

PART 2 – MATRIX OF COMPLIANCE REQUIREMENTS

INTRODUCTION – 2020 ADDENDUM

This part identifies the compliance requirements that the federal government has determined are subject to audit for the programs included in this Supplement. Because Part 4 (Agency Program Requirements) and Part 5 (Clusters of Programs) do not include guidance for all types of compliance requirements that pertain to the program (see introduction to Part 4 for additional information), the auditor must use this Part 2 to identify the types of compliance requirements that have been identified as subject to the audit. Note that comparable information is included in each program/cluster in parts 4 and 5 of the Supplement. The box for each type of compliance requirement either contains a Y (for “Yes” if the type of compliance requirement is subject to audit for the program) or N (for “No” if the requirement is not subject to audit for the program).

Even though a Y indicates that the compliance requirement is subject to audit, it may not apply to a particular non-federal entity, either because that entity does not have activity subject to that type of compliance requirement or the activity could not have a direct and material effect on a major program. For example, even though Equipment and Real Property Management may be identified as being subject to audit for a particular program, it would not apply to a non-federal entity that did not acquire or dispose of equipment or real property. Similarly, a Y may be included to identify Procurement and Suspension and Debarment as subject to audit; however, the audit would not be expected to address this type of compliance requirement if the non-federal entity charges only small amounts of purchases to a major program. The auditor should exercise professional judgment when determining which compliance requirements marked as Y needs to be tested at a particular non-federal entity.

When a Y is present on the matrix and the auditor determines that the requirement should be tested at a non-federal entity, the auditor must use Part 3, Compliance Requirements, and Part 4 (or 5), if applicable, in planning and performing the tests of compliance. For example, if a program entry in the matrix includes a Y in the Program Income column, Part 3 provides a general description of the compliance requirement. Part 3 also provides the audit objective and the suggested audit procedures for testing program income. Part 4 (or 5) may also include specific information on program income requirements pertaining to the program, such as restrictions on how program income may be used. Part 6, Internal Control, includes general information concerning internal control.

When a compliance requirement is shown in the matrix as N, it has been identified by the federal government as not being subject to audit. Auditors are not expected to test requirements that have been noted with an N. However, the auditor is not prohibited from expanding audit procedures if the terms of a grant award document specify that the additional compliance requirements are material to the administration of the program or if the auditor is aware of additional information that would lead the auditor to believe there are increased risks of fraud, waste, or abuse of federal program funds.

Legend to Matrix

Legend: Y - Yes, this type of compliance requirement is subject to audit for the federal program;
N - No, this type of compliance requirement is not subject to audit for the federal program.

Any new programs are shown with “new” in the requirement cell and in bold.

Requirements D and K are reserved and therefore not shown in this chart.

Note that 10.001 is COVID-19 specific guidance which applies to multiple USDA programs. This guidance does not break out instructions by each requirement designation; therefore, the cells in the table below are left blank and we show that this is intentional by stating “no matrix.”

Two additional changes are shown in this table. The first change is the correction for the cross-cutting section, 20.000 (highlighted in orange), which was deleted in its entirety as a requirement in the 2020 Compliance Supplement. For the following program page numbers, the reference to 20.000 should have been deleted and should be disregarded: 20.205-5, 20.319-5, 20.500-5, 20.509-3, 20.513-5, and 20.527-3. For 14.238-3 and 14.256-5, 20.000 should read 20.001 (Wage Determination).

The second change is the addition of 20.218.

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
Program Number	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
10.001 (new - no matrix)												
14.862	Y	Y	Y	N	Y	N	N	Y	N	Y	N	Y
16.034 (new)	Y	Y	N	N	Y	N	N	Y	Y	Y	Y	N
20.000 DELETED												
20.218 (new)	Y	Y	N	N	Y	Y	Y	N	Y	Y	N	N
21.019 (new)	Y	Y	N	N	N	N	Y	N	N	Y	Y	N
32.006 (new)	Y	Y	N	Y	N	N	Y	N	N	Y	N	Y
84.425 ESF (new)	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N
84.425 HEERF (new)	Y	Y	N	N	N	Y	Y	Y	N	Y	N	N
93.153	Y	Y	Y	N	N	N	N	Y	Y	Y	N	N
93.461 (new)	Y	Y	N	Y	N	N	N	N	N	N	N	N
93.498 (new)	Y	Y	N	N	N	N	N	N	N	Y	N	N
93.914	Y	Y	Y	Y	N	N	N	N	Y	N	Y	N
93.917	Y	Y	Y	Y	N	Y	N	N	Y	N	Y	N
93.918	Y	Y	Y	N	N	N	Y	Y	Y	Y	N	N

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
Program Number	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
Part 5.3, SFA (additional COVID-19 directive)	Y	N	Y	Y	N	Y	N	N	N	Y	N	Y