|  |  |
| --- | --- |
| A] | [B] |
| State Project/Program: | [C] |

[D]

|  |  |
| --- | --- |
| **Federal Authorization:** | **[E]** |

|  |  |
| --- | --- |
| **State Authorization:** | **[F]** |

[G]

[H]

|  |  |
| --- | --- |
| **Agency Contact Person – Program****[I]****Agency Contact Person – Financial****[I]** | **Address Confirmation Letters To:****[J]** |

**The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.**

**The grantor agency may elect to review audit working papers to determine that audit tests are adequate.**

**Auditors may request documentation of monitoring visits by the State Agencies.**

This compliance supplement must be used in conjunction with the OMB 2021 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

II. PROGRAM PROCEDURES

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as “Y,” on the “Matrix of Compliance Requirements” located in Part 2 of the OMB 2020 Compliance Supplement; however, the State Agency may have added the Type and this is noted by “Y.” If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by “N.”

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2020 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

State Agency: Please note the Type of Compliance Requirements that apply to be program below. If the Type does not apply, change “Y” to a “N”.

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| CC | A | B | C | E | F | G | H | I | J | L | M | N |
| Cross Cutting Requirements | Activities Allowed or Unallowed | Allowable Costs/Cost Principles | Cash Management | Eligibility | Equipment/ Real Property Management | Matching, Level of Effort, Earmarking | Period Of Performance | Procurement Suspension & Debarment | Program Income | Reporting | Subrecipient Monitoring | Special Tests and Provisions |
| N | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y |

A. Activities Allowed or Unallowed

B. Allowable Costs/Cost Principles

C. Cash Management

D. Reserve

E. Eligibility

# F. Equipment and Real Property Management

# G. Matching, Level of Effort, Earmarking

## H. Period of Performance

I. Procurement and Suspension and Debarment

J. Program Income

K. Reserve

L. Reporting

M. Subrecipient Monitoring

N. Special Tests and Provisions