u>

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-though 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.

PART 2

PROGRAMS AND ADMINISTERING DEPARTMENTS

SECTION 1

INDIVIDUAL PROGRAMS OF THE CONNECTICUT COMMISSION ON CULTURE & TOURISM

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ORGANIZATIONAL SUPPORT PROGRAM 3

HISTORY DIVISION

HISTORIC RESTORATION FUND.....5

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Commission on Culture & Tourism
LOCAL ARTS AGENCY PROGRAM

11000-CAT45220-17067, 11000-CAT45220-16196, 12060-CAT45220-20328

I. PROGRAM OBJECTIVES

The Local Arts Agency (LAA) Cultural Leadership grant program aims to build a network of committed LAAs as local/regional allies of the Commission to more effectively serve Connecticut citizens. Grant funding supports services and activities that build the LAAs' coordinating and leadership abilities. Grant applications are accepted only every two years.

Eligible LAAs apply for funding to support services and programs that advance one or more strategic program goals: (1) SERVICE - support LAAs to provide relevant services to the state's institutions, artists, the creative workforce and the public, (2) NETWORK - support LAAs to (a) create and sustain relationships with and between arts & culture constituents and cross-sector collaborations; (b) maintain an alliance with the CCT, and; (c) maintain reciprocal relationships with other CT LAAs to advance a state wide culture & tourism infrastructure, and (3) CAPACITY - support LAAs to develop their leadership capabilities as well as general organizational & financial soundness.

II. PROGRAM PROCEDURES

Professional peer advisory panels review and assess each agency's application according to specific program criteria. An internal staff review follows and staff recommends annual funding levels to the full Commission.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Eligible expenses include: employee salaries, outside professional service fees, travel costs relating to professional development, purchase or lease of office technologies, staff training, program materials, supplies and related costs.

Ineligible costs include: capital expenses, legal fees, fundraising, scholarships, hospitality expenses, large equipment purchases, interest expenses paid on loans or payments to reduce or eliminate debts, re-granting, and lobbying fees.

B. Eligibility

The auditor is not expected to test for eligibility.

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

Compliance Requirements

Grantees provide a cash match of no less than 100%.

D. Special Reporting Requirements

Compliance Requirements

An Interim Report is due within 60 days of the conclusion of year one of the funding period and a Final Report is due within 60 days of the conclusion of the second year of the funding period.

E. Special Tests and Provisions

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

Commission on Culture & Tourism
ORGANIZATIONAL SUPPORT PROGRAM
11000-CAT45220-17067, 11000-CAT45220-16196, 12060-CAT45220-20328

I. PROGRAM OBJECTIVES

This program offers funding designed to advance the mission of arts organizations and support a broad range of arts programs. Connecticut arts organizations may apply for a three-year cycle of General Operating Support to assist with operational or program expenses. Non-arts organizations (including colleges and universities) as well as arts organizations may apply for Project Support to fund a specific activity, such as an exhibition or theatre production, or an ongoing arts program.

II. PROGRAM PROCEDURES

Professional peer advisory panels review and assess each organization's application according to specific program criteria. Operating Support requires submission of a full application the first year of the cycle and an interim report (reviewed by staff) for the second and third year of funding.

Grant awards are calculated based on a formula that factors the advisory panel's assessment of the application, an organization's budget size (GOS) or requested amount (Projects) and several other factors. Funding is then recommended to the full Commission for approval.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funding is available for arts organizations and programs serving the general public which meet specific program criteria including artistic quality and merit, community involvement and accessibility, and effective management.

Ineligible costs include: capital and equipment expenditures; hospitality expenses; interest expenses paid on loans or payments to eliminate or reduce existing deficits; scholarships; fundraising efforts; activities taking place outside the proposed funding period.

B. Eligibility

The auditor is not expected to test for eligibility.

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

Compliance Requirements

Grantees are required to provide a 100 percent match of funds. Grants may not exceed 10% of the organization's income.

D. Special Reporting Requirements

Compliance Requirements

A report of grant expenditures is to be submitted within 60 days after the conclusion of the funding period (Operating Support) or within 60 days after the completion of the project.

E. Special Tests and Provisions

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

Commission on Culture & Tourism
HISTORIC RESTORATION FUND
12052-CAT45241-40297, 12060-CAT45241-90455

I. PROGRAM OBJECTIVES

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

II. PROGRAM PROCEDURES

The Commission grants funds to non-profit organizations and municipalities for the acquisition, rehabilitation, stabilization, restoration, adaptive use, and/or archaeological investigation of properties listed on the State 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 Commission 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 Commission on Culture and Tourism, who are employed by the grantee during the course of the grant period, even if such professional expertise is required by the Commission on Culture and Tourism 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 pur-

suant 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. Special Tests and Provisions

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

Commission on Culture & Tourism
ENDANGERED PROPERTY GRANTS
12060- CAT45240-90455

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 structures and landmarks threatened with destruction.

II. PROGRAM PROCEDURES

The state grants funds to municipalities and non-profit cultural organizations to assist with the preservation of historic structures and landmarks threatened with destruction. Grant funds are used for acquisition, rehabilitation, stabilization, restoration and adaptive use.

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; d) and 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 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

For projects involving the purchase or stabilization of historic structures or landmarks, 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. Eligible “level-of-effort”, in-kind services” may be used as part of grantee matching share. All in-kind services must be preapproved by CCT. 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. Special Tests and Provisions

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

Commission on Culture & Tourism
HISTORIC PRESERVATION ACTIVITIES GRANTS
12060- CAT45340-90455

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 Commission grants funds to municipalities and 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 Commission 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 Commission-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 Commission 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 and/or "in-kind" services; when match is required, the grantee may not use funds received from or "in-kind' services paid for by other departments or agencies of the State of Connecticut to satisfy this requirement, except for federal funds or "in-kind" services paid for with federal funds.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Special Tests and Provisions

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

SECTION 2

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF CHILDREN AND FAMILIES

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Department of Children and Families
BOARD AND CARE FOR CHILDREN – FOSTER

11000-DCF91110-16135

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:

- Foster and adoptive family support groups
- Foster and adoptive support team (FAST)
- Foster family support (Town of Bloomfield)
- Foster parent support
- Multidimensional treatment foster care
- Sibling connections camp
- Work learn youth program

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

- 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. 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-DCF91110-16138

I. PROGRAM OBJECTIVES

This program provides the care and treatment to children from birth to the age 18 or until 21 if still in school. DCF also 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 programs
- Parent Project programs
- Permanency diagnostic centers
- Safe Homes
- Short Term assessment and respite (STAR) homes
- Specialized family centered service plan
- Specialized group home with behavioral health and support services
- Supportive work education transition program
- Therapeutic group homes

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)
- Preparing adolescent for self sufficiency (PASS)
- Residential substance abuse 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

Compliance Requirement
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. 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

12048-DCF91110-xxxx
12052-DCF91110-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 a 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. 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-DCF91110-16120

I. PROGRAM OBJECTIVES

This program allows DCF provides support and skill development to children in foster care placement and to families whose children are placed out of the home or are at risk of removal.

II. PROGRAM PROCEDURES

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

- Community Based Life Skills
- Intensive Family Preservation
- One on One Mentoring
- Positive Youth Development
- Prison Transportation
- Reconnecting Families
- Work Learn Youth Program
- Youth Employment and Training

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.

B. Eligibility

The auditor is not expected to test for eligibility

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.

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. Special Tests and Provisions

Compliance Requirements
Schedule of Equipment purchased with DCF funds.

DCF 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

Department of Children and Families
COMMUNITY BASED PREVENTION PROGRAMS

11000-DCF91110-16092

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:

- Early Childhood Parents in Partnership
- Family Enrichment Services
- Family Support Team
- Juvenile Criminal Diversion
- Mental Health Consultation to Child Care
- Parent Assessment and Clinical Education Services
- Positive Youth Development

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. Special Tests and Provisions

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

Department of Children and Families
COMMUNITY KIDCARE

11000-DCF91110-16141

I. PROGRAM OBJECTIVES

This program is an integrated behavioral health delivery system designed to treat mental health problems in children and adolescents in their homes and communities and to prevent the need for more restrictive levels of care. The model fidelity and outcome evaluation of some of these interventions are also funded under this program.

II. PROGRAM PROCEDURES

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

- Care Coordination
- Community Support Team
- Community Transition Support
- Emergency Mobile Psychiatric Services
- EMPS Statewide Call Center
- Extended Day Treatment
- Hartford Youth Project
- Intensive Home Based Services: Family Based Recovery (FBR)
- Intensive Home Based Services: Functional Family Therapy (FFT)
- Intensive Home Based Services: Multidimensional Family Therapy (MDFT)
- Intensive Home Based Services: Multisystemic Therapy (MST)
- Intensive In Home Child and Adolescent Psychiatric Services IICAPS: Consultation and Evaluation
- Intensive In Home MDFT Consultation and Evaluation
- Multisystemic Therapy (MST): Consultation and Evaluation
- Perform Evaluation System of Care/CC
- 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. Special Tests and Provisions

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

Department of Children and Families
COVENANT TO CARE

11000-DCF91110-16144

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 services:

- Adopt a social worker (AASW)
- Recruitment of faith-based organizations to participate in 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. 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-DCF91110-16033

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. 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-DCF91110-16111

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

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. 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-DCF91110-12304

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 services:

- Extended Day Treatment
- Family Support Team
- Therapeutic Group Home

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

- Treatment foster care

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. 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-DCF91110-16097

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:

- Integrated family violence 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. 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-DCF91110-16024

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:

- Emergency mobile psychiatric services
- Outpatient psychiatric clinic for children
- Physical and sexual abuse 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

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. 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-DCF91110-16008

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 evaluations (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. 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-DCF91110-16140

I. PROGRAM OBJECTIVES

This program provides funding for services that are intended to enhance families' abilities to care for their children in their homes and to assist DCF workers, police and prosecutors to assess the nature and extent of abuse in individual families with minimum trauma to the child.

II. PROGRAM PROCEDURES

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

- Case management services
- Child and adolescent services system program (CASSP) fiduciary
- Coordination services
- Extended day treatment
- Integrated family violence
- Intensive community family support services (ICFSS)
- Intensive family preservation
- Intensive home based services: multidimensional family therapy (MDFT)
- Intensive in home child and adolescent psychiatric services IICAPS - consultation and evaluation
- Multi-disciplinary team
- Multisystemic therapy (MST): consultation and evaluation
- Outpatient psychiatric clinic for children
- Outpatient treatment services for problem sexual behaviors
- Parent assessment and clinical education services
- Physical and sexual abuse evaluation
- Prison transportation
- Queen Esther ministry
- Reconnecting families
- Respite care services
- Sexual abuse evaluation
- Spanish speaking parenting class (now parenting class)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

The allowed services are specified in the approved contract.

Compliance 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 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. 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-DCF91110-16043

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:

- Community target re-entry pilot program (CTRPP)
- CRAFT
- Intensive home based services - multidimensional family therapy - FSATS
- Intensive home based services functional family therapy (FFT)
- Intensive home based services: intensive in-home child and adolescent psychiatric services (IICAPS)
- Intensive home based services: multidimensional family therapy (MDFT)
- intensive home based services: multisystemic therapy (MST)
- Intensive in home MDFT consultation and evaluation
- Juvenile case management collaborative: outreach tracking and reunification
- Juvenile criminal diversion
- Juvenile justice intermediate evaluation
- Juvenile review board
- Juvenile services educational re-entry and delinquency prevention program
- Juvenile sexual treatment
- Multisystemic Therapy (MST): consultation and evaluation
- Parent Project
- Youth employment and training

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 were 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. Special Tests and Provisions

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

Department of Children and Families
LOCAL SYSTEMS OF CARE

11000-DCF91110-12243

I. PROGRAM OBJECTIVES

This program is funded for the purpose of providing coordinated, community-based behavioral health services for children/youth with serious emotional disturbance (SED) and their families. The intent of this service is to provide care management and support necessary to successfully maintain children with SED in their home and/or their community.

II. PROGRAM PROCEDURES

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

- Care coordination

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. Special Tests and Provisions

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

Department of Children and Families
THE NEIGHBORHOOD YOUTH CENTER

11000-DCF91110-16145

I. PROGRAM OBJECTIVES

This program is designed to promote mental health, improve functioning in children, youth and families, and decrease the prevalence and incidence of mental illness emotional disturbance and dysfunction.

II. PROGRAM PROCEDURES

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

- Neighborhood youth center
- Positive youth development

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. Special Tests and Provisions

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

Department of Children and Families
SHORT TERM RESIDENTIAL TREATMENT

11000-DCF91110-12041

I. PROGRAM OBJECTIVES

This program provides a short term clinical diagnostic service with a highly structured, supportive community-centered and family-focused therapeutic environment for children.

II. PROGRAM PROCEDURES

The state contracts with Children's Center of Hamden for the following services:

- Residential substance abuse 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. Special Tests and Provisions

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

Department of Children and Families
SUBSTANCE ABUSE SCREENING

11000-DCF91110-12234

I. PROGRAM OBJECTIVES

This program provides for statewide access to substance abuse evaluations, drug testing and substance abuse treatment services to primary care givers involved with DCF.

II. PROGRAM PROCEDURES

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

- Multisystemic therapy (MST) consultation & evaluation
- 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. 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-DCF91110-16116

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:

- Intensive Community Family Support Services (ICFSS)
- Intensive home based services Multisystemic therapy (MST)
- Outpatient adolescent substance abuse treatment
- Intensive home based services: Multisystemic therapy consultation & evaluation
- Hartford Youth 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. 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-DCF91110-16102

I. PROGRAM OBJECTIVES

This program assists and supports children and families who are under the care of the department to improve their health and mental wellness for eventual independence.

II. PROGRAM PROCEDURES

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

- Intensive home based services family based recovery
- Substance abusing families at risk
- 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. Special Tests and Provisions

Compliance Requirements
The contractor may be 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
TREATMENT & PREVENTION OF CHILD ABUSE

11000-DCF91110-16064

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:

- Multidisciplinary team
- Family enrichment services
- Therapeutic child care
- 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. 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 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. Special Tests and Provisions

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

SECTION 3

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 inmates housed in Connecticut correctional facilities, whether sentenced from this state or another state and inmates 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

Inmates 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 inmates is limited to assisting inmates concerning legal problems and strategies; the giving of legal advice and discussion of legal alternatives with inmates; assistance in the drafting of documents and materials related to judicial proceedings; advising inmates as to how to proceed in court; strategizing with inmates concerning presenting cases in court; advising inmates concerning appropriate responses to motions or pleadings filed by their adversary in court; discussing with and assisting inmates in decisions and actions related to the taking of appeals from lower court decisions; discussing with and assisting inmates with general legal questions concerning their incarceration; assisting inmates 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 inmates on legal procedure
(3) Answering inmate 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 monthly fiscal and programmatic reports as required by the contract.

E. 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 inmates 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) Lifeskills 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. 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 and Scattered-Site Supportive Hosing services for inmates 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

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. Special Tests and Provisions

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

SECTION 4

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF DEVELOPMENTAL SERVICES

BIRTH TO THREE PROGRAM 1

COMMUNITY RESIDENTIAL PROGRAM 3

EMPLOYMENT OPPORTUNITIES AND DAY SERVICES..... 8

RESPITE SERVICES 13

FISCAL INTERMEDIARIES 15

Department of Developmental Services
BIRTH-TO-THREE PROGRAM

12060-DDS50000-20441
12060-DDS50000-20513
11000–DDS50000-12192

I. PROGRAM OBJECTIVES

The Department of Developmental Services 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

The Department of Developmental Services, through theBirth 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 Personal Service Agreements (PSA), Purchase of Service contracts, or purchase orders between the provider of service and the Department.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

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

Compliance Requirements

The contractor must submit the Third Party Reimbursement Form by August 31st for the most recent fiscal year as well as audited financial statements.

E. Special Tests and Provisions

Compliance Requirements

The entity is required to report the total third party reimbursement received during the fiscal year being reported. The amounts are reported on the Third Party Reimbursement Form

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 on the Third Party Reimbursement Form.

Department of Developmental Services
COMMUNITY RESIDENTIAL PROGRAM

11000-DDS50000-16122

11000-DDS50000-12101

11000-DDS50000-12213

11000-DDS50000-12493

I. PROGRAM OBJECTIVES

The Community Residential Services account funds community-based residential programs. The programs that are contract based are:

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

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

(3) Community training homes, and community training home support;

(4) Continuous Residential Support provided by private residential providers

(5) 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 qualified provider based are:

(6) Individualized Home Supports services provided by private residential providers;

(7) Personal Supports;

(8) Nutrition (formerly Consultative Services);

(9) Independent Support Broker (formerly FICS);

(10) Clinical Behavioral Support Services (formerly consultative Services);

(11) Healthcare Coordination

(12) Adult Companion Services;

(13) Respite Services.

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 Training 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)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) Purchase of Service contracts for residential programs state the types of services to be provided. Services allowed for private residential programs are identified in approved operational plans (budgets).
(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) The private residential facility grantees shall submit a mid-year expense report.
(2) The grantee is 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.

E. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions on Annual Report of Residential and Day Services (formerly known as COR) 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).

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 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 audit tests of these policies and procedures for the handling and safekeeping of resident personal monies and assets and determine compliance with DDS Guidelines noted above.

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's "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

Service Authorization 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

(1) Billing must be based on documented hours of service in accordance with DDS guidelines. Conduct audit tests on monthly billing to documented support hours.

Department of Developmental Services
EMPLOYMENT OPPORTUNITIES AND DAY SERVICES

11000-DDS50000-16108

11000-DDS50000-12101

11000-DDS50000-12493

I. PROGRAM OBJECTIVES

The Employment Opportunities and Day Services program provides contract based (i.e. master contracts) or Qualifed Provider based opportunities for adults in Group Supported Employment, Individual supported Employment, Sheltered Employment, Individualized Day Support, Transportation, and Day Support Options. The day program settings are integrated into the community. The programs that are Qualified Provider based only are: Clinical Behavioral Support Services, Adult Companion Services, and Respite Services. These community-based programs offer clients opportunities for meaningful, purposeful activity that are age appropriate.

(Regulations, Section 17a-217)

II. PROGRAM PROCEDURES

The state contracts with organizations to provide community based day programs offering meaningful adult experiences for individuals with intellectual disabilities in community settings.

(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) Sheltered Employment:

The Department funds employment programs for groups of individuals with disabilities in a segregated setting, performing subcontract, janitorial, or other work for wages, 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.

(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.

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) Purchase of Service Contracts are required when services are purchased directly by DDS from agencies. The contract will identify the types of day programs that are being funded, the types of services being funded, and the programmatic outcomes and expectations. The contract will be supported by an Operational Plan (OP-PLAN) which provides a budgetary expectation for the funding awarded. Costs are reported to the Department on the Annual Report of Residential and Day Services which must be submitted by October 15th.

Allowable services include vocational services that provide a continuum of specialized training or support services through one or more of the following:

(1) Training in independent living skills
(2) Vocational training
(3) Personal and social development
(4) Case management
(5) On-the-job training and support
(6) Supported work
(7) Job placement

The individual agency contract further specifies the scope of allowable services.

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 grantee shall file a mid-year expense report with the appropriate Department of Developmental Services ("DDS") regional office.

(2) The grantee shall file an Annual Report of Residential and Day Services no later than the October 15, following the end of the contract period.

(Regulations, Section 17-313b-3)

E. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions on 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).

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 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's "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 and related party transactions to determine if the Department's Ethics protocols have been complied with.

Compliance Requirements

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

(1) Billing must be based on documented hours of service in accordance with DDS guidelines. Conduct audit tests on monthly billing to documented support hours.

Department of Developmental Services
RESPITE SERVICES

11000-DDS50000-12219

I. PROGRAM OBJECTIVES

Respite care is the temporary care provided for persons eligible for Department of Developmental Services services for the purpose of relief to the family, care provider or community training home provider. Respite services support the continued presence and participation of persons served by the department within the family and community. Families can receive respite services from a variety of providers:

- Natural family members,
- Licensed community training home operators (CTH).
- DDS - certified respite providers,
- Other community supports.

(Section 17a-218(d), CGS)

II. PROGRAM PROCEDURES

The state may purchase services directly from a private respite provider using the Personal Service Agreements (PSA), or a Master Contract. In addition subsidies may be made available directly to families or to CTH providers to purchase their own respite services.

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) Personal Service Agreements (PSA) or Purchase of Service (POS) Contract(s) with service providers will be required when services are purchased directly by DDS from agencies. The PSA or POS Contract will identify the services to be purchased, and the names of the individual(s) for which the services are being rendered for.

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

There are no special reporting requirements.

E. Special Tests and Provisions

Compliance Requirements

The entity is required to report all related party transactions on 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).

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 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

Agencies are 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's "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.

Department of Developmental Services
FISCAL INTERMEDIARIES

11000-DDS50000-16108
11000-DDS50000-16122
11000-DDS50000-12101
11000-DDS50000-12493

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 Personal Service Agreement 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, through each of it's region's Resource Management Unit enters into contracts with FIs to provide administrative and management oversight to participants under the Individual Support Agreement 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; Aggregate Quarterly Expenditure Report; and End of Year Budget Expenditure Reports by Region to Central Office.

E. 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's "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 non compliance to the DDS Ethics Protocols must be reported as a finding.

Suggested Audit Procedures

(1) 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 5

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

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Department of Economic and Community Development
COMMUNITY HOUSING DEVELOPMENT CORPORATION

12064-ECD46000-40238-015

12065-ECD46000-40240-015

I. PROGRAM OBJECTIVES

The objective of the Community Housing Development Corporation ("CHDC") program is to provide funds to eligible developers to undertake the construction or rehabilitation of either owner-occupied or multi-family housing. A qualified eligible developer can receive an interest-free loan from the Department of Economic and Community Development ("DECD") which can be used in one of two ways, or a combination of both:

(1) The developer can use the loan to establish a Loan Fund to undertake new construction or rehabilitate existing housing structures for low and moderate income homeowners or private owners or corporations who agree to rent the housing units only to low and moderate income persons or families; or

(2) The developer can use these funds to make rehabilitation or renovation loans to low and moderate income homeowners or to the owners of low and moderate income rental housing units.

Funds are also available as seed money which provides a developer with advance funds necessary to develop housing affordable to low and moderate income families. Advances are made solely for expenses which are recoverable in the permanent mortgage.

