

May 25, 2018

Non-authoritative commentary from Single Audit Resource Center:

The 2018 Compliance Supplement included parts of the 2017 Compliance Supplement by reference. The table of contents of the 2018 Supplement identifies that Part 8 of the 2017 Compliance Supplement should be still used, except for Appendix V List of Changes for the 2018 Compliance Supplement.

In addition, an addendum was added to Appendix VII Other Audit Advisories. The addendum to relates to:

- I. Administrative Relief for Grantees Impacted in 2017 by Hurricanes Harvey, Irma, or Maria
- II. National Defense Authorization Acts (NDAA) of 2017 and 2018

Excerpt from the 2018 Compliance Supplement Table of Contents:

APPENDICES (Use this 2018 Supplement for sections listed below which supersede or add an addendum to the appendices in the 2017 Supplement. Otherwise use the 2017 Supplement)

V	List of Changes for the 2018 Compliance Supplement	8-5
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APPENDIX V

LIST OF CHANGES FOR THE 2018 COMPLIANCE SUPPLEMENT

This Appendix provides a list of changes from the 2017 Compliance Supplement, dated April 2017 for all parts except Part 3 and Appendix V which are dated July 2017.

Table of Contents

- The Table of Contents has been changed to:
 - Modify the program titles for the following program in Part 4 to make consistent with the name in the *Catalog of Federal Domestic Assistance* (CFDA):

CFDA 84.367 – Supporting Effective Instruction State Grants
 - Explain when the 2018 Supplement adds to or amends the 2017 Supplement.
 - Delete from Part 4 CFDA 84.377 – School Improvement Grants.
 - Delete from Part 4 CFDA 84.395 – State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act.
 - Add to Part 4 CFDA 84.424 – Student Support and Academic Enrichment Grants.
 - Add to Part 4 CFDA 93.872 – Tribal Maternal, Infant, and Early Childhood Home Visiting program to form a new cluster with CFDA 93.508, Affordable Care Act (ACA) Tribal Maternal, Infant, and Early Childhood Home Visiting Program.
 - Update the title of Appendix V.
 - Add Appendix VII-A, “Hurricane and NDAA Addendum.”

Part 1 - Background, Purpose, and Applicability

- Explained how auditors must use the 2018 Supplement and the 2017 Supplement together to perform the audit.
- Updated for the effective date of the Supplement.
- Added reference to the Appendix VII Addendum.
- Updated for clarity and consistency with other parts of the Supplement.

Part 2 - Matrix of Compliance Requirements

- The 2018 Supplement does not include an updated Matrix of Compliance Requirements. For programs included in this 2018 Supplement the auditor must use the individual program matrices for the programs in Part 4 or the matrix included in the SFA Cluster Part 5 of this 2018 Supplement. Otherwise the auditor must use the matrices in the 2017 Supplement.

Part 3 - Compliance Requirements

- Updated 3.2.I, “Procurement and Suspension and Debarment,” to provide information on the impact of the National Defense Authorization Acts (NDAA) of 2017 and 2018 regarding simplified acquisition and micro-purchase thresholds. Additional information on the NDAA is provided in Appendix VII-A, “Other Audit Advisories – Hurricane and NDAA Addendum,” in this 2018 Supplement.

Part 4 - Agency Program Requirements

- **CFDAs 20.205, 20.219, 20.224, and 23.003** – Updated II, “Program Procedures,” for the Fixing America’s Surface Transportation (FAST) Act.
- **CFDA 20.319** – Updated II. “Program Procedures.” Added “III.A.3 Activities Allowed or Unallowed.” Updated “III.H, Period of Performance” related to the fiscal year 2010 Appropriations Act.
- **CFDAs 20.500, 20.507, 20.525, and 20.526** – Updated name of CFDA 20.526 to ‘Bus and Bus Facilities Formula Program.’ Updated I. Program Objectives, II, “Program Procedures,” III.A. “Activities Allowed or Unallowed,” and III.G.3, “Matching, Level of Effort, Earmarking – Earmarking,” related to Buses and Bus Facilities (Section 5339).
- **CFDA 84.000** – Updated “Introduction;” II, “Program Procedures;” and III.A.3, “Activities Allowed or Unallowed.” Updated III.G.2.1, 2.2, and 3, “Matching, Level of Effort, Earmarking – Level of Effort and- Earmarking.” Updated III.N.1, “Special Tests and Provisions – Participation of Private School Children.” Deleted III.N.2, “Special Tests and Provisions – Schoolwide Programs,” deleted III.N.3, “Special Tests and Provisions – Comparability,” and renumbered remaining “Special Test and Provisions.” The changes were made to reflect the effect of the Every Student Succeeds Act (ESSA) and the end of special waivers under the Elementary and Secondary Education Act of 1965 (ESEA flexibility). Deleted reference to CFDAs 84.377 and 84.395 which were deleted in the 2008 Supplement. Added CFDA 84.424 which was added to the 2018 Supplement throughout the Cross-Cutting Section.
- **CFDA 84.010** – Updated II, “Program Procedures.” Updated III.A, “Activities Allowed or Unallowed,” for the ESSA amendments. Changed III.E.1, “Eligibility for Individuals,” to remove requirement to test eligibility for individuals.