A qualified non-profit corporation can receive a grant for use in establishing grants, loans, or deferred loans to households for handicapped accessibility modifications. (Section 8-218, CGS)

A qualified non-profit corporation can receive a grant for use in providing grants for adaptability. (Section 8-218, CGS)

Provide a grant-in-aid to Local Initiatives Support Corporation chartered as a state-wide HDC, for capacity building, technical assistance, and predevelopment activities.
(Section 8-218, CGS)

II. PROGRAM PROCEDURES

The program contracts for services related to the rehabilitation and construction of housing for low and moderate income persons or families. Funds are made available to Community Housing Development Corporations ("CHDCs") which are organized for the purpose of developing low and moderate income housing upon approval by the DECD of the CHDC's application for funding or to eligible developers as defined in Sec. 8-39, CGS.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include:

(1) Any repairs or rehabilitation work performed on an eligible structure, which is necessary to bring a unit up to a decent, safe, and sanitary level, or to make a unit accessible to a handicapped or developmentally disabled person, or which is necessary to bring a major building system which is in danger of failure, into good repair.

(2) Expenses for additions for handicapped accessibility and adaptability modifications.

(3) Repairs or rehabilitation necessary to bring ground floor commercial space to a decent, safe, and sanitary condition may be an eligible expense at the discretion of the Commissioner of the Department of Economic and Community Development ("DECD").

(4) Local Initiative Support Corporation (LISC) services.

Services disallowed include expenses for redecoration, additions, or refurnishing.

(Section 8-218, CGS)

B. Eligibility

Compliance Requirements

(1) Owners of buildings located within an approved target area and which contain at least one unit occupied by a person of low and moderate income.

(2) Units which are occupied by persons other than low and moderate income persons are not eligible for assistance under the program unless such unit is occupied by a person who is handicapped or developmentally disabled.

(3) Grants for handicapped access only to eligible income limit households and grants/loans to handicapped tenants must have landlord authorization.

(4) Eligible developers.

(Section 8-218, CGS)

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

Compliance Requirements

(1) Public and private cooperation projects require a private sector match equal to or greater than the amount of the proposed grant or loan. (Section 8-218a, CGS)

(2) There are no matching, level-of-effort, or earmarking requirements for the CHDC program. (Section 8-218, CGS)

D. Special Reporting Requirements

Compliance Requirements

Corporations must submit Quarterly Financial Statements (E-23 and E-24) to the DECD.

(Section 8-218, CGS)

E. Special Tests and Provisions

Compliance Requirements

The cost for repair of building wide systems should be prorated among the units occupied by low and moderate income persons and those which are not so occupied.

Suggested Audit Procedures

Review the expenditures and related records and ascertain that the percentage charged to the low and moderate income units is appropriate.

Department of Economic and Community Development
CONGREGATE SERVICE SUBSIDY

11000-ECD46400-16068-033

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 DSS or DECD. 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 Economic and Community Development. 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 DECD. 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 the Department of Social Services and the Department of Economic and Community Development. 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 (for continued occupancy) tenants' family income, composition, and contribution to rent, congregate services and assisted living services.

(Regulations, Section 8-119g-4)

(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
- Statement of Retained Earnings
- Summary of Charges to Retained Earnings Appropriated for Repairs, Maintenance and Replacements
- Operating Statement - Congregate Services
- Operating Statement Congregate Services Supplemental Information Program Costs

(2) A Congregate Services Management Plan (budget) and Certification and Tenant Rent Roll must be submitted annually.

(3) Quarterly narrative reports must be submitted.

(4) Monthly ALSA reports for entities participating in the Assisted Living Services component, must be submitted.

(Regulations, Section 8-119g-11)

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. 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 DECD Certificate of Approved Program Costs and State Funding on the Congregate Services Subsidy Program.

(2) The amounts for the Rental Assistance component must be separately accounted for through the Administration Fund in order to permit the preparation of a DECD Certificate of Approved Program Costs and State Funding.

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 (Department of Economic and Community Development) 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 (Department of Economic and Community Development), if applicable. If not, has an amount payable to the State ("DECD") been properly recorded?

Compliance Requirements

The auditee must follow proper bidding procedures for expenditures in excess of $100,000.

(Section 8-44(b), CGS)

Suggested Audit Procedures

Test financial records and determine adherence to bidding procedures.

Department of Economic and Community Development
AFFORDABLE HOUSING (FLEXIBLE PROGRAM)

12064-ECD46000-40238-150
12065-ECD46000-40240-150

I. PROGRAM OBJECTIVES

The objective of the Flexible Housing and Community Development 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 DECD.

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 by project. The Agreement Concerning Loan/Grant Advances will identify if there is a matching share. It can be a specific amount or a percentage of costs.

D. Special Reporting Requirements

Compliance Requirements

Programmatic and financial reports may be required under the Assistance Agreement. DECD 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. 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. Special Tests and Provisions

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

(Regulations, Section 32-6a-8)

Department of Economic and Community Development
HOUSING ASSISTANCE AND COUNSELING
11000-ECD46400-16076-035

I. PROGRAM OBJECTIVES

The Housing Assistance and Counseling program provides financial assistance to not-for-profit organizations that provide the following types of housing assistance and counseling information to landlords and tenants, including but not limited to:

(1) Educational services designed to inform landlords and tenants of their respective rights and responsibilities.

(2) General information services on securing housing-related financing, including mortgage loans, home improvement loans, energy and weatherization assistance.

(3) General mediation services for landlord and tenant disputes.

(4) A demonstration program providing a limited grant to supplement the cost of assisted living services in up to 4 (four) United States Department of Housing and Urban Development, Section 202, elderly housing development and/or United States Department of Housing and Urban Development, Section 236, elderly housing developments to provide assisted living services for persons who are residents of the state.

(Section 8-206e, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations for the provision of housing assistance and counseling services, following grantee application review for content and approval based on eligibility, experience, and the financial need of the applicant.

The assisted living component is either funded in whole or in part by DECD. 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 the Department of Social Services (DSS) and DECD.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include:

(1) Education services designed to inform landlords and tenants of their rights and responsibilities.
(2) Mediation services between tenants and landlords.
(3) Information services on securing housing-related financing.
(4) Other housing-related counseling services and assistance.
(5) Assisted living services in accordance with guidelines established by DSS and DECD.

(Section 8-206e, 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

The grantee shall submit monthly activity reports, quarterly financial statements and an annual summary of activities to the Department of Economic and Community Development ("DECD").

(Section 8-206e, CGS)

E. Special Tests and Provisions

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

Department of Economic and Community Development
HOUSING DEVELOPMENT FUND PROGRAM

Affordable	Moderate Rental	Elderly	Congregate Elderly
12064-ECD46000-40238-005	**12064-ECD46000-40238-002**	**12064-ECD46000-40240-004**	**12064-ECD46000-40240-003**

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 8-70 (MR), 8-114a (Eld.), 8-119h (Cong.) and 8-119dd (Aff.), CGS)

II. PROGRAM PROCEDURES

The Department of Economic and Community Development ("DECD") 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. Special Tests and Provisions

Compliance Requirements

The auditee must follow proper bidding procedures for expenditures in excess of $100,000.

(Section 8-44(b) CGS, sets bidding thresholds.)

Suggested Audit Procedures

Test the financial records and determine adherence to bidding procedures.

Department of Economic and Community Development
HOUSING REHABILITATION PROGRAM

12065-ECD46000-40240-001

I. PROGRAM OBJECTIVES

The objective of the Housing Rehabilitation Program ("HR") is to improve and upgrade the physical condition of existing public housing projects.

II. PROGRAM PROCEDURES

Each Housing Authority, Non Profit Corporation, Community Housing Development Corporation and Municipal Developers as Owner/Sponsor of Elderly and Moderate Rental Housing; Housing for the Homeless, Limited Equity Cooperative, Congregate Housing, Mutual Housing and Affordable Housing may prepare and submit to the Commissioner of Economic and Community Development for approval a program of project rehabilitation and improvement.

The program shall include the estimated costs of services, rehabilitation and improvement, and the method and staff required to carry out such a program. The housing rehabilitation contract shall provide for state financial assistance in the form of a grant-in-aid, loan, or combination thereof equal to the cost of such program, including administrative or other cost or expense to be incurred by the state in connection with the program as approved by the Commissioner of Economic and Community Development.

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 Assistance Agreement and Program Financing Plan and Budget (DECD-KA-1).

(Section 8-44a(b), CGS)

B. Eligibility

The auditor is not expected to test for eligibility.

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

Compliance Requirements

The auditee may be required to pay for a portion of the approved rehabilitation project with its own resources.

D. Special Reporting Requirements

Compliance Requirements

The following financial reports must be submitted quarterly for this program:

(1) Balance Sheet (L-203 or L-116)
(2) Statement of Program Cost (L-117)

(NOTE: The auditee may report the rehabilitation program as part of the Housing Authority Administration Fund financial reports for the fund benefited by the program or report the program on separate financial reports.)

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. Special Tests and Provisions

Compliance Requirements

The cost of the housing rehabilitation program must be separately accounted for in order to permit the preparation of a DECD Certificate of Approved Program Costs and State Funding on the housing rehabilitation program.

Suggested Audit Procedures

Test financial records, and contract change orders for any contracts issued and determine that the amounts considered as costs of the housing rehabilitation program are proper.

Compliance Requirements

The auditee must follow proper bidding procedures for expenditures in excess of $100,000.

(Section 8-44(b) CSG, sets bidding thresholds.)

Suggested Audit Procedures

Test the financial records and determine adherence to bidding procedures.

Department of Economic and Community Development
HOUSING TRUST FUND PROGRAM
12066-ECD46000-40001-046

I. PROGRAM OBJECTIVES

The objective of the Housing Trust Fund 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 Economic and Community Development (DECD) 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

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

D. Special Reporting Requirements

Compliance Requirements

Applicants are required to submit quarterly compliance and financial reports to the DECD.

E. 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 Housing Trust Fund Procedures Guidelines manual and 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 HTF 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 HTF-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 non compliance must be reported to DECD.

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 Housing Trust Fund Procedures and Guidelines manual.

(2)Determine if there were instances of noncompliance and that a report of such was submitted to DECD

(Regulations, Section 8 336q 2)

Department of Economic and Community Development
LIMITED EQUITY COOPERATIVES

12064-ECD46000-40238-013

12065-ECD46000-40240-013

I. PROGRAM OBJECTIVES

The objective of the program is the construction of housing for low and moderate income families which provides an alternative to traditional rental housing by ensuring security of residency, continued affordability and participation in the design and operation of housing, and to make public investment to preserve and stabilize neighborhoods.

(Section 8-214f through h, CGS)

II. PROGRAM PROCEDURES

The Department of Economic and Community Development provides financial assistance to a limited equity cooperative or an eligible not-for-profit corporation for the development of housing for low- and moderate-income families. The assistance may be in the form of grants, loans, or combination thereof in an amount not to exceed the total development cost of the project, less any equity interest required, as determined by a cost certification.

(Section 214f(c), CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed costs include, but are not limited to:

(1) Organizational development
(2) Predevelopment costs
(3) Site acquisition and preparation
(4) Construction or rehabilitation
(5) Architect fees
(6) Resident training
(7) Administrative or other costs or expenses incurred by the state

(Section 8-214f(c), CGS) and (Regulations, Sections 8-214h-1(s) and 8-214h-2(c))

B. Eligibility

Compliance Requirements

(1) The admission income limits for grant project(s) shall not exceed 50 percent of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development, unless otherwise approved by the Commissioner of Economic and Community Development.

(2) The admission income limits for loan(s) or loan/grant combination project(s) shall not exceed 100 percent of the area median income, adjusted for family size, determined from time to time by the U.S. Department of Housing and Urban Development, unless otherwise approved by the Commissioner of Economic and Community Development.

(Sections 8-214f through h, CGS) and (Regulation, Section 8-214h-8(b) and 8(c))

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

Compliance Requirements

(1) Developers must have an equity interest in the total development cost, composed of any of the following:

- The housing site
- A cash contribution
- The resident's "sweat equity" investment

Refer to contract for specific amounts.

(2) The family must contribute its labor ("sweat equity") during the development or operation of the project or make a cash contribution to become a member of the cooperative, or both, in an amount approved by the Commissioner of Economic and Community Development. The value of the "sweat equity" may not exceed the hourly wage rates determined by the U.S. Department of Labor.

(Section 8-214f(c), CGS) and (Regulations, Section 8-214h-7(a)(1))

D. Special Reporting Requirements

Compliance Requirements

The developer shall submit semi-annual financial statements to the Department of Economic and Community Development ("DECD").

(Section 8-214h, CGS) and (Regulation section 8-214h-16(b))

E. 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 Finance Plan and Budget.

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. Special Tests and Provisions

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

Department of Economic and Community Development
PAYMENT-IN-LIEU-OF-TAXES (PILOT)
11000-ECD46400-17012-039

I. PROGRAM OBJECTIVES

To provide grants up to 100% of ad valorem taxes to municipalities in which state-assisted low to moderate income housing projects are operated by Housing Authorities. The participating municipalities, use this source of funds to offset the cost of municipal services provided to the project's tenants. In consideration of the State PILOT grant award, municipalities forgo collecting the payments due to them by the project, as evidenced by a Cooperation Agreement signed by both parties during the properties development. These funds, which the Housing Authorities otherwise would have paid to the municipality, may equal up to 12.5% of the shelter rent. The authorities may use the funds preserved by the municipal forbearance, for social services to the occupants, the operating costs or reserves of the property, or the maintenance or improvements of the physical quality of the property. (Section 8-216(b) of the CGS)

II. PROGRAM PROCEDURES

If the percentage of ad valorem tax (PILOT payment) offered by the State is too low, towns can refuse the PILOT payment grant offer. This will force the housing authority to pay out the funds set aside for payment of the taxes on the property. This loss will have a direct impact on the tenant rents.

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 Requirement

The municipality shall submit a Requisition for PILOT Payment (Form L-311) to DECD indicating the total realty tax payments due the municipality during the fiscal year.

E. Special Tests and Provisions

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

Department of Economic and Community Development
PREDEVELOPMENT COST

12039-ECD46000-40231-016

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 Economic and Community Development ("DECD").

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 Economic and Community Development.

(2) Grants are for costs that include:

- Feasibility studies
- Appraisals
- Legal fees
- Financial consulting expenses
- Other planning expenses authorized by the Commissioner of Economic and Community Development.

(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 the DECD.

(Sections 8-410 and 411, CGS) and (Regulation Section 8-412-8)

E. 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.

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. Special Tests and Provisions

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

Department of Economic and Community Development
RENTAL ASSISTANCE PROGRAM (RAP)
11000-ECD46400-16084-102

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

(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 RAP 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 DECD 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.
(4) Balance Sheet, Operating Statement and Statement of Retained Earnings must be submitted quarterly.

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. Special Tests and Provisions

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

Department of Economic and Community Development
RESIDENT SERVICES COORDINATOR

11000-ECD46400-12032-107

11000-ECD46400-12436-107

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 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 the Department, 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 DECD 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 DECD 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
- Balance sheet must be submitted quarterly.

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. Special Tests and Provisions

Compliance Requirements

The RSC grant award and program cost must be separately accounted for through the Administration Fund in order to permit the preparation of a DECD 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 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

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

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. 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

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

(Section 32-1c, CGS)

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. 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.

E. Special Tests and Provisions

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

Department of Economic and Community Development
STATE-ASSISTED HOUSING SUSTAINABILITY FUND

11000-ECD46400-12399-120

I. PROGRAM OBJECTIVES

To provide below market-rate financial assistance for repairs to eligible housing. Eligible Housing consists of the housing loan portfolio transferred from the DECD to CHFA pursuant to CGS Section 8-37uu.

II. PROGRAM PROCEDURES

Owners of eligible housing that are in good standing with DECD and CHFA may contract with DECD for financial assistance in the form of grants, loans and/or deferred loans. Grants will be provided only when it is determined by DECD that there is a very low probability that the recipient would be able to repay a deferred loan from future operating funds, refinancing or residual value of the property. The Contract for financial assistance will require the Owner to continue to operate the project within the statutory requirements and guidelines of the state funding program(s) that originally created the units.

The Rehabilitation Requirement: Any reasonable hard and soft cost associated with the maintenance, repair, rehabilitation, and modernization of eligible housing and for other activities consistent with the preservation of eligible housing including but not limited to the following areas in order of priority: (1) emergency repairs to abate actual or imminent emergency conditions that would result in the loss of habitable housing units, (2) remediation or abatement of hazardous materials, including lead, (3) reduction of vacant units, (4) increases in development mobility and sensory impaired accessibility in units, common areas, and accessible rooms, and (5) major systems repairs or upgrades, including but not limited to roofs, windows, mechanical systems and security, and any relocation costs and alternative housing for not more than sixty days, made necessary because of failure of a major building system or emergency condition that would result in a loss of habitable units.

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 DECD Project Development Budget and Financing Plan (budget).

Public Act Nos. 07-04 and 07-05 (June Special Session)

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 financial participation is determined by project. The approved DECD Project Financing

Plan and Budget will identify if there is a matching share.

D. Special Reporting Requirements

Compliance Requirements

Auditees are required to submit Programmatic and semi- annual financial reports to DECD.

E. Special Tests and Provisions

Compliance Requirements

The cost of the State-Assisted Housing Sustainability Fund program must be separately accounted for in order to permit the preparation of a DECD Certificate of Approved Program Costs and State Funding on the Housing Sustainability Fund program.

Suggested Audit Procedures

Test financial records, and contract change orders for any contracts issued and determine that the amounts considered as costs of the State-Assisted Housing Sustainability Fund program are proper.

Compliance Requirements

The auditee must follow proper bidding procedures as outlined in the contract for financial assistance.

Suggested Audit Procedures

Test the financial records and determine adherence to bidding procedures.

Department of Economic and Community Development
TAX ABATEMENT PROGRAM
11000-ECD46400-17008-038

I. PROGRAM OBJECTIVES

To help insure the financial feasibility of privately owned nonprofit and limited dividend low and moderate income housing projects by providing reimbursement for taxes abated up to $450 per unit per year for up to 40 years. The abatement of taxes enables the owners to maintain the rents at an affordable level for the tenants.

(Section 8-216(a) of the CGS)

II. PROGRAM PROCEDURES

The municipalities receiving tax abatement grants are currently under contractual agreements for the current appropriated level. In the event the State reduces the Municipal reimbursement amount, rent levels will probably be increased if the municipality also reduces abatement of taxes to mirror the reimbursed level they will receive.

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 Requirement

The municipality shall submit a Request for Tax Abatement Reimbursement (Form L-507) to DECD indicating the total assessment, assessment ratio, tax rate, total taxes and total taxes abated on the property.

E. 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

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

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. 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 16 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. 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

(a) 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.

(b) The legislation earmarked grants to three districts: Plainville ($50,000), Thompson ($25,000) and Montville ($25,000).

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 September 1 following the end of the program year.

E. Special Tests and Provisions

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

Department of Education
BILINGUAL EDUCATION
11000-SDE64000-17042

I. PROGRAM OBJECTIVES

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)

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:

(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.

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

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

(2) The grantee must submit annually to the State Board of Education a progress report which shall include:

- Measures of increased educational opportunities for eligible students, including language support services and language transition support services provided for such students.

- 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.

- Certification by the Board of Education submitting the report that any funds received pursuant to this section have been used for the purposes specified.

(Section 10-17g, CGS), as amended by Section 8 of Public Act 99-211)

E. 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. 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 on the ED001C (End of Year School Report for Charter Schools), PSIS (Public School Information System and ED006S (PSIS – Supplemental Information).

Compliance requirements and suggested audit procedures for the ED001C, PSIS and ED006S are included in a special review package issued by the State Department of Education, and are reported on separately.

E. 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.

Department of Education
CHARTER SCHOOL FACILITY, GENERAL IMPROVEMENTS, AND DEBT REPAYMENT

12052-SDE64000-43003

I. PROGRAM OBJECTIVES

Section 10-66hh of the 2006 Supplement to 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 (3) repayment of debt incurred prior to July 1, 2005, 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 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:

1) replacement of windows and doors;
2) replacement of boilers and other heating and ventilation components;
3) replacement of internal communication systems;
4) locker replacements;
5) ceiling and floor covering upgrades/replacements;
6) upgrade restrooms, including new fixtures;
7) upgrade or replacement of lighting fixtures;
8) replacing or installing security systems, including but not limited to, video surveillance devices and fencing; or

9) other work of a similar nature approved by the Commissioner of Education.

Examples of Ineligible Uses of Funds for Items 1 and 2:

1) routine building maintenance and maintenance supplies;
2) painting;
3) cleaning;
4) equipment repairs and other minor repairs; or
5) 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

Compliance Requirements

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

E. 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 must have an application submitted by his or her family, which should 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, Part 210.9).
(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 or on Nutrition Report Form ED103.

(7 CFR, Part 210.8)

E. Special Tests and Provisions

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

Department of Education
CONNECTICUT PRE-ENGINEERING PROGRAM (CPEP)
11000-SDE64000-12253

I. PROGRAM OBJECTIVES

The Connecticut Pre-Engineering Program, Inc. (CPEP) provides programs which motivate, stimulate, and nurture traditionally under-represented minority students from urban districts to choose careers in mathematics, science, engineering and technology. When prepared at the precollege level, these students will have the opportunity to major in these fields in college and later assume positions in related careers. Approximately 2,500 students are served by this program.

II. PROGRAM PROCEDURES

CPEP is a joint activity of the Science Center of Connecticut, various school systems, a number of public and private universities, State government, and business and industry.

The program contracts for services to provide the following:

- after school programs;
- mentoring;
- Saturday programs;
- summer programs;
- parent groups; and
- teacher training.

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 budget and budget narrative.

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. 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.

II. PROGRAM PROCEDURES

The CWP offers three types of programs. Continuity programs serve the purpose of developing the leadership of teachers/consultants and also provide an ongoing professional community to teachers at the site. In-service programs provide professional development to teachers in our area. 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 (1)

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 September 1 following the end of the program year.

E. Special Tests and Provisions

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

Department of Education
EDUCATIONAL TECHNOLOGY INFRASTRUCTURE
12052-SDE64000-42860

I. PROGRAM OBJECTIVES

To ensure that all Connecticut classrooms have computers that are appropriately connected to the Internet, Public Act 00-187 provides funds to continue building statewide technology infrastructure, including wiring, hardware and software in all public districts on a competitive basis. The program emphasizes coordination and delivery of effective educational technology services leading to improvement of student performance.

II. PROGRAM PROCEDURES

The Division of Teaching, Learning and Instructional Leadership administers the funds. Eligible applicants are charter schools, the Connecticut Technical High School system, local and regional boards of education, interdistrict magnet schools and endowed academies (in accordance with Section 10-4h, CGS).

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 are designated as approved line items on the grant application.

Such services include but are not limited to:

(1) Wiring and connectivity (Form ED042 required): any cost for the retrofitting, upgrading or installation of wiring or other connectivity options, electrical wiring, wireless infrastructure, cable and other distribution systems.

(2) Purchase and leasing of computers, terminal equipment, or network support aimed at delivery of improved forms of instruction using technology.

(3) Interactive software and the purchase of software filters, all instructional software, curriculum software, or filtering software to access the open network aimed to the effective and safe use of computers and computer networks in the classroom.

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. Approved Form ED042 is required prior to installation of program.

E. 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, Family Services and Adult Education. 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 1st following the end of the program year.

E. 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. Special Tests and Provisions

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

Department of Education
HEAD START ENHANCEMENT GRANT PROGRAM
11000-SDE64000-16106

I. PROGRAM OBJECTIVES

To assist non-profit agencies and local and regional boards of education, which are federal Head Start grantees in: 1) expanding existing Head Start Programs to extended-day, or full-day, year-round programs; or 2) enhancing program quality; or 3) increasing the number of children served.

II. PROGRAM PROCEDURES

An RFP is issued to each Head Start Program that participates in the Federal Head Start Program to expand the hours of services and expand the months of service; enhance the quality of services; and to serve additional children.

Applications and budgets are submitted to the State Department of Education for approval and determination of a grant award amount for the approved services.

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 the ED114 Form.

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. Special Tests and Provisions

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

Department of Education
HEAD START LINK
11000-SDE64000-16202

I. PROGRAM OBJECTIVES

To assist non-profit agencies and local and regional boards of education, which are federal Head Start grantees to strengthen the link between Head Start and the goals of the State's existing early childhood programs by: 1) expanding existing Head Start Programs to extended-day, or full-day year-round programs; or 2) enhancing program quality to strengthen transition of children to kindergarten; or 3) increasing the number of children served.

II. PROGRAM PROCEDURES

Each of the 26 Federal Head Start Programs is eligible to apply for the grant. The criterion for the allocation of approximately 75% of funds is the number of children served. The criterion for the remaining approximately 25% is to provide innovative or effective practices to increase collaboration, transition to kindergarten and/or enhance program quality. Applications and budgets are submitted to the State Department of Education for approval.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services Allowed or Disallowed

Compliance Requirements
Allowable costs are identified in the approved line items as represented on the ED114 form.

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 September 1 following the end of the program.

E. Special Tests and Provisions

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

Department of Education
HEAD START SERVICES GRANT PROGRAM
11000-SDE64000-16101

I. PROGRAM OBJECTIVES

(a) To provide funds to support services to Head Start programs and children participating in the federal Head Start Program.
(b) To expand existing Head Start programs, to increase the number of children served, or enhance programming in English Language Arts (ELA) or Mathematics.

II. PROGRAM PROCEDURES

(a) An approved application and grant award letter is issued by the SDE to grantees.
(b) Grant award letters are issued by the SDE 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.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirement

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. 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 described in 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. (Section 10-217a, 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

A town or regional school district providing the services must file a health service plan (ED513) by June 30 and 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. 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 grants to public school districts that have opted to implement the Connecticut Nutrition Standards. Participating districts receive additional funding 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 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. 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. 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 10-264f 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. The transportation portion of this grant is not reviewed as part of this compliance supplement.

E. Special Tests and Provisions

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

Department of Education
MINOR CAPITAL IMPROVEMENTS AND WIRING - SCHOOL READINESS CENTERS

12052-SDE64000-42861

I. PROGRAM OBJECTIVES

To provide funding for School Readiness programs for minor capital improvements and wiring for technology as authorized by Public Act 07-7 (JSS), Sec. 32(h)(2).

II. PROGRAM PROCEDURES

The municipality, school district or RESC is the fiduciary for the selected School Readiness program receiving the funds. The School Readiness programs will follow the fiduciary's procedures and submit billing for improvements to the fiduciary for payment from this fund.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services Allowed or Disallowed

Compliance Requirements

No administration costs may be charged by the fiduciary to this grant.

1. Minor Capital Improvements:

Examples of 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;
- Ceiling and floor covering updates/replacements;
- Upgrading restrooms, including new fixtures and water fountains;
- Upgrade or replacement of lighting fixtures;
- Replacing or installing security systems, including but not limited to video surveillance devices and fencing;
- Alterations to premises including playgrounds to ensure adherence to licensing requirements of the Department of Public Health;
- Modest improvements for space enhancement that lead to program quality:
  - Wall removal to increase room size or make bathrooms accessible;
  - Child size sinks in classrooms/access to water in classrooms;
  - Specialized storage areas and storage cabinets;
  - Partition installation;
  - Improve space for staff, staff storage areas, and meeting rooms;
  - Accessibility for children and staff with disabilities;
  - Installation of a loft structure.

2. Technology Wiring:
   - Wiring of classrooms to support technology-aided instruction.
   - Prepare school readiness building for high-speed technology wiring.
   - Network building with the ability to upload data quickly.
   - Air conditioning to maintain the appropriate temperature for the technology system.
   - Wiring to facilitate distance learning opportunities.
   - Wiring to establish compatibility with local public school's accountability systems.

Examples of <u>ineligible</u> uses of funds:

- 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.

These funds cannot be used for construction projects submitted to the State for reimbursement pursuant to C.G.S. Chapter 173 or to supplant other state and/or local federal funds.

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 September 1 following the end of the program.

E. Special Tests and Provisions

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

Department of Education
OPEN CHOICE
11000-SDE64000-17053

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, Bridgeport and New London regions.

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.

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. 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 at-risk students.

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

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. 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

The state provides grants to chosen municipalities for services 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 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.

E. Special Tests and Provisions

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

Department of Education
REGIONAL EDUCATIONAL SERVICE CENTERS
11000-SDE64000-16062

I. PROGRAM OBJECTIVES

The Regional Educational Service Centers ("RESCs") assist school districts in their respective regions in reducing racial, ethnic and economic isolation per C.G.S. 10-4a.

C.G.S. 10-266aa, 10-226h and 10-220 (a)

II. PROGRAM PROCEDURES

Funding is provided to RESCs in the form of:

(1) grants for administering the OPEN CHOICE program (4 RESCs)

(2) grants to each RESC for minority staff recruitment and data collection on school district efforts to reduce racial, ethnic and economic isolation.

(3) grants based on a statutory formula (C.G.S. 10-66j (c)) to assist local and regional boards of education in implementing the educational goals and objectives specifically identified by the State Board of Education.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

The RESCs shall provide only activities and services which directly relate to the specific goals of the grant program. The types of services allowed are those as shown in the approved grant proposal and budget.

(Sections 10-66c, d, and h, 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

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

E. 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

(a) 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)

(b) 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 an in-classroom breakfast program. (Section 10-215g, CGS)

II. PROGRAM PROCEDURES

(a) The state provides grants to local and regional school districts to provide the School Breakfast program meals.

(b) The state provides grants for the purpose of assisting up to ten severe need schools to establish 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 National 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. Special Tests and Provisions

Compliance Requirements

(1) Each eligible grantee is entitled to a limit of funding per school and per breakfast served.

(2) 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
SCHOOL READINESS AND CHILD CARE IN COMPETITIVE GRANT MUNICIPALITIES

11000-SDE64000-12113

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 3 and 4 year old children. School readiness slots for 3 and 4 year old children are: (a) at a minimum, a part-day, part-year slot at 2 and ½ hours per day for 180 days; and/or (b) a full-day, full-year slot providing early care education for a minimum of 10 hours per day for 50 weeks and/or (c) 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 3 and 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. Special Tests and Provisions

Compliance Requirements

(1) 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

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

Compliance Requirements

(2) Funding from the state cannot exceed $107,000 unless, within available appropriations, a grant in excess of $107,000 may be provided to towns with two or more priority schools.

Suggested Audit Procedures

(2) 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 payment.

Compliance Requirements

(3) SDE Program Operations (PO) document PO-09-03, Part II 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.

Suggested Audit Procedures

(3) 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 reported.

Department of Education
SCHOOL READINESS AND CHILD CARE IN PRIORITY SCHOOL DISTRICTS

11000-SDE64000-17043-82056

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 3 and 4 year old children. School readiness slots for 3 and 4 year old children are: (a) at a minimum, a part-day, part-year slot at 2 and ½ hours per day for 180 days; and/or (b) a school-day slot at six hours per day for 180 days; (c) 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 10 hours of continuous care; and/or (d) a full-day, full-year slot providing early care education for a minimum of 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 3 and 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. Special Tests and Provisions

Compliance Requirements

(1) 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

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

Compliance Requirements

(2) Funding from the state cannot exceed $4,500 per year for a 2 ½ 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 10 hours of care per day, year round); $6,000 for school-day, school-year slots and $8,346 per year for full-day, year-round slots.

Suggested Audit Procedures

(2) 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

(3) Amounts expended for start-up, administration and audit costs must be approved by the State Department of Education.

Suggested Audit Procedures

(3) Review supporting documentation (including letters of authorization from the State Department of Education) 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 SDE – approved levels.

Compliance Requirements

(4) SDE Program Operations (PO) document PO-09-03, Part II 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.

Suggested Audit Procedures

(4) 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 reported.

Department of Education
SCHOOL READINESS QUALITY ENHANCEMENT
12060-SDE64000-90242

I. PROGRAM OBJECTIVES

This program is administered jointly by the State Departments of Social Services (DSS) and Education (SDE) and allows eligible priority school 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

DSS transfers available funds to SDE to directly contract 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. DSS and SDE provide guidance to the types of services and approval.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

As defined in C.G.S. Section 17b-749c, or as delineated in formal policy by SDE and DSS.

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. Special Tests and Provisions

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

Department of Education
SCHOOL TO WORK OPPORTUNITIES
11000-SDE64000-17050

I. PROGRAM OBJECTIVES

To fund professional development of educators administering Career Pathways programs leading to a Connecticut Career Certificate pursuant to section 10-20a of Chapter 164 of Connecticut's Education Laws (Educational Opportunities), revised effective July 1, 2007.

II. PROGRAM PROCEDURES

The program provides, within the limits of available appropriations, grants to post-secondary institutions, regional workforce development boards, regional education service centers and other appropriate organizations who are partners in Connecticut's Career Pathways program to support the development of educators administering programs leading to a Connecticut Career Certificate including training in the development of:

- Career Pathways plans aligned to the federally established 16 career clusters;
- Student Success Plans reflecting individual student programs of study connected to any of the possible 79 federally identified career cluster pathways;
- School-based activities aligned to career pathways;
- Work-based learning activities aligned to career pathways;
- Supportive services, including counseling, mentoring and advisement that guide and strengthen career pathways;
- Linkages to two and four year post-secondary institutions through College Career Pathways; and
- Partnerships with local, regional and state business and industry, economic development and community-based organizations and agencies.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds may be used only to support the professional development plan of the entity selected to provide training to educators administering Career Pathways programs that lead to a Connecticut Career Certificate. The entity selected to provide the professional development activities will maintain a full menu and schedule of activities approved by the State Department of Education Career Pathways staff and identified in the line items represented on the ED114 Budget Form.

B. Eligibility

The auditor is not expected to test for eligibility.

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

Compliance Requirements

(1) The entity selected to provide training under these funds can use more than 10% of its grant amount, or its negotiated restricted indirect rate, for administrative costs each fiscal year.

(2) There is a 25% matching requirement.

D. Special Reporting Requirements

Compliance Requirements

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

E. Special Tests and Provisions

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

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 on the DRA. 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 Division of Teaching, Learning and Assessment 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 (1)

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:

(1) Purchasing of materials for summer school program;
(2) 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 Expenditures) is due on the September 1 following the end of the program year.

E. 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. Special Tests and Provisions

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

Department of Education

YOUTH SERVICES BUREAU
YOUTH SERVICES 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.

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. Special Tests and Provisions

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

SECTION 7

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF ENVIRONMENTAL PROTECTION

CLEAN WATER FUND 1

DRINKING WATER PROGRAM 3

FLOOD CONTROL AND BEACH EROSION 5

GRANTS FOR WATER POLLUTION CONTROL 7

PROTECTED OPEN SPACE AND WATERSHED LAND ACQUISITION GRANT PROGRAM 8

POTABLE WATER SUPPLY FACILITIES 10

Department of 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 Environmental Protection ("DEP"), 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 DEP. 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. Special Tests and Provisions

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

Department of 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 Environmental Protection ("DEP"). Technical review of projects, including engineering review and review of payments submitted by the recipient for eligibility, is conducted by the DPH and the DEP. 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. Special Tests and Provisions

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

Department of 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 Environmental Protection ("DEP") expertise to design and build the measures. The DEP 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 DEP 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 DEP 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. Special Tests and Provisions

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

Department of 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. Special Tests and Provisions

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

Department of 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. 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.

Department of 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. Special Tests and Provisions

Compliance Requirements

(1) The municipality must obtain DEP 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 DEP prior to awarding construction contracts which have an aggregate value over $10,000 per 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 DEP or reimbursed to the DEP directly.

SECTION 8

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF HIGHER EDUCATION

CONNECTICUT COLLEGIATE AWARENESS AND PREPARATION PROGRAM 1

CONNECTICUT INDEPENDENT COLLEGE STUDENT GRANT 3

Department of Higher Education
CONNECTICUT COLLEGIATE AWARENESS AND PREPARATION PROGRAM

11000-DHE66500-12188

I. PROGRAM OBJECTIVES

The Connecticut Collegiate Awareness and Preparation (ConnCAP) Program is a competitive grant award program under the Minority Advance Program of the Department of Higher Education to further goal attainment of the Board of Governors for Higher Education's *Strategic Plan to Ensure Racial and Ethnic Diversity in Connecticut Public Higher Education.*

The purpose of ConnCAP is to:

Generate in eligible program participants the skills and motivation necessary to:

(1) complete a program of secondary education, and
(2) enter and succeed in a program of postsecondary education.

(Section 10a-11 and 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 the ConnCAP Program Guidelines For the July 1, 2007 –June 30, 2011 Cycle, pages 8-9.

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 mid-term and annual expenditure reports. An annual performance report is required.

E. Special Tests and Provisions

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

Department of Higher Education
CONNECTICUT INDEPENDENT COLLEGE STUDENT GRANT
11000-DHE66500-16079

I. PROGRAM OBJECTIVES

The objective of the Connecticut Independent College Student Grant program is to provide state aid to independent Connecticut colleges for awards to needy Connecticut residents.

(Sections 10a-36 through 42f, CGS)

II. PROGRAM PROCEDURES

The state provides grants to private Connecticut colleges and universities to be distributed as need based financial aid to eligible Connecticut residents.

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 in the form of grant or work aid.

(Sections 10a-40 and 10a-41, CGS)

B. Eligibility

Compliance Requirements

Funds must be awarded only to needy Connecticut residents.

Family need is the difference between educational costs and the sum of the family contribution and all other forms of financial aid, excluding all student loans. The required family contribution must be computed using the prescribed federal methodology.

(Section 10a-41, CGS)

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

Compliance Requirement

(1) The amount designated in the Grantee's Institutional Agreement must be expended for minority students and awarded for community service employment.

(Section 10a-40, CGS)

(2) The amount of aid given to an individual student shall not exceed the lesser of calculated financial need or a maximum annual award as specified in the Grantee's Institutional Agreement.

D. Special Reporting Requirements

Compliance Requirements

(1) Participating colleges shall provide annual reports on CICS activity.

(Section 10a-40, CGS)

(2) Annual expenditure reports are required to be filed in a timely manner. Reports must list expenditures to individuals via family income grids.

E. Special Tests and Provisions

Verify that the college has documentation to verify that the number of students from Connecticut matches Connecticut enrollees reported to the Department of Higher Education.

(Section 10a-41, CGS)

SECTION 9

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
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. 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 RISK REDUCTION CENTER
11000-JUD96114-12043-051

I. PROGRAM OBJECTIVES

The Adult Risk Reduction Center (ARRC) operates as the first step in a program network that addresses criminogenic needs of offenders to decrease the likelihood of future criminal behavior.

II. PROGRAM PROCEDURES

The program treats sentenced adult, high-risk offenders with differential evidence-based services. The services provide the appropriate amount of treatment, supervision, and evidence-based interventions based on the individual's assessed risk and need.

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) Risk and Need Assessment
(2) Motivational Enhancement
(3) Targeted Interventions (9)

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. Special Tests and Provisions

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.

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
ALTERNATIVE IN THE COMMUNITY
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 17 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:

- Budget Schedule 1
- Budget Schedule 2
- Salary Schedule 3
- Fringe Benefits Schedule 3A
- Budget Narrative
- Expenditure Reports
- Final Expenditure Reports
- Equipment Inventory Reports
- Program Income 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. 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
COMMUNITY RESIDENTIAL PROGRAM
11000-JUD96114-12105-017

I. PROGRAM OBJECTIVES

The Community Residential program is designed to provide cost-effective, safe, community-based intermediate sanctions for juveniles who are detained for 10 to 20 days on a pre-trial basis and are deemed to be able, with appropriate services and supervision, to be maintained in a community program.

II. PROGRAM PROCEDURES

Juveniles placed in these programs will be assigned to a staff secure setting for educational services, substance abuse education, recreation, group and individual counseling, family focus groups, mental health services, and discharge and aftercare planning.

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

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
BUILDING BRIDGES
11000-JUD96114-12043-057

I. PROGRAM OBJECTIVES

The Building Bridges program is designed to act as bridge between formal treatment, social support services and the community for men transitioning from correctional institutions into the New Haven and Hartford communities.

II. PROGRAM PROCEDURES

The program provides a comprehensive approach to facilitate the successful reentry of adult male offenders released from correctional institutions into the New Haven and Hartford communities. The program is intended develop, implement, monitor and evaluate services designed for the successful reintegration of offenders. Services to be provided both before and after release from correctional institutions include substance abuse and mental health services; formal support including case management services, entitlements, housing, transportation and health care; employment services and ongoing community support.

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:

- Intake
- Treatment services
- Case management
- Community and formal supports
- Evaluation
- Housing

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
CENTER FOR ASSESSMENT, RESPITE AND ENRICHMENT (CARE)
11000-JUD96114-12105-054

I. PROGRAM OBJECTIVES

The Center for Assessment, Respite and Enrichment is a research-based two-pronged service model that provides respite care beds for FWSN-referred children in crisis as a bridge to home-based, family-centered treatment or other appropriate services. As an outcome of assessment, these children and their families will be connected to an intervention based on risk, needs and strengths.

II. PROGRAM PROCEDURES

The program treats family with service needs (FWSN) clients ages 11 - 18 years old that are under judicial supervision or interim orders. Clients are placed in a network of private, non-profit community or locally- based organizations contracted to the Judicial Branch and located throughout the state. The programs provide respite care residential beds for up to 14 days and a connection to home-based services following discharge.

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:

Intake
Risk and Need Assessment
Motivational Enhancement
Targeted Interventions
24 hour 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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative

Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
SECURE COMMUNITY RESIDENTIAL PROGRAM
11000-JUD96114-12105-029

I. PROGRAM OBJECTIVES

Secure Community Residential Programs provide a secure physical setting for girls and boys (up to age 17). Components of the program include educational services, substance abuse education and treatment, recreation/physical fitness, client groups, family involvement, physical and mental health services and discharge planning.

II. PROGRAM PROCEDURES

This program is designed for girls who, without the benefit of the programming, would be detained on a pre-trial basis in the Bridgeport, Hartford and New Haven Detention Centers.

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) 24 hour admissions.
(2) Medical services.
(3) Mental health services.
(4) Limited transportation.
(5) Capacity to isolate acting-out clients.
(6) Secure physical site.
(7) Policies and procedures based on the Court Support Services Division (CSSD) Juvenile Detention Services.
(8) On-site education.
(9) Substance abuse education.
(10) Physical and non-physical recreation.
(11) Daily client groups.
(12) Family services.
(13) System of graduated privileges and sanctions.
(14) 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:

- Budget Schedule 1
- Budget Schedule 2
- Salary Schedule 3
- Fringe Benefits Schedule 3A
- Budget Narrative
- Expenditure Reports
- Final Expenditure Reports
- Equipment Inventory Reports
- Program Income 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. 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.

Judicial Branch
COMMUNITY SERVICE OFFICES
11000-JUD96114-12043-049

I. PROGRAM OBJECTIVES

The goal of the community service offices is to provide the courts with coordination of community service referrals.

II. PROGRAM PROCEDURES

Target clients for these services are clients who have committed minor offenses and are adjudicated to community service in lieu of incarceration. The community service office coordinates intake, assignment, supervision and notice to the court of compliance.

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. Services allowed include those to provide referrals and tracking for court ordered community 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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative

Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
DRUG INTERVENTION
11000-JUD96114-12043-059

I. PROGRAM OBJECTIVES

The objectives of these Drug Intervention Programs are: (1) to provide appropriate Court monitored substance abuse treatment with Court imposed sanctions for non-compliance; and (2) to develop on-going linkages between the justice system and community-based treatment and social services systems. The treatment goals of this Drug Intervention model are: (1) to reduce addiction and recidivism among eligible offenders; (2) to reduce future substance abuse related criminal activity; and (3) to enhance the effectiveness of treatment offered to addicted offenders in the criminal justice system.

II. PROGRAM PROCEDURES

The program provides clinical evaluations, prepares treatment plans, and delivers a full continuum of substance abuse treatment, case management, residential (long and short term) and support services to male and female adult addicted offenders who meet the program criteria and agree to participate. In addition, the contractor(s) will play a significant role in the coordination of Drug Intervention activities and will interact with Court personnel who will monitor the progress of offenders in treatment. It is expected that there will be a need to provide bi-lingual 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:

- Intake
- Screening
- Treatment services
- Evaluation
- Residential 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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
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 are 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:

- Budget Schedule 1
- Budget Schedule 2
- Salary Schedule 3
- Fringe Benefits Schedule 3A
- Budget Narrative
- Expenditure Reports

Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
FAMILY SUPPORT CENTERS
11000-JUD96114-12105-065

I. PROGRAM OBJECTIVES

The Family Support Centers are multi-services centers for Families With Service Needs (FWSN) children. The Family Support Center staff are required to quickly assess service and/or treatment needs of the referred child and then either provide these services directly or refer the child to an appropriate service in a timely fashion.