Updated III.E.2, “Eligibility for Group of Individuals or Area of Service Delivery.” Updated III.G.3, “Earmarking,” for the ESSA amendments. Deleted III.N.2, “Special Tests and Provisions – Schoolwide Programs,” deleted III.N.3, “Special Tests and Provisions – Comparability,” and renumbered remaining “Special Test and Provisions.” Deleted III.N.5, “Special Tests and Provisions - Qualifications of Paraprofessionals.” Updated the renumbered III.N.5, ‘Special Tests and Provisions - Annual Report Card, High School Graduation Rate’ compliance requirements. Updated citation in the renumbered III.N.6, ‘Special Tests and Provisions – Assessment System Security.’”

- **CFDA 84.011** - Updated I, “Program Objectives,” II “Program Procedures,” III.A, “Activities Allowed or Unallowed,” III.E.1, “Eligibility for Individuals,” III.L.3 Special Reporting, and renumbered III.N.2, “Priority for Services,” for the ESSA amendments. Deleted III.N.2, “Special Tests and Provisions – Schoolwide Programs,” deleted III.N.3, “Special Tests and Provisions – Comparability,” and renumbered remaining “Special Test and Provisions.”
- **CFDA 84.282** - Updated I, “Program Objectives,” II, Program Procedures,” and III.G.3, “Earmarking,” III.A, “Activities Allowed or Unallowed,” III.E.3, “Eligibility for Subrecipients,” and III.G.3, “Earmarking” for the ESSA amendments.
- **CFDA 84.365** - Updated I, ‘Program Objectives,’ II, “Program Procedures,” III.A. “Activities Allowed or Unallowed,” and III.G.3, ‘Earmarking,’ for the ESSA amendments. Deleted III.N.2, “Special Tests and Provisions – Schoolwide Programs,” and renumbered remaining “Special Test and Provisions.”
- **CFDA 84.367** – Updated CFDA name. Updated I, ‘Program Objectives,’ II, “Program Procedures,” III.A, “Activities Allowed or Unallowed,” E.3, “Eligibility for Subrecipients,” III.G.2, “Level of Effort,” and III.N.1, “Special Tests and Provisions – Participation of Private School Children” for the ESSA amendments. Deleted III.N.2, “Special Tests and Provisions – Schoolwide Programs,” deleted III.N.4, ‘Special Tests and Provisions – Assessment of Needs,’ and renumbered remaining “Special Test and Provisions.” Clarified IV, “Other Information.”
- **84.377** – Deleted program from 2018 Supplement.
- **84.395** – Deleted program from 2018 Supplement.
- **84.424** – Added program to the 2018 Supplement.
- **CFDAs 93.224 and 93.527** – Updated weblink in II. Program Procedures = “Availability of Other Program Information.” Added II.N.2, “Special Tests and Provisions – Activities Unallowed.”

- **CFDA 93.508 and 93.872** – Added 93.872 which is a successor program to 93.508, to form a cluster during the transition period when 93.508 is being phased out. Updated II, “Program Procedures.”
- **CFDAs 93.575 and 93.596** – Added III.L.3, “Special Reporting” to add the SF-429 as applicable to Tribal Lead Agencies. Added N.4, “Special Tests and Provisions – Tribal Lead Agencies – Protection of Federal Interest in Real Property and Facilities.”
- **CFDA 93.600-** Updated III.L. “Special Reporting” for the SF-429 to add information on electronic submission and to add Key Line Item “7. Report End Date.”
- **CFDAs 96.001 and 96.006** –Updated III.N, “Special Tests and Provisions - Consultative Examinations Process,” for references in the Compliance Requirement and clarified the Suggested Audit Procedure 1 and 2.

Part 5 - Clusters of Programs

- **Student Financial Assistance Cluster**
 - *ED programs*— Updated link to FSA Handbook in III.C, “Cash Management.” Updated III.E.1, “Eligibility – Eligibility for Individuals” with the link to the appropriate Pell Payment and Disbursement Schedule and removed the sentence on the Direct Loan aggregate undergraduate limit of \$23,000. Updated III.L.1.e, “Reporting – Financial Reporting” to reference appropriate Federal Register for reporting dates and update link to FSA Handbook. Updated annual FISAP due dates in III.L.3, “Reporting – Special Reporting.” In III.N, “Special Tests and Provisions,” updated the following: N.2, “Verification,” to reference changes to annual Verification Tracking Groups; N.5, “Enrollment Reporting,” with a link to the updated Enrollment Reporting Guide; and N.8, “Borrower Data Transmission and Reconciliation (Direct Loan),” to reference a recently issued electronic announcement. Updated Appendix B with FAFSA information to be verified for 2017-2018 award year.
- **Other Clusters**
 - Updated list of other clusters to add a new cluster comprised of CFDAs 93.508 and 93.872.

Appendix V - List of Changes for this 2018 Compliance Supplement

- Updated to provide a list of changes from the Compliance Supplement, dated April and July 2017, to this 2018 Supplement.

Appendix VII -A - Other Audit Advisories – Hurricane and NDAA Addendum

- Added Appendix VII-A to provide guidance to the:
 - Auditor and auditee related to hurricanes Harvey, Irma, and Maria.
 - Auditor related to the National Defense Authorization Acts (NDAA) of 2017 and 2018 on the simplified acquisition and micro-purchase thresholds. Additional information related to the NDAA 2017 and 2018 is provided in Part 3.2.I, “Procurement and Suspension and Debarment” in the 2018 Supplement.