II. PROGRAM PROCEDURES

Juvenile Probation staff in conjunction with the DCF FWSN liaisons determine which cases should be directly referred to a Family Support Center (FSC). The FSC accepts referrals for those juveniles most at risk of further court involvement or who are exhibiting behaviors that require an immediate response. DCF FWSN liaisons will assist the Juvenile Probation Officer in determining case appropriateness for FSC. They will also support FSC staff when additional services are needed to maintain the juvenile in his or her 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.

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
FAMILY VIOLENCE INTERVENTION
11000-JUD95810-10020-013

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:

Quarterly Financial Report s
Quarterly Statistical Reports
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. Special Tests and Provisions

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

F. 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 through review of financial and progress reports and on-site monitoring visits to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements.
3. Ensure that required subrecipient audits are performed and require appropriate corrective action on monitoring and audit findings.
4. Ensure that reported subrecipient expenditures are in agreement with subrecipient financial records.

Judicial Branch
GENDER SPECIFIC PROGRAM FOR FEMALE OFFENDERS
11000-JUD96114-12043-050

I. PROGRAM OBJECTIVES

The goal of gender specific programming for female offenders is to provide intensive gender-responsive services that meet the unique needs of women. These services include comprehensive treatment for drug abuse and trauma recovery, education, job training, parenting skills and safe and sober housing.

II. PROGRAM PROCEDURES

Target clients for these services include women aged 16 and above who are referred from the Court Support Services Division (CSSD) probation officers and the courts.

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
INTENSIVE IN HOME CHILD AND ADOLESCENT PSYCHIATRIC SERVICES (IICAPS)

11000-JUD96114-12105-068

I. PROGRAM OBJECTIVES

The IICAPS program aims to stabilize and maintain children with serious mental health issues in the community with their families. The intent is to improve family functioning, promote positive growth and development and facilitate the healthy integration of the child into the community. IICAPS services are for court involved children with diagnoses that reflect severe emotional or behavioral impairment and for whom more traditional outpatient approaches have not been, or are not likely to be, successful.

II. PROGRAM PROCEDURES

The model creates a working partnership between the child, the family and the treatment team. It does this through an assessment process, facilitating timely access to psychiatric and psychological evaluation, development of a comprehensive treatment plan, individual and couples psychotherapy and crisis response 24/7.

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A

Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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

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. 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 DETENTION RECREATION
11000-JUD96114-12105-066

I. PROGRAM OBJECTIVES

To provide age and developmentally appropriate recreational activities to juveniles housed in the three Juvenile Detention Centers.

II. PROGRAM PROCEDURES

Open ended recreational services are provided to children housed temporarily in the three Juvenile Detention Centers. Activities stress the development of social skills, serve as an outlet for physical and emotional expression and allows 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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative

Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
MEDIATION SERVICES
11000-JUD96114-12043-006

I. PROGRAM OBJECTIVES

To provide a community-based mediation program enabling groups and individuals to resolve disputes through an alternative to traditional adversarial procedures.

II. PROGRAM PROCEDURES

Court cases are screened and at such time as a case is determined to be appropriate for mediation, arrangements are made for the disputants to meet with a panel of volunteers.

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) Intake/screening and case development.
(2) Case mediation and conciliation.
(3) Distribution of mediation information.

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports

Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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 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
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. 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
11000-JUD96114-12105-052

I. PROGRAM OBJECTIVES

The Multisystemic Therapy (MST) program services to address 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, and 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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
PROGRAM SERVICES FOR SEX OFFENDERS
11000-JUD96114-12105-030 (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

This non-residential program operates state-wide providing comprehensive services for sex offenders. Included within the program are assessment/evaluation, individual, group and family treatment and therapy, and training and technical assistance to probation officers. 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) Assessment/evaluation of offenders.
(2) Training activities for Probation staff.
(3) Counseling 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

The contractor must submit accurate and timely financial, narrative and statistical reports as required by contract. They include:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
STATE MATCH PROGRAM - VICTIMS OF CRIME ACT VICTIM ASSISTANCE
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:

Quarterly Financial Reports
Quarterly Statistical Reports
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. Special Tests and Provisions

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

F. 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 through review of financial and progress reports and on-site monitoring visits to provide reasonable assurance that the subrecipient administers State awards in compliance with State requirements.
3. Ensure that required subrecipient audits are performed and require appropriate corrective action on monitoring and audit findings.
4. Ensure that reported subrecipient expenditures are in agreement with subrecipient financial records.

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

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. They include:

Quarterly Financial Reports
Quarterly Statistical Reports
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. 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
WOMEN AND CHILDREN SERVICES
11000-JUD96114-12043-022

I. PROGRAM OBJECTIVES

Women and Children Services operate as one component of a network of comprehensive alternative sanctions. The program is designed to provide cost-effective, safe, community-based intermediate sanctions for young substance abusing women offenders with dependent children to reduce client involvement with the criminal justice system, reduce substance abuse and improve parenting skills.

II. PROGRAM PROCEDURES

Women with addiction problems who have children are sentenced to this service for a maximum of 15 months to participate in a four step model which encompasses (1) a comprehensive needs assessment and development of an individualized treatment plan; (2) intensive substance abuse treatment; (3) community re-entry preparation; and (4) aftercare apartment living.

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) 'Outside' community activities
(3) Case Management
(4) Urinalysis
(5) Child-rearing skills
(6) Skills of daily living

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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
RESIDENTIAL SERVICES PROJECT GREEN
11000-JUD96114-12043-069

I. PROGRAM OBJECTIVES

Community based residential program focusing on community service, case management, skill building, self improvement and recreation.

II. PROGRAM PROCEDURES

Adults (male and female) referred by CSSD staff, DOC/Board of Parole staff or as a direct referral from the bench who have chemical dependency problems that are not severe enough to warrant licensed residential substance abuse treatment. Formal and informal collaborations with various community based services and providers is an essential component of the Project Green 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) Acute care and evaluation.
(2) Sober living residence.
(3) 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

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A

Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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.

Judicial Branch
RESIDENTIAL SERVICES SUPPORTIVE HOUSING
11000-JUD96114-12043-070

I. PROGRAM OBJECTIVES

To provide a comprehensive system of "scattered site" apartment housing with a structured system of support services, interventions and positive reinforcement.

II. PROGRAM PROCEDURES

This program provides housing and supportive services for pretrial, court sentenced, DOC and probation clients over 18 years of age. The program targets individuals who are homeless, at risk of becoming homeless or in need of stable housing. Program design allows the apartment lease to be transferred to the client when appropriate to create a long term housing solution.

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) Case management.
(3) Employment readiness
(4) Reunification with family.

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:

Budget Schedule 1
Budget Schedule 2

Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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.

Judicial Branch
RESIDENTIAL SERVICES REENTRY HOUSING
11000-JUD96114-12043-071

I. PROGRAM OBJECTIVES

Community based residential program focused on single gender housing and intensive case management for adult offenders transitioning from incarceration to the community.

II. PROGRAM PROCEDURES

This program serves adult offenders who are classified as split sentence, probationers that have completed a period of residential treatment and parole to probation cases. Individualized case management is used to address the unique challenges that reintegration into the community involves.

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 case management.
(2) Sober living residence.
(3) 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

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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports

Equipment Inventory Reports
Program Income 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. 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.

Judicial Branch
ENRICHMENT
11000-JUD96114-12105-072

I. PROGRAM OBJECTIVES

Provides 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

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:

- Budget Schedule 1
- Budget Schedule 2
- Salary Schedule 3
- Fringe Benefits Schedule 3A
- Budget Narrative
- Expenditure Reports
- Final Expenditure Reports
- Equipment Inventory Reports
- Program Income 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. 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.

Judicial Branch
MENTAL HEALTH SERVICES
11000-JUD96114-12043-073

I. PROGRAM OBJECTIVES

Community based mental health program offering individual and group counseling, clinical case management, crisis management and medication management.

II. PROGRAM PROCEDURES

Program provides clinical treatment and case management for clients aged 16 and above who have substance abuse issues and moderate to serious mental illness. Referrals may be made by the court, probation, parole and DOC/DMHAS staff.

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) Individual and group counseling.
(2) Clinical case management.
(3) Medication 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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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.

Judicial Branch
YOUTH EQUIPPED FOR SUCCESS (YES!)
11000-JUD96114-12105-075

I. PROGRAM OBJECTIVES

Provides services to medium-risk delinquent juveniles and youth. Also provides services to status offenders in all locations except Hartford, Waterbury, New Haven and Bridgeport. Services are offered in both center based and home based environments and require a cognitive behavioral treatment approach involving both the children and their families.

II. PROGRAM PROCEDURES

Program offers a variety of services based on a client's criminogenic need set. These services include substance abuse, poor self and impulse control, antisocial personality traits, deviant peer associations and negative family functioning.YES programs are designed to offer gender specific and culturally competent programming.

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 were adopted by the Judicial Branch on July 1, 2007. If the Grantee's Agreements were amended, or were new Agreements that started on or after July 1, 2007, the 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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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.

Judicial Branch
MENTORING PROGRAM
11000-JUD96114-12105-076

I. PROGRAM OBJECTIVES

The Mentoring Program is designed to develop and coordinate volunteer Mentor/Mentee relationships for juvenile offenders. Mentors must agree to engage with a Mentee for at least one full year and make efforts to engage the Mentee in pro-social activities that will encourage personal development and growth.

II. PROGRAM PROCEDURES

This program is designed to serve juveniles between the ages of 10-16 with an emphasis on the 10 – 13 age group. Juveniles who are classified as "medium" risk and/or have mild to moderately challenging behaviors are the primary target for mentoring services. Juveniles can be referred to the program either by a Juvenile Probation Officer or a CSSD contracted service provider using an approved risk assessment tool.

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/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:

Budget Schedule 1
Budget Schedule 2
Salary Schedule 3
Fringe Benefits Schedule 3A
Budget Narrative
Expenditure Reports
Final Expenditure Reports
Equipment Inventory Reports
Program Income 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. 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.

SECTION 10

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF LABOR

CONNECTICUT'S YOUTH EMPLOYMENT PROGRAM 1

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Department of Labor
CONNECTICUT'S YOUTH EMPLOYMENT PROGRAM
11000-DOL40000-12205

I. PROGRAM OBJECTIVES

Funds are allocated to the five (5) regional workforce investment boards, also referred to as local workforce investment boards (LWIBs) to operate a year-round youth employment and training program.

II. PROGRAM PROCEDURES

For State Fiscal Year 2010/2011 funds are provided to the 5 local Workforce Boards in accordance with Bill No. 1500, Sec. 5. All funds must be used to operate a year-round youth employment and training program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance requirements
LWIBs may fund any allowable Workforce Investment Act (WIA) youth activity.

(Labor Department policy directive AP 09-32 provide administrative and other programmatic guidelines to boards.)

B. Eligibility

Refer to Labor Department policy directive AP 09-32 attachment "Program Requirements", for eligibility requirements.

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

Use of Funds: a) a maximum of 5% of the total contract amount may be used for indirect costs related to project administration; and b) a maximum of 25% of the total contract amount may be used for supportive services.

(Refer to Labor Department policy directive AP 09-32 attachment titled "Program Requirements.").

D. Special Reporting Requirements

Boards will be required to provide quarterly programmatic and financial reports due for Summer Components August 20th, September 20th and October 20th and for the Year Round Component October 20th, January 20th, April 20th and July 20th. The final reports, including Participant Demographic Report, and close-out package are due August 15, 2011.

(Refer to Labor Department policy directive AP 09-32 attachment titled "Administrative Requirements."

E. Special Tests and Provisions

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

Department of Labor
INCUMBENT WORKER TRAINING
11000-DOL40000-12360

I. PROGRAM OBJECTIVES

Incumbent Worker Training funds are pass-through to local Workforce Investment Boards, by the Labor Department, to be utilized for assistance to employers for job training by eligible businesses.

II. PROGRAM PROCEDURES

Incumbent Worker Training funds are administered by the Department of Labor through contracts with the five (5) local Workforce Investment Boards (LWIBs), who operate the program through contracts with State of Connecticut employers or job training vendors who offer training to multiple employers in a single venue.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance requirements

As required by the Connecticut Employment and Training Commission, which was communicated to LWIBs by the Labor Department in policy number AP 09-26 and AP 09-26 Change 1., Incumbent Worker Training funds were required to be targeted to Healthcare and Manufacturing Industries, focused on skills upgrade. Due to the current economic environment, IWT funds may be targeted to other industries as well, as long as the funding aligns with the LWIB's strategic plan.

B. Eligibility

The auditor is not expected to test for eligibility.

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

Given the current economic environment, the Employer Match this year will be based on a sliding scale. The range will be from 10-50% for the employer, based on the employer's size. Specifically, the employer match will be not less than 10% of the training costs for employers with 25 or fewer employees, 20% of the cost for employers with 26-50 employees, 30% of the cost for employers with 51-75 employees, 40% of the cost for employers with 76-100 employees, and 50% of the cost for employers with more than 100 employees.

(Refer to Labor Department policy directive AP 09-26.)

D. Special Reporting Requirements

Quarterly programmatic and expenditure reports are required from LWIBs, as outlined in Labor Department policies AP 09-26; AP 05-01; AP 05-01 change 1; and AP 05-01 change 2.

E. 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 is a statewide program designed to assist applicants and recipients of Temporary Family Assistance 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

Jobs First Employment Services funds are administered by the Department of Labor (DOL), which operates the program statewide by providing employment services through its Job Center's and through contracts with the five Workforce Investment Boards, and state, local, and community-based not-for-profit agencies. The services contracted for include job search skills training, case management, vocational and basic education, support services, and job placement.

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. The total contract amount cannot be exceeded.
(2) Contracts are either cost reimbursement, or performance-based, or a combination of both.
(3) Services provided with funds from this contract must adhere to the requirements under Section I.E. and I.J.1-3 of the Specific Terms.
(4) Case Management Services funded with funds from this contract must adhere to requirements under Section V. Case Management of the Specific Terms.

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 shall submit monthly expenditure and program invoice reports in accordance with Part III, Specific Terms, of the contract.

(1) The grantee shall submit monthly expenditure and program invoice reports in accordance with Appendix A, Jobs First Employment Services Budget and any subsequent approved contract budget revisions.

(2) The grantee shall submit monthly expenditure and program invoice reports in accordance with Section III. Payments and IV. Administrative Requirements, Cost Principles, and Definition of Administration of Part II Specific Terms.

E. 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 not more than 10% of the contract award.

Suggested Audit Procedures

(1) Determine that budget guidelines are met and budget changes have been approved.

(2) Test to determine Administrative costs do not exceed 10% of the contract award.

Department of Labor
MORTGAGE CRISIS RELIEF
12003-DOL40000-12471

I. PROGRAM OBJECTIVES

The Mortgage Crisis Job Training Program helps borrowers at risk of foreclosure by increasing their job skills and earning potential. The program offers borrowers: Customized Employment Services, Job Retraining, Job Placement Assistance, Financial Literacy, Credit Counseling and Referrals to other Support Services.

II. PROGRAM PROCEDURES

The Mortgage Crisis Job Training Program is a project of the Workplace, Inc. in partnership with the Connecticut Housing Finance Authority (CHFA), Capital Workforce Partners, and Connecticut's workforce system.

Funds are awarded to the Workplace, Inc. Workplace Inc. is responsible to administer the program and enter into sub-contracts for the effective delivery of services.

Regional teams shall ensure the provision of rapid, customized employment services, job training and job placement assistance to borrowers 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).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed and Disallowed

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

Compliance 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. 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. Special Tests and Provisions

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

Department of Labor
OPPORTUNITY INDUSTRIAL CENTERS
11000-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

Non workplace-based projects have many activities that are allowable that would typically not be covered under workplace-based training contracts such as Customized Job Training (CJT) or Manufacturers Assistance Act (MAA) where grant monies may only cover instructional costs and consumable materials such as workbooks. The primary differences are the supportive activities and staff salaries, administrative costs and travel reimbursement. In a non workplace-based contract such as OIC, allowable 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. The following are types of expenses allowed on non workplace-based contract budgets: Administrative costs may include salaries for office staff, executive directors, bookkeepers, custodians, 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. Training costs may include a variety of expenses relating to the delivery of training such as salaries, fringe benefits and taxes for instructors, technicians, training directors or counselors; fees and tuition for trainees only, books, teaching aids such as software, consumable supplies used in training classes (ink cartridges, copy paper, folders, pens, etc.); child care, insurance, phone and postage costs relating to training. The grantee may use the grant for rental of training facilities, maintenance fees and heating or electrical costs, security costs, and travel reimbursement for trainers.

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.

(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. 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
STRIVE
11000-DOL40000-12425

I. PROGRAM OBJECTIVES

STRIVE programs in Hartford, New Haven and Bridgeport provide intensive employability attitudinal workplace preparation. Participation is not subject to income, residence, or any other eligibility. Priority will be given to those who are ex-offenders, non-custodial parents, veterans and people with disabilities. The only absolute criteria is that participants express a willingness to follow program guidelines and rules as described during orientation.

II. PROGRAM PROCEDURES

STRIVE programming is based on a tested national model that provides the basic curriculum and structure. Each site makes modifications as needed based on local circumstances and needs, but will follow basic core elements. The STRIVE model focuses on attitude and soft skills development to assist job seekers in their quest for employment and includes an orientation and training over a three or four week period in a simulated work environment. Graduates of the program earn lifetime job placement assistance, as well as, access to supportive services advocacy to help resolve workplace conflicts and to continue reinforcing the messages and lessons of the training. STRIVE maintains a 75% job placement rate for its graduates, proving the effectiveness of the training model and service delivery.

The program includes job placement and personalized job search assistance. STRIVE remains available to graduates once they become employed.

STRIVE is a national program that has national standards and is reviewed bi-annually by national staff

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of services and Costs Allowed and Disallowed

Allowable activities may include entry level services involving clients such as recruitment and assessments. Additional allowable activities can include the costs of supportive services such as day care expenses, transportation such as bus passes or taxi fares; and exit services such as job retention counseling or job placement assistance.

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. Training costs may include a variety of expenses relating to the delivery of training such as salaries, benefits and overhead costs for trainers, program assistants and job developers, fees and tuition, books, teaching aids such as software, consumable supplies used in training classes, (copy paper, folders, pens, etc.); child care, phone and postage costs relating to training. The grantee may use the grant for rental of training facilities, maintenance fees and heating or electrical costs, security costs, and travel reimbursement for trainers.

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 5% of contract award.

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 reports on participants' barriers to employment, enrollment, placement and retention at ninety days as well as comments on the status of the program.

E. Special Tests and Provisions

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

Department of Labor
21st CENTURY JOBS
11000 -DOL40000 -12358

I. PROGRAM OBJECTIVES

The 21st Century Jobs Skills Program by State of Connecticut statute provides funds directly to the Connecticut Department of Labor to assist eligible businesses in meeting their training needs for their employees. The Department of Labor gives grants to individual businesses and multi-employer collaborative training projects to provide workers with training that is innovative and that will significantly improve the global competitiveness of Connecticut businesses or help meet the high growth training needs of the Connecticut economy.

II. PROGRAM PROCEDURES

The Department of Labor administers this program and consults with the Department of Economic Development and the Department of Education in its planning.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Each contract grant establishes the kinds of costs and a dollar amount for which costs are not to exceed. Contract grants are cost reimbursement.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level of Effort, or Earmarking Requirements

Grantee may be required per Part II Specific Terms of the contract to provide a match equal to at least 100% of the training grant.

D. Special Reporting Requirements

There are no special reporting requirements.

E. Special Tests and Provisions

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

SECTION 11

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

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Department of Mental Health and Addiction Services
ACQUIRED BRAIN INJURY (ABI) / 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. 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. 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. 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. 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
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. 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
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. 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
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. 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. 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. Special Tests and Provisions

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

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. 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 dysfunctioning 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. 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. Special Tests and Provisions

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

Department of Mental Health and Addiction Services
NEXT STEP HOUSING
11000-MHA53000-90504

I. PROGRAM OBJECTIVES

The objectives of the Next Step Housing 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. 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
NEXT STEPS SUPPORTIVE HOUSING
11000-MHA53000-12505

I. PROGRAM OBJECTIVES

The objectives of the Corporation for the Next Steps Supportive Housing 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. 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
PERSISTENT VIOLENT FELONY OFFENDERS ACT
11000-MHA53000-12465

I. PROGRAM OBJECTIVES

The objective of the Persistent Violent Felony Offenders Act is to provide community services to individuals, who are afflicted with psychiatric disabilities or co-occurring disorders, within the criminal justice system.

II. PROGRAM PROCEDURES

The state provides funds to nonprofit organizations for the development and provision of specialized services for 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. 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

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. 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
PRISON OVERCROWDING
11000-MHA53000-12292

I. PROGRAM OBJECTIVES

The objective of the Prison Overcrowding Program is to provide community services to individuals, who are afflicted with psychiatric disabilities or co-occurring disorders, within the criminal justice system.

II. PROGRAM PROCEDURES

The state provides funds to nonprofit organizations for the development and provision of specialized services for 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. Special Tests and Provisions

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

Department of Mental Health and Addiction Services
PSYCHIATRIC AND MENTAL HEALTH SERVICES
11000-MHA53000-16053

I. PROGRAM OBJECTIVES

The objectives of the Psychiatric and Mental Health Services program are 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 dysfunctioning 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. 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
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. Special Tests and Provisions

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

Department of Mental Health and Addiction Services
RESIDENTIAL SUBSTANCE ABUSE TREATMENT SERVICES (D.O.C. BEDS)

11000-MHA53000-90416

I. PROGRAM OBJECTIVES

This program provides residential substance abuse services to individuals referred to DMHAS from the State of Connecticut Department of Corrections (D.O.C.). Twenty-four hour per day short term non-medical services for the drug free management of clients involving highly structured and supervised treatment programs 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. Special Tests and Provisions

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

Department of Mental Health and Addiction Services
SERIOUSLY MENTALLY ILL CHILDREN
11000-MHA53000-90511

I. PROGRAM OBJECTIVES

The objective of the Seriously Mentally Ill Children program is to provide specialized services for young adult's 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 PROCEDURE

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. 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. 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. Special Tests and Provisions

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

SECTION 12

INDIVIDUAL PROGRAMS OF THE OFFICE FOR WORKFORCE COMPETITIVENESS

JOBS FUNNEL PROGRAM 1

NANOTECHNOLOGY INITIATIVE 2

SMALL BUSINESS INNOVATION RESEARCH INITIATIVE... 3

TECHNICAL ASSISTANCE AND RESOURCE PROGRAM 4

WORKFORCE PROGRAM INITIATIVES..... 5

Office for Workforce Competitiveness
JOBS FUNNEL PROGRAM

11000-OWC22000-12108

I. PROGRAM OBJECTIVES

Grant Awards provide funding to support the Jobs Funnel program. The Jobs Funnel represents a joint, public-private effort to create career opportunities in the construction trades for city residents. In addition to the State of Connecticut, partners in Hartford include the City of Hartford, Northeast Utilities, the Hartford Foundation for Public Giving, Capital Workforce Partners, and several trade unions. The Jobs Funnel has provided services, including outreach/recruitment, assessment, case management, pre-employment preparation (consisting of math remediation, life skills workshops, customized training, and/or pre-apprenticeship training), job placement, and retention support services.

II. PROGRAM PROCEDURES

The applicant must submit a grant proposal to the Office for Workforce Competitiveness. 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 Office of Workforce Competitiveness requires quarterly expenditure reports, as well as a fiscal year end financial report, from the grantee.

E. Special Tests and Provisions

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

Office for Workforce Competitiveness
NANOTECHNOLOGY INITIATIVE

11000-OWC22000-12312

I. PROGRAM OBJECTIVES

Grant Awards provide funding to support the assessment of Connecticut's relative position in nanotechnology and strategic analysis of how to develop a plan to leverage Connecticut's nanotechnology resources and assets. A recommended strategic framework will include potential areas of focus and enabling strategies to foster technology-based economic development in a timely manner.

II. PROGRAM PROCEDURES

The applicant must submit a grant proposal to the Office for Workforce Competitiveness. 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 Office for Workforce Competitiveness requires quarterly expenditure reports, as well as a fiscal year end financial report, from the grantee.

E. Special Tests and Provisions

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

Office for Workforce Competitiveness
SMALL BUSINESS INNOVATION RESEARCH INITIATIVE

11000-OWC22000-12450

I. PROGRAM OBJECTIVES

Grant Awards provide funding to support the Small Business Innovation Research (SBIR) program, an important source of innovation capital for existing and emerging small businesses. The program offers small firms the opportunity to compete for set-asides from federal R&D budgets to advance product development. This initiative assists Connecticut companies in pursuing federal SBIR funding through a state SBIR clearinghouse and technical assistance function, which will work with industry associations and cluster organizations.

II. PROGRAM PROCEDURES

The applicant must submit a grant proposal to the Office for Workforce Competitiveness. 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 Office of Workforce Competitiveness requires quarterly expenditure reports, as well as a fiscal year end financial report, from the grantee.

E. Special Tests and Provisions

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

Office for Workforce Competitiveness
TECHNICAL ASSISTANCE AND RESOURCE PROGRAM

11000-OWC22000-12329

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 Office for Workforce Competitiveness. 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 Office for Workforce Competitiveness requires quarterly expenditure reports, as well as a fiscal year end financial report, from the grantee.

E. Special Tests and Provisions

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

Office for Workforce Competitiveness
WORKFORCE PROGRAM INITIATIVES

11000-OWC22000-12079

I. PROGRAM OBJECTIVES

Grant Awards provide funding to pilot workforce initiatives to achieve OWC'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 Office for Workforce Competitiveness. 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 Office for Workforce Competitiveness requires quarterly expenditure reports, as well as a fiscal year end financial report, from the grantee.

E. Special Tests and Provisions

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

SECTION 13

INDIVIDUAL PROGRAMS OF THE OFFICE OF POLICY AND MANAGEMENT

LOCAL CAPITAL IMPROVEMENT PROGRAM 1

PAYMENT IN LIEU OF TAXES (PILOT) ON EXEMPT PROPERTY OF MANUFACTURING FACILITIES IN DISTRESSED MUNICIPALITIES 3

PAYMENT IN LIEU OF TAXES (PILOT) ON PRIVATE COLLEGES AND GENERAL/CHRONIC DISEASE HOSPITALS 5

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Office of Policy and Management
LOCAL CAPITAL IMPROVEMENT PROGRAM
12050-OPM20600-40254

I. PROGRAM OBJECTIVES

To reimburse municipalities for eligible infrastructure projects in the form of entitlement grants.

(Chapter 116b, CGS)

II. PROGRAM PROCEDURES

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 on forms provided 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 reimbursement. This certification is supported by a brief expense summary report submitted by the municipality.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Funds must be used for the scope of work as described on the OPM Authorization/Expenditure Form for the particular project.

Note: Expenditures should be reported on the Schedule of Expenditures of State Financial Assistance in the fiscal year they are incurred. Consistent with past practice the expenditures should be reported in the fiscal year in which the project work is done and the expenditures incurred.

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

There are no special reporting requirements.

E. 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.

Office of Policy and Management
PAYMENT IN LIEU OF TAXES (PILOT) ON EXEMPT PROPERTY OF MANUFACTURING FACILITIES IN DISTRESSED MUNICIPALITIES
11000-OPM20600-17016

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. Special Tests and Provisions

Compliance Requirements

A taxpayer cannot simultaneously claim an eligible machinery and equipment exemption on both Form M-65 or M-65-1 and the following forms M-46A, M-46B, M-46C, M-46C-3 and M-55.

Suggested Audit Procedures

If taxpayer is also eligible for a manufacturing machinery and equipment exemption, compare and review Form M-65 or M-65-1 (Manufacturing Machinery and Equipment Exemption) to Forms M-46B, M-46C-2, and M-46C-3 to ensure that the same property is not included on both claims.

Office of Policy and Management
PAYMENT IN LIEU OF TAXES (PILOT) ON PRIVATE COLLEGES AND GENERAL/CHRONIC DISEASE HOSPITALS

11000-OSC15910-17006

I. PROGRAM OBJECTIVES

To provide for the state reimbursement to municipalities and Special Taxing Districts of a sum of money equal to 77 percent of the property taxes 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. In the event the appropriation does not equal 77 percent such appropriation will be prorated.

(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 municipality shall submit to OPM a claim on Form M-37 C&H by April 1 of each year.

(2) The Tax Collector shall submit to OPM Form M-1 by July 1 of each year. Form M-1 includes the mill rate.

E. Special Tests and Provisions

Compliance Requirements

Form M-37 C&H includes detail reporting of eligible facilities and property.

Suggested Audit Procedures

Test itemized assessments on Form M-37 C&H 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-OSC15910-17004

I. PROGRAM OBJECTIVES

To provide for the state reimbursement to municipalities and boroughs of a sum of money equal to 100 percent of the property taxes on prison/jail facilities and 45 percent on all other types of properties which would have been paid to the municipalities by the state had these properties not been tax-exempt, subject to a cap based on net grand levy on real estate also subject to proration.

(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 municipality shall submit a copy of Form M-37 by April 1 of each year.
(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. Special Tests and Provisions

Compliance Requirements

Form M-37 includes detail reporting of eligible facilities and property.

Suggested Audit Procedure

Test itemized assessments on Form M-37 to assure that the assessment matches the amount on the Grand List.

Office of Policy and Management
PROPERTY TAX RELIEF FOR ELDERLY AND TOTALLY DISABLED HOMEOWNERS
11000-OPM20600-17018

I. PROGRAM OBJECTIVES

To relieve the tax burden of needy elderly and totally disabled homeowners.

(Section 12-170aa, CGS)

II. PROGRAM PROCEDURES

The state reimburses municipalities for losses of revenues resulting from the tax credits granted to elderly and totally disabled homeowners based on statutory formula amounts. An approved application is valid for two years.

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) 65 years or older; or 50 years or older if the surviving spouse of a formerly qualified recipient; or eligible for disability payments under Social Security Regulations.

(2) Submit applications every two years. Note that Homeowner applications that were taken for the 2008 Grand List (Renewals) are calculated for the 2009 Grand List using the 2008 qualifying income schedule, not the schedule below.

(3) Qualifying as defined on Form M-35H:

2009 BENEFIT YEAR (Grand List Year)

QUALIFYING INCOME		CREDIT AS % OF TAX		MAXIMUM CREDIT		MINIMUM CREDIT	
Over	Not Exceeding	Married	Single	Married	Single	Married	Single
$ 0	$16,100	50%	40%	$1,250	$1,000	$400	$350
16,100	$21,700	40%	30%	1000	750	350	250
21,700	$27,100	30%	20%	750	500	250	150
27,100	$32,300	20%	10%	500	250	150	150
32,200	$39,500	10%	0%	250	None	150	-0-

(Section 12-170aa(b)(c), CGS) Tables are updated annually for the Social Security Cost of Living Adjustment (COLA).

The Grand List used in the reimbursement calculation is the October 1, 2009 list.

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

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

D. Special Reporting Requirements

The municipality shall submit a claim to OPM on Form M-35B by July 1 of each year. The form identifies individuals receiving the credit and the amount of the credit.

Compliance Requirements

E. 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 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 is 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 reports gross assessments by property owner and the 1984 Grand List Frozen Tax.

E. Special Tests and Provisions

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

Office of Policy and Management
PILOT-PROPERTY TAX RELIEF FOR MANUFACTURING MACHINERY AND EQUIPMENT AND COMMERCIAL VEHICLES
11000-OPM20600-17031

I. PROGRAM OBJECTIVES

Provide for the reimbursement to municipalities, by the state, for property taxes on new and newly acquired manufacturing equipment for a five year period following acquisition and installation of qualified machinery and equipment and certain new trucks for a five year period following registration. (Reimbursement is at 80%, exemption remains at 100%; municipalities absorb 20%.)

(Sections 12-81(72) and 12-81(74) and, 12-94b and 12-94c, CGS)

Provide for the reimbursement to municipalities, by the State, for property taxes on qualified manufacturing machinery and equipment that is six years old or older.(Section 12-94(f) effective 10/01/2006, 20% state reimbursement, 80% property owner's responsibility. Exemption increases over five years in 20% increments as state's portion increases, the property owner's portion of the tax decreases.)

II. PROGRAM PROCEDURES

The Assessor of the municipality files claims with the Office of Policy and Management ("OPM") based on the assessed value of exemption granted on personal property used for manufacturing and for certain new trucks.

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

Claims submitted by a municipality must be for applicants who filed applications (Forms M-65 or M-65 Supplemental Form for Manufacturing and Biotechnology Machinery and Equipment and Form M-65MV) for machinery and equipment acquired after October 1, 1999 which is:

(1) Installed in a manufacturing facility;

(2) 5 or 7 year property as defined in Section 168(e) of the IRS Code;

(3) Predominantly used for manufacturing, processing, or fabricating; for research and development; design or engineering directly related to manufacturing; for the significant servicing, overhauling or rebuilding of machinery and equipment for industrial use or the significant

overhauling or rebuilding of other products on a factory basis; for measuring or testing or for metal finishing; or used in the production of motion pictures, video and sound recordings; or used in connection with biotechnology or used in connection with recycling as defined in CGS 22a-260 and installed on or after July 1, 2006. Examples of items not allowed include: software, pollution equipment and HVAC.

(4) Commercial trucks with a gross weight rating in excess of 26,000 pounds (CGS 12-81 (74)(A)(i)) and used exclusively for the transportation of freight for hire, or commercial trucks with a gross vehicle weight rating in excess of 55,000 pounds (CGS 12-81 (74)(A)(ii))that do not qualify for exemption as "for hire" freight carriers.

Note: An adjustment to the claim does not need to be reported if it is in compliance with an adjustment/ directive from OPM.

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 municipality shall submit a claim on Form M-65a, M65a Supplemental and M-65aMV by March 15 of each year, along with supporting Forms M-65, M-65, Supplemental Form for Manufacturing and Biotechnology Machinery and Equipment and Forms M-65MV for the initial year of eligibility.

E. 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 citizens 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 citizens.

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 $39,500 if married, or $32,300 if single for exemptions on the 2009 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.

- Applicant must reapply every two years for increased 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 is 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. Special Tests and Provisions

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

Office of Policy and Management
REGIONAL PLANNING GRANT-IN-AID
12060-OPM20600-90303

I. PROGRAM OBJECTIVES

Each Regional Planning Agency, Regional Council of Governments and Regional Council of Elected Officials (known collectively as regional planning organizations) is entitled to a grant-in-aid to support its various planning activities.

II. PROGRAM PROCEDURES

The state provides a grant to each of fifteen (15) regional planning organizations (RPOs) to be used to provide member municipalities with a wide range of regional services and direct technical assistance.

(Section 4-124q, CGS)

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

There are no special reporting requirements for the auditor to perform.

E. Special Tests and Provisions

Compliance Requirements

(1) The amount of dues collected from participating municipalities is used to determine the distribution of the State Grant after the distribution of the base grant to each RPO.
(2) Agencies are required to certify the amount of local dues that they collect.

Suggested Audit Procedures

Review the certifications of local dues to assure that actual dues collected match the certified amount.

Office of Policy and Management
REGIONAL PERFORMANCE INCENTIVE PROGRAM
11000-OPM20600-16194

I. PROGRAM OBJECTIVES

Regional Performance Incentive Program grants are provided to Regional Planning Organizations (Regional Planning Agencies, Regional Councils of Governments and Regional Councils of Elected Officials) or combinations thereof, as an incentive to develop regional programs which provide measurable savings as well as valuable services to participating municipalities.

II. PROGRAM PROCEDURES

The state provides a grant to applicant regional planning organizations (RPOs) that submitted proposals, which were selected for funding, to be used to provide member municipalities with valuable regional services that will also yield savings through cooperative efforts and/or bulk purchasing.

Section 4-124s, CGS

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

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

The RPO is required to submit the following reports:

- quarterly progress report
- quarterly detail expenditure report
- cumulative expenditure report (quarterly and final report)

E. Special Tests and Provisions

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

SECTION 14

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF PUBLIC HEALTH

"AIDS" SERVICES 1

BREAST AND CERVICAL CANCER DETECTION AND TREATMENT 3

CHILDREN WITH SPECIAL HEALTH CARE NEEDS 4

CHILDREN'S HEALTH INITIATIVES 6

COMMUNITY HEALTH SERVICES PROGRAM..... 7

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RAPE CRISIS 15

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SERVICES FOR CHILDREN AFFECTED BY AIDS..... 18

SEXUALLY TRANSMITTED DISEASES 19

X-RAY SCREENING AND TUBERCULOSIS CARE 20

Department of Public Health
"AIDS" SERVICES

11000–DPH48500–12236

I. PROGRAM OBJECTIVES

The objective of the "AIDS" Services program is to conduct community-based Acquired Immune Deficiency Syndrome ("AIDS") outreach education programs and risk reduction programs by providing education, counseling, Human Immunodeficiency Virus ("HIV") antibody testing services and secondary support services.

II. PROGRAM PROCEDURES

The state contracts with municipalities, not-for-profit organizations, hospitals, and individuals who provide AIDS prevention services targeted at persons in high-risk groups.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed include AIDS-related:

(1) Educational programs
(2) Counseling and testing programs
(3) Preventative programs
(4) Public information programs
(5) Epidemiological seroprevalence studies

(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. Special Tests and Provisions

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

Department of Public Health
BREAST AND CERVICAL CANCER DETECTION AND TREATMENT
11000-DPH48500–12255

I. PROGRAM OBJECTIVES

The objective of the Breast and Cervical Cancer Detection and Treatment Program is to provide comprehensive breast and cervical cancer screening and diagnostic 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 and diagnostic 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. Special Tests and Provisions

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

Department of Public Health
CHILDREN WITH SPECIAL HEALTH CARE NEEDS

11000–DPH48500-12264

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, 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. Special Tests and Provisions

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

Department of Public Health
CHILDREN'S HEALTH INITIATIVES
11000–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 AIDS Prevention, Asthma, Child Sexual Abuse Clinics and Substance Abuse Prevention.

II. PROGRAM PROCEDURES

The state contracts with municipalities and not-for-profit organizations and medical faciities 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. 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 wide range of preventive, primary care and disease management services. These may include pediatric, adolescent, prenatal and reproductive primary health care adult and geriatric health care. Depending on the availability of resources, many offer dental care, addiction services, mental health, social services and outreach programs.

II. PROGRAM PROCEDURES

The State contracts with municipalities and 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. Special Tests and Provisions

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

Department of Public Health
CHILDHOOD LEAD POISONING
11000–DPH48500–12227

I. PROGRAM OBJECTIVES

The objective of the Lead Poisoning Prevention Program is to improve the health of Connecticut's children through grants directed at children's health needs.

II. PROGRAM PROCEDURES

The state contracts with municipalities to provide lead poisoning prevention 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

A final expenditure report, which agrees with the grantees accounting records, must be filed.

(Section 19a-2a, 19a-111a, CGS)

E. Special Tests and Provisions

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

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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-76, 202, 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 serves three or more municipalities irrespective of the combination total population of such municipalities to be eligible to receive per capita.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

(1) Allowed services include:
- Public health statistics compilation
- Health education services
- Nutritional services
- Maternal and child health services
- Communicable and chronic disease control efforts
- Environmental health services
- Community nursing services
- Emergency medical services

(2) Disallowed services include:
- Conferences/conventions
- Membership dues
- Municipal reports
- Clothing
- Uniforms
- Capital/remodeling or improvement of facilities

(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

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. 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
11000–DPH48500–12100

I. PROGRAM OBJECTIVES

The objective of the Needle and Syringe Exchange Program is to reduce the spread of HIV in the intravenous drug using population by reducing needle sharing. Under this program, used needles or syringes may be turned in for an equal number of new needles on a free and anonymous basis.

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.

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. Special Tests and Provisions

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

Department of Public Health
GENETIC DISEASES PROGRAM
11000-DPH48832–16121

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) Nutritionalist 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. 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. 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, 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. Special Tests and Provisions

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

Department of Public Health
SERVICES FOR CHILDREN AFFECTED BY AIDS
11000–DPH48500–12259

I. PROGRAM OBJECTIVES

The objective of the Services for Children Affected by AIDS Program is to provide mental health services to children affected by AIDS.

(Sections 19a-2a, 4-8, and 19a-121g, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations to provide mental health services to children affected by AIDS.

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, 19a-32, and 19a-121g, CGS)

E. Special Tests and Provisions

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

Department of Public Health
SEXUALLY TRANSMITTED DISEASES
11000–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. 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
11000–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. Special Tests and Provision

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

SECTION 15

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF PUBLIC SAFETY

GRANT-IN-AID TO MUNICIPALITIES 1

TELECOMMUNICATIONS FUND 2

Department of Public Safety
GRANT-IN-AID TO MUNICIPALITIES
13019-DPS32110-41238

I. PROGRAM OBJECTIVES

The Grants-in-Aid to Municipalities provides funds to authorized entities for construction, renovation, improvement, and studies for any authorized entity which either operates or has a community interest in a Police and/or Fire facility. (Grantees can be fire districts as well as municipalities – the term "authorized entity is taken from the MOU)

II. PROGRAM PROCEDURES

The State of Connecticut, Department of Public Safety, provides Grants-in-Aid by means of a contract to municipalities.

(Section 4-66a)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

See Memorandum of Understanding between the Department of Public Safety and Municipality outlining the allowable services and activities.

Expenditures are for construction, renovation, improvement, or study.

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 grantee shall submit verification of work completed at each stage of the project identified in the grant agreement. A final expenditure report is also required.

E. Special Tests and Provisions

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

Department of Public Safety
TELECOMMUNICATIONS FUND
12060-DPS32740-35190

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

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 funding) must submit quarterly and Annual financial and program reports.

E. Special Tests and Provisions

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

SECTION 16

INDIVIDUAL PROGRAMS OF THE CONNECTICUT STATE LIBRARY

CONSTRUCTION GRANTS TO PUBLIC LIBRARIES 1

GRANT TO THE CONNECTICUT LIBRARY CONSORTIUM 3

HISTORIC DOCUMENTS PRESERVATION GRANTS 4

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, 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

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-third of the total construction cost, not to exceed $1,000,000.

D. Special Reporting Requirements

There are no special reporting requirements.

E. 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. Payments are made semi-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. 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

Compliance Requirements

No match is required.

D. Special Reporting Requirements

There are no special reporting requirements.

E. 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

ACQUIRED BRAIN INJURY (ABI) 1

AREA AGENCIES ON AGING 3

BEFORE AND AFTER SCHOOL (BAS) 5

CHILD DAY CARE (CDC) 7

CHILDREN'S TRUST FUND 11

CHOICES PROGRAM 14

COMMUNITY SERVICES (CSV) 16

CONGREGATE HOUSING SUPPORT PROGRAM – STATE MATCH FUNDS 18

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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 17-681, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations who provide services to people with acquired brain injury.

(Section 17-681, CGS)

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 8 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)

(Sections 8-210 and 8-222, CGS)

Some DSS contracts require that earmarked funds be spent for specific purposes or be returned to the DSS. (See Contract)

(Sections 3-39a, 8-222 and 17-571, CGS)

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. 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.)

(Sections 3-39a 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 approved 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 Social Services
AREA AGENCIES ON AGING:
FEDERAL TITLE III MATCH
ELDERLY NUTRITION & DISCRETIONARY
AREA AGENCY ON AGING ADMINISTRATIVE FUNDING

11000-DSS60000-16123-10155

11000-DSS60000-16123-10160

11000-DSS60000-16123-10163

I. PROGRAM OBJECTIVES

The Area Agencies on Aging program provides funding for social and nutrition services for the elderly in accordance with the provisions of Title III of the Older Americans Act of 1965 as amended. (Sections 17b-421-426, 792 CGS)

II. PROGRAM PROCEDURES

The state contracts for services with not-for-profit Area Agencies on Aging, which coordinate the provision of social services for elderly citizens 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 service, in home services, disease prevention, health promotion services, nutrition and administrative costs.

(Sections 17b-421-426, 792 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 Social Services are required to be submitted by the contractor at monthly and/or quarterly intervals.

(Sections 17b-421-426, 792, CGS)

E. Special Tests and Provisions

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

Department of Social Services
BEFORE AND AFTER SCHOOL (BAS)
11000-DSS60000-16160

I. PROGRAM OBJECTIVES

This program provides contracts to encourage the use of school facilities for child day care services before and after school.

(Section 17b-737 CGS)

II. PROGRAM PROCEDURES

The state contracts with a municipality, board of education or child care provider. Such provider shall guarantee the availability of a school site which meets the standards set by the Department of Public Health in the regulations adopted under Sections 19a-77 through 80, inclusive, and Sections 19a-81 through 87a, inclusive. The said provider shall agree to provide liability insurance coverage for the program.

(Section 17b-737 CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Services allowed for contracted funds are:

(1) For maintenance and utility costs directly attributable to the use of the school facility for the day care program.

(2) For related transportation costs.

(3) For the portion of the municipality, board of education or child care provider liability insurance cost directly attributable to the day care program.

(4) The operational costs directly attributable to the day care program.

(Section 17b-737, 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 contractor shall submit the following reports:

(1) Quarterly Expenditure Report (DSS 304)
(2) Financial Status Report (DSS 305)
(3) Program Reports, as required
(4) Semi-annual Program Report DSS 2042S

E. 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
CHILD DAY CARE (CDC)

11000-DSS60000-12224

11000-DSS60000-16152

11000-DSS60000-16158

11000-DSS60000-16160-60794

11000-DSS60000-17022

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 Public Health 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 DSS Contract, Part I, Program).

(2) Financial assistance may provide reimbursement for enrolled children or support the renovation and remodeling of physical facilities (8-210(b)). (See DSS Contract, Part I, Grant-In-Aid and Financial Management)

(3) Each center that the contractor supports with contract funds must be licensed by the State Department of Public Health. (See DSS Contract, Part I, Program)

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 Contract, Part I, Program)

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

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 Contract, Part I, Program)

d. To determine family income eligibility, contractors, at a minimum, shall obtain gross pay documentation from the family members for the last four consecutive weeks, or its equivalent. Family members beginning employment that have not been employed, for the last four consecutive weeks, are required to provide documentation, on the letterhead of the employer(s), of the gross pay amount(s), the frequency of the pay and the hours of work related to the pay amount(s). In all cases, income documentation shall be extrapolated to fifty-two weeks as further established by the contract. In instances where the last four consecutive weeks are not an accurate reflection of the family's gross earnings for the past year, the family, at its discretion, may provide fifty-two weeks income documentation. (See Contract, Part I, Program)

(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 Contract, Part I,Program)

(3) Of families enrolled, at least 80% of enrolled children's families shall be employed for pay. (See Contract, Part I, Program)

(4) Accreditation Requirement (See Contract Part I, Accreditation, 1 through 9)

(5) Contractors are required to obtain and retain a valid birth certificate for all enrolled children (See Contract Part 1, Program)

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

Compliance Requirements

Funds remaining at the end of the contract are to be returned to the DSS

or, at the discretion of the DSS, be retained and used by contractors as a part of a new contract period if a new similar contract is executed. (See Contract, Part I, Financial Management)

(Sections 3-39a, CGS)

D. Special Reporting Requirements

Compliance Requirements

Contractors, at a minimum, shall submit:

(1) Program Status Reports (DSS 304C) for each program period as defined by the DSS. (See Contract, Part I, Reporting)

(2) If required by the contract, an Outcome Measure Report (DSS 309C) within 30 days of the First six months and within 60 days of the end of the contract. (See Contract, Part I, Reporting)

E. Special Tests and Provisions

Compliance Requirements

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

(Sections 17b-1, CGS)

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 DSS 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 co-payment as the fee. (See Contract, Part I, Financial Management and the Approved Fee Schedule)

(2) Contractors are required to provide infant and toddler and/or preschool child care services for a minimum of ten hours per day Monday through Friday and school age child care services for a minimum of two and one-half hours per day Monday through Friday when school is in session and ten hours per day per week when school is not in session. (See Contract, Part I, Program)

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

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

(5) Contractors are required to enroll infant/toddler, preschool and school age children when school is not in session for thirty or more hours per week and school age children when school is in session for fifteen or more hours per week. (see Contract Part 1, Program)

(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, the Connecticut Department of Education'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 Contract, Part I, Program)

(7) Contractors with school-age programs that are not co-located with an accredited or pre-accredited infant/toddler or preschool program must report specific outcomes. (See Contract, Part 1, Outcomes and Measures)

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 outcomes were measured, documented and reported accurately.

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

Department of Social Services
CHILDREN'S TRUST FUND
COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION
11000-CTF94000-12042

I. PROGRAM OBJECTIVES

The Nurturing Families Network programs seek to prevent child abuse and neglect by engaging and supporting families when their first baby is born. Currently operating at maternity hospitals across Connecticut, Nurturing Families Network is a voluntary program that works with and supports parents by providing information about the HUSKY program and pediatric care, a developmental calendar, and an invitation for up to six months of ongoing parental support and information about community resources. Nurturing Families Network has three components: Nurturing Connections, Nurturing Parenting Groups and Home Visiting Services.

The Family Empowerment Initiative programs assist high-risk groups of parents with children of various ages. The programs are co-located in various settings where families may be addressing other issues, including a school, a substance abuse center, a prison, a domestic violence shelter, a child guidance center and a public housing project.

The Help Me Grow program is designed to ensure that all young children and their families have access to a system of early identification, prevention and intervention services. The program links pediatric professionals, parents and childcare providers with existing community resources through a toll-free telephone number, and targets at-risk children ages birth through five who are not eligible for Connecticut's Birth to Three program or Preschool Special Education Services.

The Parent Leadership Training program provides grants to community based organizations to offer classes to parents to help improve the health, safety and education of children in leadership skills and by supporting the involvement of parents in community affairs.

The Family School Connection program provides home visiting and support services to families whose children are struggling with truancy, behavioral or academic issues at school – and are likely to be struggling at home. The program encourages positive family development through three key strategies: home visitations, tutoring and outreach.

The Children's Legal Rights program provides experienced lawyers for indigent children who will give them a voice and represent their best interest in family court.

II. PROGRAM PROCEDURES

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

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Service 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.

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

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 each quarter or as specifically stated by the CTF.

Compliance Requirements

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

E. Special Tests and Provisions

Compliance Requirements

Any funds unexpended upon the expiration of the CTF contract period must be returned to the CTF within 30 days after receiving notice from CTF.

Suggested Audit Procedures

Determine, through examination of records, that unexpended funds were returned to the CTF within the allowed time period.

Compliance Requirements

Allowable annual budget variances: Line item expenses within Children's Trust Fund-funded program cost centers up to 5% of each line item or $5,000, whichever is greater; individual salary variances within Children's Trust Fund-funded program cost centers, up to 10% or $3,500, whichever is greater.

The contractor may request approval from the Children's Trust Fund to exceed the above stated limits for variances, provided that request is submitted on the appropriate Budget revision forms. CTF 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.

Department of Social Services
CHOICES PROGRAM

11000-DSS60000-10020,
11000-DSS60000-16123-10161

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.
(Sections 17b-427, CGS)

II. PROGRAM PROCEDURES

The state contracts with Area Agencies on Aging to provide information and referral services, one-on-one counseling, education, outreach, and assistance on Medicare Rx and for Long Term Care Options Counseling.

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) Medicare Rx enrollment and assistance and Long Term Care Options Counseling
(2) Funds can be used for social services and
administrative costs.
(Section 17b-427, 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 Social Services are required to be submitted by the Contractor at monthly and/or quarterly intervals.

E. Special Tests and Provisions

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

Department of Social Services
COMMUNITY SERVICES (CSV)

11000-DSS60000-16160-10401

11000-DSS60000-16160-10405

11000-DSS60000-17083

I. PROGRAM OBJECTIVES

The purpose of the Community Services Program (CSV) is to provide services to "vulnerable" individuals and/or families with special emphasis to serve those groups that are less able than others to care for themselves (e.g. special needs children, youth and elderly). "Vulnerable" or "at-risk" individuals are defined in detail in Part I, Section A. 2. of the contract.

(Section 4-8, 17b-3 CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations and municipalities that provide services (listed in each contract) to "vulnerable" populations. The state provides payments in accordance with an approved budget and program plan for these services (e.g. case management, one-on-one counseling, information and referral, etc.).

(Sections 4-8, 17b-3 CGS)

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, 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

Compliance Requirements

Eligible client current household incomes must be at or below 150 percent of the federal poverty guidelines.

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 shall submit the following reports:

(1) Quarterly Expenditure Report (DSS 304)
(2) Quarterly Financial Status Report (DSS 305)
(3) Quarterly Program Report (DSS 2044)
(4) Six Month Program Narrative Reports (DSS 2055).

(See Contract.)

E. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS, except that unexpended funds may, at the discretion of the commissioner, be carried over and used as part of a new contract period if a new similar contract is executed. (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 may be contained within the Contract. (See Individual Contract Packages)

Suggested Audit Procedures

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

Department of Social Services
CONGREGATE HOUSING SUPPORT PROGRAM – STATE MATCH FUNDS
11000-DSS60000-16160-10403

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 was 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 4-8,17b-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

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 Social Services are required to be submitted by the contractor at monthly and quarterly intervals.

a. Quarterly Expenditure Report (DSS304)
b. Financial Status Report (DSS305)

(See Contract.)

E. Special Tests and Provisions

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

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

(Regulations, Section 17b-342)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations for services related to client health and/or living needs. The State contracts for appropriate client services, ascertained by the not-for-profit organizations by individual needs assessments of the client; for compilation of data; and for monitoring or 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

(Regulations, 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.

(Regulations, Section 8-119g-12, 17b-342) and Contractual Requirements

E. Special Tests and Provisions

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

Department of Social Services
CONNECTICUT LEGAL SERVICES
CENTER FOR MEDICARE ADVOCACY

11000-DSS60000-10020

11000-DSS60000-16123-10161

I. PROGRAM OBJECTIVES

These programs provide funding for legal and advisory services for the elderly.

(Section 17b-427 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 17b-427, 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 Social Services are required to be submitted by the Contractor at monthly and/or quarterly intervals.

(Section 17-136h, CGS)

E. Special Tests and Provisions

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

Department of Social Services
EMERGENCY SHELTER SERVICES (ESS)

11000-DSS60000-16149-10251

11000-DSS60000-16149-10257

I. PROGRAM OBJECTIVES

The program provides emergency housing, food and social support (i.e., counseling, information and referral, health, nutrition, hygiene, transportation, and follow-up) for individuals and families during periods of temporary homelessness while they formulate longer term plans.

(Section 17b-800, 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 17b-800, 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 17b-800, 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 17b-800, CGS)

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.)

(Section 17b-800, CGS)

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) Six month program narrative report (DSS 2055)
(4) Monthly Homeless Shelter Report and Quarterly Demographic Report

(See Contract.)

(Section 17b-800, CGS)

E. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS. (See Contract.)

(Sections 17b-1 through 17b-3, 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 Social Services
EVICTION PREVENTION PROGRAM (EPP)

11000-DSS60000-16149-10259

11000-DSS60000-16149-10260

I. PROGRAM OBJECTIVES

The purpose of the Assessment and Mediation Program is to prevent homelessness among families whose income does not exceed 60 percent of the state median income and who are at risk of becoming homeless or are in imminent danger of eviction or foreclosure.

(Sections 17b-804 and 805, CGS)

II. PROGRAM PROCEDURES

The state contracts with not-for-profit organizations who provide intervention of trained community-based mediators who use assessment, mediation and, when necessary, rent bank resources, to keep families in their homes.

(Sections 17b-804 and 805, CGS)

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 and in the program guidelines which provide definitions and delineate minimum procedures.

(Sections 17b-804 and 805, 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

Compliance Requirements

The current income of clients receiving services shall not exceed 60 percent of the state median income.

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

Compliance Requirements

(1) A contract may require a matching local share. (See Contract)

(Sections 17b-853, CGS)

(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)

(Sections 3-39a, and 17b-853, CGS)

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 or monthly program reports
(4) 6 Month and Year End Program Narrative Reports

(See Contract.)

E. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS. (See Contract.)

(Sections 3-39a, 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 and the approved DSS Guidelines. (See Contract)

Suggested Audit Procedures

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

Department of Social Services
FATHERHOOD INITIATIVE PROGRAM (FIP)
11000-DSS60000- 16160

I. PROGRAM OBJECTIVE

The goal of the Fatherhood Initiative of Connecticut 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 Fatherhood Initiative of Connecticut 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 who provide program services that must 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 are as follows but not limited to: education, training and employment; parenting education; counseling, support and self-help; legal assistance and court advocacy; mental health and/or substance abuse services; housing; transportation; domestic violence services; conflict resolution and anger management; mentoring; relationship mediation; and pregnancy prevention. The state provides quarterly payments in accordance with an approved budget and description of services.

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) Six-month Program Status Report
(5) Request For Payment Form (W-1270.
(6) Other reports as specified.

(See contract)

E. 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.

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

HEALTHY START

11000-DSS60521-41002

I. PROGRAM OBJECTIVES

Healthy Start

The Healthy Start program provides health-related case management services to eligible pregnant women and children under 3 years of age, with family incomes at or below 185% of the Federal Poverty level. The overall goal of this program is to improve birth outcomes by ensuring access to prenatal care services, with follow-up post delivery up to age three for children.

II. PROGRAM PROCEDURES

The state contracts with 5 contractors consisting of municipalities, not-for-profit community-based organizations, community health centers and hospitals for appropriate Healthy Start and outreach services for pregnant women and children up to age 3.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are those as stated in the contractor's budget and program plan. Pregnant women and children identified and assessed as high risk (limited motivation and in need of ongoing direction) will participate in the development of their own comprehensive care plans, which will include the types of support, assistance and referrals they need. Low risk clients will receive referrals, liaison and care coordination services based on needs.

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 shall submit the following reports:

(1) DSS 304 and 305
(2) Program Reports (as required)
(3) Quarterly Financial Expenditure Reports

E. 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.

Compliance Requirements

Program-specific requirements, special tasks and special contract conditions are contained within the 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

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.

(2) Services funded through this category include:
- Information and Referral
- Education
- Job training
- Job development
- Job placement
- Counseling
- Career assessment
- Skill training
- Supportive services
- Motivational Pre-employment Training

(3) 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.)

(Sections 3-39a, 17b-853, CGS)

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 Report (DSS 2044)
(4) Six Month Program Narrative Report (DSS 2055)
(5) Quarterly statistical reports
(6) Other reports as specified (See Contract.)

E. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS. (See Master Contract.)

(Section 3-39a)

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.)

(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
HOME SHARE PROGRAM
11000-DSS60000-17038-10352

I. PROGRAM OBJECTIVES

This program provides funding to assist the elderly to find suitable home sharing arrangements.

(Section 17b-425, CGS)

II. PROGRAM PROCEDURES

The state contracts for services with not-for-profit agencies and municipalities and social service contractors, which coordinate the provision of social services for elderly citizens 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 service, and administrative costs.

(Section 17b-425, 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 Social Services are required to be submitted by the Contractor at monthly and/or quarterly intervals.

(Section 17b-425, CGS)

E. Special Tests and Provisions

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

Department of Social Services
HUMAN RESOURCE DEVELOPMENT (HRD)

11000-DSS60000-16151

11000-DSS60000-17025

I. PROGRAM OBJECTIVES

The purpose of the Human Resource Development (HRD) program is to mobilize and utilize public and private resources in an attack on poverty, including, but not limited to:

(1) Develop employment opportunities

(2) Improving human performance

(3) Bettering the conditions under which people live, learn and work

II. PROGRAM PROCEDURES

The state provides payments in accordance with an approved budget and program plan for case management one-on-one counseling, information and referral, group training and education, organization of neighborhood and community groups, youth recreational services and virtually any program designed to eliminate poverty or its causes.

(Sections 17b-852 through 17b-853, CGS)

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed costs are specified in the contractor's contract with the state.

(Section 17b-852, 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

Compliance Requirements

Eligible client current household incomes must be at or below 150 percent of the federal poverty guidelines.

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)

(Sections 17b-852 and 17b-853, CGS)

D. Special Reporting Requirements

Compliance Requirements

The contractor shall submit the following reports:

(1) Quarterly Expenditure Report (DSS 304)
(2) Quarterly Financial status Report (DSS 305)
(3) Quarterly Program Report (DSS 2044)
(4) Six Month Program Narrative Reports (DSS 2055).

(See Contract.)

E. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS, except that unexpended funds may, at the discretion of the commissioner, be carried over and used as part of a new contract period if a new similar contract is executed. (See Contract.)

(Sections 17b-1 through 17b-3, 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 - Individual Contract Packages)

Suggested Audit Procedures

Obtain a copy of each contract, 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, Section 3 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 (DSS 304)
(2) Financial Status Report (DSS-305)
(3) Quarterly Program Reports
(4) Six-month Programmatic Narrative Report
(5) Request For Payment Form (W-1270.
(6) Other reports as specified.

(See contract)

E. 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.

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 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.

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 prepare and submit two special reports: A Time Study and a Cost Report. See Section E, Special tests and Provisions.

E. 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) or a triennial reevaluation. Payment for initial assessment costs is allowed for assessments resulting in an approved IEP that includes these assessment activities. 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 student census report issued by the State's Department of Administrative Services.

(2) 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 or triennial reevaluation recommending a Medicaid eligible service.
   B. A Medicaid Service Information (MSI); Part 1 and Part 2 (For Specific Months).

(3) By comparing the MSIs to the IEP or initial evaluation/reevaluation report, 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.

(4) Request the LEA provide you with a copy of a current Charge Detail Entry Report (provided by DAS to the LEA upon request) which includes the students included in the above sample.

(5) By comparing the MSI forms in each student's file to the Charge Detail Entry Report, determine that no service is listed on the Charge Detail Entry Report without the presence of a corresponding MSI form.

Compliance Requirements

The Timestudy Timesheets and Summary Worksheets 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 (ED001) between various categories on the School Based Child Health Cost Report.

Suggested Audit Procedures

Obtain copies of the timestudy reports which were filed with the State Department of Social Services by the LEA and review the reports for completeness and accuracy.

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.

Suggested Audit Procedures

(1) Obtain a copy of the audited End of Year School Report (ED001) for the year being tested.
(2) Determine that the amounts reported on ED001 Schedule 4, Column 2, equal those amounts reported on the Cost Report.
(3) 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

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. And, contracts with municipalities or state agencies for planning, site preparation, construction, renovation or acquisition of facilities for use as child care facilities to be used primarily by the children of employees of such municipalities and state agencies.

(Section 8-210, 17b-803, 17b-734 and 4-66c, 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.)

(Sections 17b-1, 17b-734, 17b-803, 8-210 and Chapter 54, 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.)

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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.) (Section 8-210, CGS)

(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. 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.

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 III – 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-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-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-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, Part II, Section 21)

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 Report

E. 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
RENTAL ASSISTANCE PROGRAM (RSAF)
11000-DSS60000-16149-10255

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 organizations which provide 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 Social Services ("DSS") contracts require that earmarked funds be spent for specific purposes or be returned to the DSS. (See Contract.)

(Sections 3-39a, 8-222 and 17-571)

D. Special Reporting Requirements

Compliance Requirements

(1) The contractor must submit monthly payment request (No. W-1270), balance sheet and program costs statement.

(2) Supportive housing contractor must submit quarterly payment request (No W-1270) and program costs statements (No.DSS 304, 305).

E. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS.

(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 Social Services
RESIDENCES FOR PERSONS WITH AIDS (AID)
11000-DSS60000-16149-10252

I. PROGRAM OBJECTIVES

To provide scattered site housing to Persons With AIDS (PWAs), to operate and maintain group home residences for PWAs, 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 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) Six Month Report and Final Report, Annually.
(See Contract.)

E. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS. (See Contract.) (Section 17b-3-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 action, 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.

(Section 17b-112(e), C.G.S.); and

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. 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)

(Sections 3-39a, 17b-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. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS. (See Contract.)

(Sections 3-39a, 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 SOCIAL SERVICES

RETIRED SENIOR VOLUNTEER PROGRAM (RSVP):
11000-DSS60000-16123-10158

SENIORS HELPING SENIORS:11000-DSS60000-16123-10158

ELDERLY HEALTH SCREENING SERVICES(EHS):
11000-DSS60000-16123-10157

BELLA VISTA/FAIR HAVEN
11000-DSS60000-16123-10154

CITY OF BRIDGEPORT
11000-DSS60000-17037-10301

ADULT FOSTER CARE
11000-DSS60000-16123-10153

STATEWIDE RESPITE CARE:
11000-DSS60000-16171

ALZHEIMER'S DAY CARE:
11000-DSS60000-16123-10162

FALL PREVENTION:
11000-DSS60000-10020

GERIATRIC ASSESSMENT
11000-DSS60000-16123-10164

I. PROGRAM OBJECTIVES

These programs fund agencies that help older individuals continue to lead independent lifestyles through training, education, health screenings, and community supported housing.

(Sections 17b-349, 423-427, 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, ascertained by the not-for-profit organizations by individual needs assessments of the client; for compilation of data; and for monitoring or 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 health promotion services.
(2) Funds can be used for social services and administrative costs.

(Sections 17b-349, 423-427, 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 Social Services are required to be submitted by the Contractor at monthly and/or quarterly intervals.

(Sections 17b-349, 423-427, CGS2)

E. Special Tests and Provisions

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

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 and d, 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 (DSS 304)
(2) Financial Status Report (DSS 305)
(3) Program Reports (as required)

(Section 17b-3, CGS)

E. 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.

Department of Social Services

TRANSITIONAL LIVING PROGRAM (TLP)

11000-DSS60000-16149-10253

I. PROGRAM OBJECTIVES

Transitional living programs facilitate the movement of homeless persons into decent housing and a stable living arrangement. These programs also provide supportive services to the formerly homeless. Services include counseling, information and referral, health, nutrition, hygiene, transportation and follow-up to prevent clients from becoming homeless again.

(Section 17b-800, CGS)

II. PROGRAM PROCEDURES

The state contracts with municipalities and not-for-profit organizations for transitional living and supportive services to assist individuals and families in overcoming barriers to finding permanent housing.

(Section 17b-800, 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 Social Services ("DSS") contracts require that earmarked funds be spent for specific purposes or be returned to the DSS. (See Contract.)

(Section 17b-800, CGS)

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) Six Month Program Status report (W-402) and annual Demographic report (W-401)

(See Contract.)

E. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of each contract must be returned to the DSS. (See Contract.)

(Section 17b-1 through 17b-3, 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 action, review special conditions and test for compliance.

Department of Social Services
TRANSPORTATION FOR EMPLOYMENT INDEPENDENCE

11000-DSS60000-16129

I. PROGRAM OBJECTIVES

The purpose of the Transportation for Employment Independence program to provide transportation services to eligible recipients in order to obtain or maintain employment.

(Section 17b-3 C.G.S.)

II. PROGRAM PROCEDURES

The state contracts with either not-for-profit or for profit organizations to provide transportation services in each of the three DSS regions.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. Types of Services and Costs Allowed or Disallowed

Compliance Requirements

Allowed services are specified in the contract and program plan. Modifications to allowed services require contract amendment or local contractor steering committee approval, which is required to be established.

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

Individuals must be eligible under TANF. Families must have earnings less than 75% of the State Median Income Level. Allowance is made to serve families receiving State Administered General Assistance (SAGA).

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

Specific reporting requirements are included in contracts. Additional reporting of information may be required based on federal or state needs.

E. Special Tests and Provisions

Compliance Requirements

Any funds remaining upon expiration of the contract must be returned to the DSS, except the unexpended funds may, at the discretion of the commissioner, be carried over and used as part of a new contract period if a new similar contract is executed.

Suggested Audit Procedures

Examine records to determine if unexpended funds were returned, or if approval was granted to carryover funds.

SECTION 18

INDIVIDUAL PROGRAMS OF THE DEPARTMENT OF TRANSPORTATION

LOCAL BRIDGE PROGRAM TRANSPORTATION FUND 1

TOWN AID ROAD GRANTS TRANSPORTATION FUND 2

TRANSIT DISTRICT GRANTS AND LOANS TRANSPORTATION FUND 3

Department of Transportation
LOCAL BRIDGE PROGRAM TRANSPORTATION FUND

21010-DOT57000-42310 21010-DOT57000-42311

21010-DOT57000-42312 21010-DOT57000-42313

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 and loans 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. 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-DOT57000-43455(GO Bonds)

13033-DOT57000-43459 (STO Bonds)

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. Special Tests and Provisions

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

Department of Transportation
TRANSIT DISTRICT GRANTS AND LOANSTRANSPORTATION 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. Said reports will include precise information on one-way trips provided, as well as service hours, days, and miles.

E. 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.

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. Special Tests and Provisions
F. Subrecipient Monitoring

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) **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.

(f) **Subrecipient Monitoring** applies when State awards are passed through a pass-through entity to a subrecipient. If the entity does not pass State awards on to a subrecipient, this requirement does not apply.

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 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
Public School Transportation	11000-SDE64000-17027
Nonpublic School Transportation	11000-SDE64000-17049
Special Education:	
Excess Costs Student Based and Equity	11000-SDE64000-17047
	11000-SDE64000-17048
School Construction Grants	13009-SDE64000-40896
	13010-SDE64000-40901
Mashantucket Pequot and Mohegan Fund Grant	12009-OSC15910-17005

PART 5

MAJOR PROGRAM DETERMINATION

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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 mil - $100k Expenditures
  - Expenditures over $1.0 mil - 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 that are:
    - Significant deficiencies 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, 2012:

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 2012 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 2011 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 2012, 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% 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 2011 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 2012.

Analysis for Major Program Determination in 2012

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 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 exceeding $200,000 is a Type A program and any nonexempt program at or 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 2011 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 2011 monitoring visit. The auditor was told by the management of XYZ that the internal control concerns raised during the 2011 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 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

2012 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 2012 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 judgement, 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.

2013 State Single Audit:

As a result of the 2012 State Single audit, programs 2 and 5 cannot be considered low-risk in 2013.

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:

http://www.opm.state.ct.us/finance/pos_standards/coststandards.htm

State of Connecticut

OFFICE OF POLICY AND MANAGEMENT

COST STANDARDS

Robert L. Genuario
Secretary
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450 Capitol Avenue
Hartford, Connecticut 06106

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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 Financial 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;

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 costs. 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 <u>and</u> 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

1. Advertising and Public Relations

a. Definitions

(1) *Advertising* is defined as public announcements of the organization through the media (including magazines, newspapers, radio or television programs, direct mail, exhibits, or the like) and the corollary administrative costs of such advertising.

(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, 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.

c. Unallowable Costs

Unallowable advertising or public relations costs include the following:

(1) Costs of meetings or other events specific to fundraising or other organizational activities including:

(a) Costs of displays, demonstrations, or exhibits;

(b) Costs of meeting rooms, hospitality suites, or other special facilities used in conjunction with shows or other special events;

(c) Salaries and wages of employees or cost of services engaged in setting up or displaying exhibits, making demonstrations, or providing briefings.

(2) Costs of promotional items or memorabilia, including models, gifts, or souvenirs.

(3) Costs of advertising or public relations designed solely to promote the organization.

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 93-406) 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 is defined as conducting, sponsoring, or convening formal gatherings (e.g., forums, panels, roundtables, seminars, symposiums), including those related to the general administration of the organization.

b. Allowable Costs

The costs of conferences and meetings are allowable (including the cost of renting facilities, meals, speakers' fees, or the like).

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 that violate the False Claims Act, 31 U.S.C., Sections 3729-3731, or the Anti-Kickback Act, 41 U.S.C., Sections 51 and 54.

(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 current or former employees under Section 2 of the Major Fraud Act of 1988 (PL 100-700), 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:

Depreciation is defined as a noncash expense that reduces the value of an asset as a result of wear and tear, age, or obsolescence. When the depreciation method is used for buildings, a building's shell may be segregated from each building component (e.g., plumbing system, heating, air conditioning system) and each item depreciated over its estimated useful life; or the entire building (i.e., the shell and all components) may be treated as a single asset and depreciated over a single useful life.

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

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) The costs of entertainment, diversion, social events, ceremonials, or costs relating thereto (such as meals, lodging, rentals, transportation, or gratuities) are unallowable.

(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* is defined as the net invoice unit price of an item of equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatuses necessary to make the item usable for the purpose for which it is acquired. Ancillary charges (such as taxes, duty, protective in-transit insurance, freight, or installation) must be included in or excluded from acquisition cost in accordance with the organization's written 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, grants) 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.

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:

(i) divisions of the organization; or

(ii) organizations under common control through common officers, directors, or members; or

(iii) 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.

(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 (including wages, uniforms, or equipment of personnel) are allowable.

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) Costs of airplane tickets are allowable provided the organization utilizes the most economical and available seating.

(3) 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

for use with
audits conducted for periods beginning on
or after July 1, 2010

THE STATE SINGLE AUDIT ACT

C.G.S. Sections 4-230 to 4-236

Issued by:

THE OFFICE OF POLICY
AND MANAGEMENT

INTERGOVERNMENTAL
POLICY DIVISION

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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 example reports presented herein reflect reporting under Statement of Auditing Standards (SAS) No. 115, effective for fiscal periods ending on or after December 15, 2009 and SAS No. 117, effective for fiscal periods ending on or after June 15, 2010.

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 compliance and other matters and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*	AICPA Audit Guide - *Government Auditing* Standards *A-133 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 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	Compliance supplement, Example 1 – 3b
Schedule of expenditures of state financial assistance	Compliance supplement, Example 4 - 5
Schedule of findings and questioned costs	Compliance supplement, Example 6

Example 1 provides guidance for the preparation of a typical report when there are no qualifications, no material weaknesses or significant deficiencies. In order to minimize the presentation of numerous combinations of other report examples, Examples 2 to 3b 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 *Circular A-133 Audits* and represent the most common situations which may be encountered. The AICPA Audit Guide - *Government Auditing Standards* and *Circular A-133 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 compliance and other matters and on internal control over financial reporting 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 related to State programs in prior years. (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 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 (UNQUALIFIED OPINION ON COMPLIANCE AND NO MATERIAL WEAKNESSES AND NO SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL OVER COMPLIANCE IDENTIFIED) [1]

Independent Auditor's Report

[Addressee]

Compliance

We have audited the *[name of entity]'s* compliance with the types of compliance requirements described in the *Office of Policy and Management 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 major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the *[name of entity]'s* management. Our responsibility is to express an opinion on the *[name of entity]'s* compliance based on our audit.

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. Our audit does not provide a legal determination of the *[name of entity*]'s compliance with those requirements.

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.

Internal Control Over Compliance

Management of the *[name of entity]* is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the *[name of entity]'s* internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of State Financial Assistance [2]

We have audited the basic[3] financial statements[5] of the *[name of entity]* as of and for the year ended June 30, 20XX, and have issued our[4] report thereon dated August 15, 20XX. Our audit was performed for the purpose of forming an opinion[6] on the basic[3] financial statements[7] taken 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, *[identify the body or individuals charged with governance]*, others within the entity, *[identify the legislative or regulatory body]*, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

[Signature]

[Date]

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1 Examples 2 to 3b 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 *Circular A-133 Audits* for guidance.

3 If auditee is a governmental unit, remove reference to "basic".

4 Disclose the type of independent auditors' report issued if other than unqualified (qualified, adverse, disclaimer).

5 If auditee is a governmental unit insert "of the" and the applicable audit units (governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information).

6 If auditee is a governmental unit, remove reference to "an opinion" and replace with "opinions".

7 If auditee is a governmental unit, insert "that collectively comprise the [*name of entity*]'s basic financial statements. Also, remove "taken as a whole".

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT (MATERIAL COMPLIANCE – REPORTABLE NONCOMPLIANCE)

Compliance

We have audited the *[name of entity]'s* compliance with the types of compliance requirements described in the *Office of Policy and Management 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 major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the *[name of entity]'s* management. Our responsibility is to express an opinion on the *[name of entity]'s* compliance based on our audit.

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. Our audit does not provide a legal determination of the *[name of entity]*'s compliance with those requirements.

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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, 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 items ***[List related finding reference number, for example, 2011-3 and 2011-6]***.

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT (QUALIFIED OPINION)

Compliance

We have audited the *[name of entity]'s* compliance with the types of compliance requirements described in the *Office of Policy and Management 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 major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the *[name of entity*]'s management. Our responsibility is to express an opinion on the *[name of entity*]'s compliance based on our audit.

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. Our audit does not provide a legal determination of the *[name of entity]'*s compliance with those requirements.

As described in item(s) ***[List related finding reference number, for example, 2011-1]*** in the accompanying schedule of findings and questioned costs, the *[name of entity]* did not comply with requirements regarding ***[Identify type(s) of compliance requirement]*** that are applicable to its ***[identify major state program]***. Compliance with such requirements is necessary, in our opinion, for the *[name of entity]* to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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.

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT (QUALIFIED OPINION ON COMPLIANCE – SCOPE LIMITATION FOR ONE MAJOR PROGRAM, UNQUALIFIED FOR OTHER MAJOR PROGRAMS)

Compliance

We have audited the *[name of entity]'s* compliance with the types of compliance requirements described in the *Office of Policy and Management 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. The major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the *[name of entity]'s* management. Our responsibility is to express an opinion on the *[name of entity]'s* compliance based on our audit.

Except as discussed in the following paragraph, 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. Those standards and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236) 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] 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. Our audit does not provide a legal determination of [name of entity]'s compliance with those requirements.

We were unable to obtain sufficient documentation supporting the compliance of [name of entity] with [identify the major state program] regarding [identify the type(s) of compliance requirement], nor were we able to satisfy ourselves as to [name of entity]'s compliance with those requirements by other auditing procedures.

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding [name of entity]'s compliance with the requirements of [identify the major state program] regarding [identify the type(s) of compliance requirement], [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.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT (SIGNIFICANT DEFICIENCIES)

Internal Control Over Compliance

Management of the *[name of entity]* is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the *[name of entity]'s* internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items [*list the reference numbers of the related findings, for example, 2011-1 and 2011-2*]. A *significant deficiency in internal control over compliance* is a deficiency, or a 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.

EXAMPLE 3b

REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT (MATERIAL WEAKNESSES AND SIGNIFICANT DEFICIENCIES IDENTIFIED)

Internal Control Over Compliance

Management of the *[name of entity]* is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the *[name of entity]'s* internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be 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 items [*list the reference numbers of the related findings, for example 2011-5 and 2011-6*] to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a 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, 2011-8 and 2011-9*] to be significant deficiencies.

EXAMPLE 4

[NAME OF ENTITY]

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 20XX

STATE GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	STATE GRANT PROGRAM CORE-CT NUMBER	EXPENDITURES
Office of Policy and Management		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	$ xxx,xxx
Local Capital Improvement Program	12050-OPM20600-40254	xxx,xxx
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles	11000-OPM20600-17031	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
Drug Enforcement Program	11000-OPM20600-17028	xx,xxx
Office of State Comptroller		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	xxx,xxx
Department of Education		
School Breakfast Program	11000-SDE64000-17046	xx,xxx
Adult Education	11000-SDE64000-17030	xx,xxx
Health Services	11000-SDE64000-17034	xx,xxx
Youth Services Bureau	11000-SDE64000-17052	xx,xxx
School Readiness Quality Enhancement	12060-SDE64000-90242	xx,xxx
Magnet Schools	11000-SDE64000-17057	x,xxx
Connecticut State Library		
Construction grants	12060-CSL-66051-21017	x,xxx
Department of Transportation		
Town Aid Road Grant -	13033-DOT57131-43459	xxx,xxx
Local Bridge Program - Transportation Program:		
Main Street Bridge No. 1234	21010-DOT57000-42310	x,xxx

[NAME OF ENTITY]
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, ETC.

STATE GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	STATE GRANT PROGRAM CORE-CT NUMBER	EXPENDITURES
Department of Labor		
Pass-through XXX Agency:		
Jobs First Employment Services	11000-DOL40000-12212	$ xxx,xxx
Department of Social Services		
Child Day Care	11000-DSS60000-16152	xxx,xxx
Neighborhood Facilities Bond Funds	12052-DSS60000-xxxxx	xxx,xxx
Department of Public Safety		
Grants in Aid to Municipalities	13019-DPS32110-41238	x,xxx
Department of Public Health		
Local and District Departments of Health.....	11000-DPH48500-17009	xx,xxx
Total State Financial Assistance before exempt programs		x,xxx,xxx
EXEMPT PROGRAMS		
Department of Education		
Education Cost Sharing	11000-SDE64000-17041	xx,xxx,xxx
Transportation of School Children	11000-SDE64000-17027	xxx,xxx
Commitments for School Construction.....	13009-SDE64000-40896	xxx,xxx
Excess Cost - Student Based.....	11000-SDE64000-17047	xxx,xxx
Nonpublic School Transportation	11000-SDE64000-17049	xxx,xxx
Office of Policy and Management		
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	x,xxx,xxx
Total Exempt programs.....		xx,xxx,xxx
TOTAL STATE FINANCIAL ASSISTANCE		$xx,xxx,xxx

See Notes to Schedule

EXAMPLE 5

[NAME OF ENTITY]

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 20XX

Various departments and agencies of the State of Connecticut have provided financial assistance to the *[name of entity]* 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 generally accepted accounting principles as applicable to *[indicate whether governments or not-for-profit agencies]*. The following is a summary of the more significant policies relating to the aforementioned grant programs.

Basis of Accounting

The financial statements contained in the *[name of entity]'s* annual audit report are prepared on the *[indicate basis of accounting]*. The following is a summary of such basis:

. Revenues are recognized when *[describe revenue recognition policies of entity]*.

. Expenditures are recorded *[describe expenditure/expense policies of entity]*.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), 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 Environmental Protection:

Clean Water Funds 21014-OTT14230-4001:

	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

EXAMPLE 6

[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 report issued [*unqualified, 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 report issued on compliance for major programs [*unqualified, 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 Circular A-133 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:

Views of responsible officials and planned corrective actions:

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 11-1*]

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.

Views of Responsible Officials and Planned Corrective Actions[5]

The organization should detail actions taken or planned to correct deficiencies identified in the report. Appropriate documentation should be submitted for actions taken. For planned actions, organizations should provide projected dates for completion of major tasks. Officials responsible for completing the proposed actions should also be identified. 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 report for one or more major programs is other than unqualified, indicate the type of report issued for each program. For example, if the audit report on major program compliance for an auditee having five major programs includes an unqualified 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: "Unqualified 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 Circular A-133 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 and 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 the auditee's views and planned corrective actions. 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 IDENTIFIED, NO SIGNIFICANT DEFICIENCIES IDENTIFIED, NO REPORTABLE INSTANCES OF NONCOMPLIANCE OR OTHER MATTERS IDENTIFIED) [1]

Independent Auditor's Report

[Addressee]

We have audited the financial statements [2] of the *[name of entity]* as of and for the year ended June 30, 20XX, and have issued our report thereon dated August 15, 20XX. [3] We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the *[name of entity]'s* internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the *[name of entity]'s* internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the *[name of entity]'s* financial statements are free of 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*.

We noted certain matters that we reported to management of the *[name of entity]* in a separate letter dated August 15, 20XX.

This report is intended solely for the information and use of management, *[identify the body or individuals charged with governance]*, others within the *[name of entity]*, and *[identify the legislative or regulatory body]* and is not intended to be and should not be used by anyone other than these specified parties.

[Signature]

[Date]

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[1] Refer to the audit guide, *Government Auditing Standards and Circular A-133 Audits* and the AICPA website (aicpa.org) for further explanation and variations of reporting.

[2] If auditee is a governmental unit insert "of the" and the applicable opinion units (governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information).

[3] Disclose the type of independent auditors' report issued if other than unqualified (qualified, adverse, disclaimer).

EXAMPLE 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* (MATERIAL WEAKNESSES, SIGNIFICANT DEFICIENCIES, AND REPORTABLE INSTANCES OF NONCOMPLIANCE, AND OTHER MATTERS IDENTIFIED) [1]

Independent Auditor's Report

[Addressee]

We have audited the financial statements [2] of the *[name of entity]* as of and for the year ended June 30, 20XX, and have issued our report thereon dated August 15, 20XX. [3] We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the *[name of entity]'s* internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the *[name of entity]'s* internal control over financial reporting.

Our consideration of internal control over financial reporting 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 financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying [*include the title of the schedule in which the findings are reported (e.g., schedule of findings and responses or schedule of findings and questioned costs*)], we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses [and other deficiencies that we consider to be significant deficiencies]. [4]

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 [*include the title of the schedule in which the findings are reported (e.g., schedule of findings and responses or schedule of findings and questioned costs*)] to be material weaknesses. [List the reference numbers of the related findings, for example 2011-1, 2011-3 and 2011-4.]

[A *significant deficiency* is a deficiency, or a 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 [*include the title of the schedule in which the findings are reported (e.g., schedule of findings and responses or schedule of findings and questioned costs*)] to be significant deficiencies. (*List the reference numbers of the related findings, for example, 2011-2 and 2011-5)*]. [5]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the *[name of entity]'s* financial statements are free of 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 [*include the title of the schedule in which the findings are reported (e.g., schedule of findings and responses or schedule of findings and questioned costs*)] as items *[list the reference numbers of the related findings, for example, 20XX-6 and 20XX-7].*

We noted certain matters that we reported to management of the *[name of entity]* in a separate letter dated August 15, 20XX.

The *[name of entity]'s* response to the findings identified in our audit are described in the accompanying [*include the title of the schedule in which the findings are reported (e.g., schedule of findings and responses or schedule of findings and questioned costs*) *"or above" if findings and responses are included in the body of the report].* We did not audit the *[name of entity]'s* response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, *[identify the body or individuals charged with governance]*, others within the *[name of entity]*, and *[identify the legislative or regulatory body]* and is not intended to be and should not be used by anyone other than these specified parties.

[Signature]

[Date]

---

[1] Refer to the audit guide, *Government Auditing Standards and Circular A-133 Audits* and the AICPA website (aicpa.org) for further explanation and variations of reporting.

[2] If auditee is a governmental unit insert "of the" and the applicable audit units (governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information).

[3] Disclose the type of independent auditors' report issued if other than unqualified (qualified, adverse, disclaimer).

[4] If no significant deficiencies are identified, the text within the brackets is omitted from the report.

[5] See note 4 above.

PART 10
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS[1]
XYZ ENTITY
FISCAL YEAR ENDED 20XX

Finding No. 2009-1

Condition:
XYZ did not comply with the reporting requirement specified for the Adult Education Program.

Current Status:
The finding has been corrected.

Finding No. 2008-1

Condition:
Certain eligibility procedures for the Disabled Homeowners Program were not complied with by XYZ.

Current Status:
Repeated as 20XX-1.

Planned Corrective Action:
See response included in the current year Schedule of Findings and Questioned Costs.

---

[1] 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 of Prior Audit Findings 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. If this Schedule is required, it should be included in the reporting package submitted.

The Summary Schedule should report the status of all audit findings included in the prior year's State Single Audit Schedule of Findings and Questioned Costs. Where appropriate, the auditee may include comments on the Schedule describing why it believes a particular 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]

PART 12

AGENCY CONTACTS

&

PROGRAM CONTACTS

for use with:

THE STATE SINGLE AUDIT

Agency Contacts for State Single Audit

	VOICE	FAX
Christopher Bergstrom Executive Director Commission on Culture & Tourism 1 Constitution Plaza, Second Floor Hartford, Connecticut 06103	(860) 256-2753	(860) 706-5810
Judi Jordan Director of Grants Development and Contracts Management Department of Children and Families 505 Hudson Street Hartford, Connecticut 06106	(860) 550-6545	(860) 566-6726
Michelle Schott Acting Director of Fiscal Services Department of Corrections 24 Wolcott Hill Road Wethersfield, Connecticut 06109-1152	(860) 692-7700	(860) 692-7702
Steve Pons Office of Financial Review- Audit Section Department of Economic and Community Development 505 Hudson Street Hartford, Connecticut 06106-7106	(860) 270-8209	(860) 270-8070
Rich LeMay Office of Internal Audit Department of Education 165 Capitol Avenue P.O. Box 2219 Hartford, Connecticut 06145	(860) 713-6540	(860) 713-7003
Richard Gibilisco Bureau of Financial and Support Services Department of Environmental Protection 79 Elm Street Hartford, Connecticut 06106	(860) 418-5909	(860) 424-4072
Samuel Billings Senior Associate, Grants and Contracts Department of Higher Education 61 Woodland Street Hartford, Connecticut 06105	(860) 947-1829	(860) 947-1311

Agency Contacts for State Single Audit

	VOICE	FAX
Sandra H. Diette Internal Audit Unit Judicial Branch 95 Washington Street Hartford, Connecticut 06106	(860) 548-2733 ext. 3821	
Robert Merola Chief Fiscal Officer Department of Labor 200 Folly Brook Boulevard Wethersfield, Connecticut 06109-1114	(860) 263-6048	(860) 263-6027
Mark Smith Fiscal Administrator Supervisor Connecticut State Library 231 Capitol Avenue Hartford, Connecticut 06106	(860) 757-6564	(860) 757-6680
Walter Sivigny Human Services Contract Unit Department of Mental Health and Addiction Services 410 Capitol Avenue P.O. Box 341431 Hartford, Connecticut 06134	(860) 418-6919	(860) 418-6698
Peter Mason Operations Manager Operations Center Department of Developmental Services 460 Capitol Avenue Hartford, Connecticut 06106	(860) 418-6077	(860) 418-6001
William Plummer Office of Policy & Management Intergovernmental Policy Division 450 Capitol Avenue MS-54MFS Hartford, Connecticut 06106-1379	(860) 418-6367	(860) 418-6493

Agency Contacts for State Single Audit

	VOICE	FAX
Ralph Barra Office of Policy and Management – Grantor Agency Division of Administration 450 Capitol Avenue MS #55 ADM Hartford, Connecticut 06106-1379	(860) 418-6208	(860) 418-6489
Mary P. Fuller Chief Fiscal Officer Department of Public Health 410 Capitol Ave, MS# 13FIS Hartford, Connecticut 06134	(860) 509-7225	(860) 509-7227
Ann M. Williams Department of Public Safety 1111 Country Club Road P.O. Box 2794 Middletown, Connecticut 06457-9294	(860) 685-8022	(860) 685-8357
Michael Hyman Supervising Accounts Examiner Office of Quality Assurance Department of Social Services 25 Sigourney Street Hartford, Connecticut 06106	(860) 424-5930	(860) 424-5900
Robert L. Eissler Accounting Manager Department of Transportation P.O. Box 317546 Newington, Connecticut 06131	(860) 594-3041	(860) 594-3008
Karen Foley-Schain Executive Director Children's Trust Fund Department of Social Services 25 Sigourney Street Hartford, Connecticut 06106	(860) 424-5623	(860) 424-4966
Beth Trenchard Office for Workforce Competitiveness 100 Great Meadow Road, Suite 401 Wethersfield, Connecticut 06109	(860) 258-4309	(860) 258-4312

COMMISSION ON CULTURE AND TOURISM

One Constitution Plaza, Second Floor
Hartford, Connecticut 06103

Executive Director	Christopher Bergstrom.....	(860) 256-2753
Arts Division.....	An-Ming Truxes.....	(860) 256-2722
Historic Preservation & Museum Division	.....David Bahlman	....(860) 256-2754
Tourism Division	Randall Fiveash.....	(860) 256-2769

DEPARTMENT OF CHILDREN AND FAMILIES

505 Hudson Street
Hartford, Connecticut 06106

Contact person for all programs:
Judi Jordan, Director of Grants Development and Contracts Management ..... (860) 550-6545

DEPARTMENT OF CORRECTION

24 Wolcott Hill Road
Wethersfield, Connecticut 06109-1152

Contact person for all programs:..... Joel R. Ide ..... (860) 692-7757

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

505 Hudson Street
Hartford, Connecticut 06106

Contact person for all programs:..... Steve Pons..... (860) 270-8209

DEPARTMENT OF EDUCATION

165 Capitol Avenue
Hartford, Connecticut 06106

Contact person for all programs ..... Theresa Drouin-Guerette ....(860) 713-6540

DEPARTMENT OF ENVIRONMENTAL PROTECTION

79 Elm Street
Hartford, Connecticut 06106

Clean Water Fund..... Sharon Dixon Peay ..... (860) 702-3134
c/o State Treasurer
55 Elm Street
Hartford, Connecticut 06106

Drinking Water Program..... Sharon Dixon Peay ..... (860) 702-3134
c/o State Treasurer
55 Elm Street
Hartford, Connecticut 06106

Flood Control and Beach Erosion..... Arthur Christian..... (860) 424-3880

Grants for Water Pollution Control ..... Susan Hawkins..... (860) 424-3325

Protected Open Space and Watershed Land
Acquisition Grant Program ..... David Stygar ..... (860) 424-3081

Potable Water Supply Facilities..... William Warzecha ..... (860) 424-3776

DEPARTMENT OF HIGHER EDUCATION

61 Woodland Street
Hartford, Connecticut 06105

Connecticut Collegiate Awareness and
Preparation Program ..... Arthur Poole..... (860) 947-1833

Connecticut Independent College Student Grant ..... Mark French ..... (860) 947-1855

JUDICIAL BRANCH

95 Washington Street
Hartford, Connecticut 06106

Contact person for all programs: Sandra H. Diette (860) 548-2733, ext. 3821

DEPARTMENT OF LABOR

200 Folly Brook Boulevard
Wethersfield, Connecticut 06109-1114

Incumbent Worker Training.....	Mark Stankiewicz.....	(860) 263-6798
Jobs First Employment Services....	Alice Frechette-Johns.....	(860) 263-6796
Occupational Health Clinics.....	Catherine Zinsser.....	(860) 263-6942
Opportunity Industrial Centers	Lori-Lynn Chatlos	(203) 455-2601
21st Century Jobs.....	Mark Polzella.....	(860) 263-6572
Connecticut Youth Employment Program	Mark Stankiewicz.....	(860) 263-6798
STRIVE	Mark Stankiewicz.....	(860) 263-6798
Mortgage Crisis Relief	Mark Stankiewicz.....	(860) 263-6798

DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES

410 Capitol Avenue
P.O. Box 341431
Hartford, Connecticut 06134

Contact Person for all programs:
Walter Sivigny (860) 418-6919

DEPARTMENT OF DEVELOPMENTAL SERVICES

460 Capitol Avenue
Hartford, Connecticut 06106

Contact person for all programs:
Peter Mason (860) 418-6077

OFFICE FOR WORKFORCE COMPETITIVENESS

100 Great Meadow Road, Suite 401
Wethersfield Connecticut 06109

Contact person for all programs:
Beth Trenchard (860) 258-4309

OFFICE OF POLICY AND MANAGEMENT
450 Capitol Avenue MS-54MFS
Hartford, Connecticut 06106-1379

Local Capital Improvement Program.....	Sandra Huber.....	(860) 418-6293
Neighborhood Youth Centers	Valerie Lamotte .	(860) 418-6316
Payment in Lieu of Taxes (PILOT) on Exempt Property of Manufacturing Facilities in Distressed Municipalities	LeeAnn Graham	.(860) 418-6278
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals.....	Shirley Corona ...	(860) 418-6221
Payment in Lieu of Taxes (PILOT) on State-Owned Property	Shirley Corona ...	(860) 418-6221
Property Tax Relief for Elderly and Totally Disabled Homeowners	Shirley Corona ...	(860) 418-6221
Property Tax Relief for Elderly Homeowners – Freeze Program	Shirley Corona ...	(860) 418-6221
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles.....	Shirley Corona ...	(860) 418-6221
Property Tax Relief for Veterans.....	Lee Ann Graham	(860) 418-6278
Regional Planning Grant-in-Aid	Dan Morley.....	(860) 418-6343
Regional Performance Incentive Program.....	Sandra Huber.....	(860) 418-6293

DEPARTMENT OF PUBLIC HEALTH
410 Capitol Avenue
Hartford, Connecticut 06134

Contact person for all programs: Mary P. Fuller (860) 509-7225

DEPARTMENT OF PUBLIC SAFETY

1111 Country Club Road
P.O. Box 2794
Middletown, Connecticut 06457-9294

Grant-in-Aid to Municipalities	Captain Joe J. Davis	(860) 685-8936
Telecommunications Fund	Stephen Verbil	(860) 685-8127

CONNECTICUT STATE LIBRARY

231 Capitol Avenue
Hartford, Connecticut 06106

Contact person for all programs:
Mark Smith (860) 757-6564

DEPARTMENT OF SOCIAL SERVICES

25 Sigourney Street
Hartford, Connecticut 06105

Acquired Brain Injury (ABI)	Pamela Giannini	(860) 424-5277
Area Agencies on Aging	Pamela Giannini	(860) 424-5277
Before and After School (BAS)	Peter Palermino	(860) 424-5006
Child Day Care (CDC)	Peter Palermino	(860) 424-5006
Children's Trust Fund	Karen Foley-Schain	(860) 424-5623
Choices	Pamela Giannini	(860) 424-5277
Community Services (CSV)	Carlene Taylor	(860) 424-5889
Connecticut Home Care Program	Kathy Bruni	(860) 424-5177
Connecticut Legal Services Center for Medicare Advocacy	Pamela Giannini	(860) 424-5277
Emergency Shelter Services (ESS)	Carlene Taylor	(860) 424-5889
Eviction Prevention Program (EPP)	Pamela Giannini	(860) 424-5277
Fatherhood Initiative (FIP)	Tony Judkins	(860) 424-5696
Healthy Start	Karen Foley-Schain	(860) 424-5623
Hispanic Programs (HHD)	Carlene Taylor	(860) 424-5889
Home Share Program	Pamela Giannini	(860) 424-5277

Human Resource Development (HRD)	Carlene Taylor	(860) 424-5889
Human Services Infrastructure (HSI)	Tony Judkins	(860) 424-5696
Medicaid.....	Christopher LaVigne	(860) 424-5719
Neighborhood Facilities (NF)	Carlene Taylor	(860) 424-5889
Nutritional Supplemental Program	Mark Shok.....	(860) 424-5246
Rental Assistance Program (RSAF)	Mary Cattanach.....	(860) 424-5860
Residences for Persons With AIDS (AID).....	Carlene Taylor	(860) 424-5889
Retired Senior Volunteer Program (RSVP)	Pamela Giannini	(860) 424-5277
Safety Net Services Program.....	Peter Palermino.....	(860) 424-5006
Shelter Services Program (Domestic Violence) (SSP).....	Pamela Giannini.....	(860) 424-5277
Teenage Pregnancy Prevention.....	Pamela Giannini.....	(860) 424-5277
Transitional Living Program (TLP)	Carlene Taylor	(860) 424-5889
Transportation for Employment Independence and Good News Garage.....	Peter Palermino.....	(860) 424-5006

DEPARTMENT OF TRANSPORTATION
P.O. Box 317546
Newington, Connecticut 06131-7546

Local Bridge Program - Transportation Fund.....	Stanley C. Juber.....	(860) 594-3213
Town Aid Road Grants - Transportation Fund	Robert Eissler.....	(860) 594-3041
Transit District Grants and Loans – Transportation Fund.....	Ricardo Almeida.....	(860) 594-2839
Urban Action Grants / Municipal Grant Agreements Transportation Fund.....	Robert Eissler.....	(860) 594-3041

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 Economic and Community Development

Part 14

APPOINTMENT OF AUDITOR NOTIFICATION

TO: Office of Policy and Management
Intergovernmental Policy Division
Municipal Finance Services
450 Capitol Avenue - MS-54MFS
Hartford, Connecticut 06106-1379
Tel. (860) 418-6400 **Fax (860) 418-6493** E-Mail lori.stevenson@ct.gov

FROM: Entity Name _____

Entity Address _____

_____ Zip _____

Federal Employer Identification Number (FEIN) _____

Chief Fiscal Officer (Municipal) _____

Executive Director (Nonprofit) _____

Telephone (with area code) _____ Facsimile _____

Internet E-Mail 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:

Name _____

Address _____

_____ Zip _____

State of CT Board of Accountancy CPA Firm Permit Number _____
Audit Firm Federal Employer Identification Number (FEIN) _____

Contact Person & Title _____

Telephone (with area code) _____ Facsimile _____

Internet E-mail address _____

2. Fiscal Period(s) of Audit From _____ To _____, From _____ To _____

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 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.
12-09

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

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 (____)_____ Facsimile (____)_____ 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 (____)_____ Facsimile (____)_____ Email _____

Independent Auditor's Name	*Independent Auditor's Signature*	*Date*
Chief Executive Officer's Name	*Chief Executive Officer's Signature*	*Date*

Mail or **Fax (860) 418-6493** to OPM at least 30 days prior to the end of the 6-month filing period.

FOR OPM ACTION ONLY

Extension Approved ____ **Denied** ____ **Date** ____/____/____ **For OPM** _____

Date Auditor Notified : ____/____/____ **Date State Agencies Notified :** ____/____/____

Comments _____
_____

05/10

* Requests for extensions should not exceed 30 days per request.

Part 16

The purpose of the **State Single Audit Filing Exemption Notification** is to advise the Office of Policy and Management that a non- state 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 promptly after the fiscal year has ended but no later than six-months subsequent to the entity's fiscal year end (the date the actual audit would have been submitted to OPM as prescribed by C.G.S. 4-231).

[ORGANIZATION'S LETTERHEAD]

STATE SINGLE AUDIT FILING EXEMPTION NOTIFICATION

Date_____

Lori Stevenson, Executive Secretary
Municipal Finance Services
Office of Policy and Management
450 Capitol Avenue MS#54MFS
Hartford, CT 06106-1379

Dear Ms. Stevenson,

This letter is to inform the Office of Policy and Management that for our fiscal year ended _____, the total expenditures of State financial assistance was less than $300,000. Total expenditures of State financial assistance awards for all programs was $_____.

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 _____

Name of Nonprofit _____

*Federal Employer Identification Number (FEIN):
_____

Address _____

_____ Zip _____

Telephone (____)_____ Facsimile (____)_____ 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. This form may be returned to OPM by facsimile (860) 418-6493.

Part 17

STATE AGENCY CODES

AGENCY	NAME	RANGE OF VALUES	
AES48000	CT Agricultural Experiment Station	AES48001	AES48499
APA11000	Auditors of Public Accounts	APA11001	APA11499
BAA77000	Board for ST Academic Awards	BAA77001	BAA77499
BOA22500	Board of Accountancy	BOA22501	BOA22999
BOP90100	Board of Parole	BOP90101	BOP90999
BPD90000	Board of Pardons	BPD90001	BPD90099
CAA11900	African American Affairs	CAA11901	CAA11999
CAT45200	Comm. On Culture and Tourism	CAT45210	CAT45250
CCC78000	CT Community Colleges	CCC78001	CCC82999
CCY11600	Commission on Children	CCY11601	CCY11699
CDA47100	CT Development Authority	CDA47101	CDA47999
CEQ45000	Council on Environmental Quality	CEQ45001	CEQ45099
CHC45100	Historical Commission	CHC45101	CHC45999
CII47000	CT Innovations Inc	CII47001	CII47099
CJC31000	Criminal Justice Commission	CJC31001	CJC31499
CLC19000	CT Lottery Corporation	CLC19001	CLC19499
CME49500	Off of the Chief Medical Examiner	CME49501	CME49999
COA11400	Commission on Aging	COA11401	COA11499
COD65500	Commission on the Deaf & Hearing Impaired	COD65501	COD65999
CSB13950	State Contracting Standards Bo	CSB13951	CSB13999
CSC38000	CT Siting Council	CSC38001	CSC38099
CSL66000	Connecticut State Library	CSL66001	CSL66499
CSU83000	Connecticut State University	CSU83001	CSU87999
CSW11500	Perm Commissioner on Status of Women	CSW11501	CSW11599
CTF94000	Council to Administer Children's Trust Fund	CTF94001	CTF94999
DAG42500	Department of Agriculture	DAG42501	DAG42999
DAS23000	Dept of Administrative Services	DAS23001	DAS24999
DCC38100	Office of Consumer Counsel	DCC38101	DCC38999
DCF91000	Dept of Children and Families	DCF91001	DCF93999
DCJ30000	Division of Criminal Justice	DCJ30001	DCJ30999
DCP39500	Dept of Consumer Protection	DCP39501	DCP39999
DDS50000	Dept of Developmental Services	DDS50001	DDS52999
DEP43000	Dept of Environmental Protection	DEP43001	DEP44999
DHE66500	Department of Higher Education	DHE66501	DHE66999

AGENCY	NAME	RANGE OF VALUES	
DMV35000	Department of Motor Vehicles	DMV35001	DMV35999
DOB37000	Department of Banking	DOB37001	DOB37499
DOC88000	Department of Correction	DOC88001	DOC89999
DOI37500	Department of Insurance	DOI37501	DOI37999
DOL40000	Department of Labor	DOL40001	DOL40999
DOT57000	Department of Transportation	DOT57001	DOT59999
DPH48500	Department of Public Health	DPH48501	DPH48999
DPS32000	Department of Public Safety	DPS32001	DPS33999
DPW27000	Department of Public Works	DPW27001	DPW28999
DRS16000	Department of Revenue Services	DRS16001	DRS17999
DSR18000	Division of Special Revenue	DSR18001	DSR18999
DSS60000	Department of Social Services	DSS60001	DSS62999
DVA21000	Department of Veterans Affairs	DVA21001	DVA21999
ECD46000	Dept of Economic & Community Development	ECD46001	ECD46999
EHS99500	Emergency & Homeland Security	EHS99510	EHS99690
ELE13500	Elections Enforcement Commission	ELE13501	ELE13599
ESB65000	Board of Ed & Services for the Blind	ESB65001	ESB65499
ETH13600	Ethics Commission	ETH13601	ETH13699
FOI13700	Freedom of Info Commission	FOI13701	FOI13799
FPC36500	Fire Prevention & Control	FPC36501	FPC36999
FPE34100	Board of Firearms Perm Examiners	FPE34101	FPE34999
GOV12000	Governor's Office	GOV12001	GOV12499
GPB19700	Gaming Policy Board	GPB19701	GPB19999
HCA49000	Office of Health Care Access	HCA49001	HCA49499
HFA19600	CT Housing Finance Authority	HFA19601	HFA19699
HRO41100	Commission on Human Rights & Opportunities	HRO41101	HRO41199
IRM19500	ST Insurance & Risk Mgmt Board	IRM19501	IRM19599
ITD25000	Department of Information Tech	ITD25001	ITD26999
JRC99000	Judicial Review Council	JRC99001	JRC99998
JSC13800	Judicial Selection Commission	JSC13801	JSC13899
JUD95000	Judicial Branch	JUD95001	JUD97999
LGO13000	Lieutenant Governor's Office	LGO13001	LGO13499
LPR11700	Latino/Puerto Rican Affair Com	LPR11701	LPR11799
MCO39400	Office of the Managed Care Ombudsman	MCO39401	MCO39499
MHA53000	Mental Health & Addiction Services	MHA53001	MHA55999
MIL36000	Military Department	MIL36001	MIL36499

AGENCY	NAME	RANGE OF VALUES	
OAG29000	Office of the Attorney General	OAG29001	OAG29499
OCA41300	Office of Child Advocate	OCA41301	OCA41999
OCC29500	Office of the Claims Commissioner	OCC29501	OCC29999
OLM10000	Legislative Management	OLM10001	OLM10999
OPA41200	Protection & Advocacy for Persons with Disabilities	OPA41201	OPA41299
OPM20000	Office of Policy & Management	OPM20001	OPM20999
OSC15000	Office of the Comptroller	OSC15001	OSC15999
OTT14000	Office of the State Treasurer	OTT14001	OTT14999
OVA41000	Office of Victim Advocate	OVA41001	OVA41099
OWC22000	Off of Workforce Competitiveness	OWC22001	OWC22999
PCA98000	Probate Court Administration	PCA98001	PCA98499
PDS98500	Public Defender Services	PDS98501	PDS98999
PRB13900	State Properties Review Board	PRB13901	PRB13999
PRC11800	Capitol Preservation & Restoration	PRC11801	PRC11899
PSR56000	Psych Security Review Board	PSR56001	PSR56999
PST34000	Police Officer Standards &Training Council	PST34001	PST34099
PUC39000	Dept of Public Utility Control	PUC39001	PUC39399
SDE64000	Department of Education	SDE64001	SDE64999
SMC31500	State Marshal Commission	SMC31501	SMC31999
SOS12500	Secretary of the State	SOS12501	SOS12999
SSM63000	Soldier Sailor & Marine Fund	SSM63001	SSM63999
TRB77500	Teachers' Retirement Board	TRB77501	TRB77999
UHC72000	University of Connecticut Health Center	UHC72001	UHC76999
UOC67000	University of Connecticut	UOC67001	UOC71999
WCC42000	Workers' Comp Commission	WCC42001	WCC42499

PART 18

SUBRECIPIENT AND VENDOR DETERMINATION

Guidance for determining whether an entity is a subrecipient or vendor for purposes of the State Single Audit can be found in OMB Circular A-133 "*Audits of States, Local Governments and Non-Profit Organizations*". An excerpt from Circular A-133 follows:

§____.210 Subrecipient and vendor determinations.

(a) General. An auditee may be a recipient, a subrecipient, and a vendor. Federal awards expended as a recipient or a subrecipient would be subject to audit under this part. The payments received for goods or services provided as a vendor would not be considered Federal awards. The guidance in paragraphs (b) and (c) of this section should be considered in determining whether payments constitute a Federal award or a payment for goods and services.

(b) Federal award. Characteristics indicative of a Federal award received by a subrecipient are when the organization:

(1) Determines who is eligible to receive what Federal financial assistance;

(2) Has its performance measured against whether the objectives of the Federal program are met;

(3) Has responsibility for programmatic decision making;

(4) Has responsibility for adherence to applicable Federal program compliance requirements; and

(5) Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

(c) Payment for goods and services. Characteristics indicative of a payment for goods and services received by a vendor are when the organization:

(1) Provides the goods and services within normal business operations;

(2) Provides similar goods or services to many different purchasers;

(3) Operates in a competitive environment;

(4) Provides goods or services that are ancillary to the operation of the Federal program; and

(5) Is not subject to compliance requirements of the Federal program.

(d) Use of judgment in making determination. There may be unusual circumstances or exceptions to the listed characteristics. In making the determination of whether a subrecipient or vendor relationship exists, the substance of the relationship is more important than the form of the agreement. It is not expected that all of the characteristics will be present and judgment should be used in determining whether an entity is a subrecipient or vendor.

(e) For-profit subrecipient. Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The contract with the for-profit subrecipient should describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the contract, and post-award audits.

(f) Compliance responsibility for vendors. In most cases, the auditee's compliance responsibility for vendors is only to ensure that the procurement, receipt, and payment for goods and services comply with laws, regulations, and the provisions of contracts or grant agreements. Program compliance requirements normally do not pass through to vendors. However, the auditee is responsible for ensuring compliance for vendor transactions which are structured such that the vendor is responsible for program compliance or the vendor's records must be reviewed to determine program compliance. Also, when these vendor transactions relate to a major program, the scope of the audit shall include determining whether these transactions are in compliance with laws, regulations, and the provisions of contracts or grant agreements.