

## **CARES Act Audit Guidance**

Included in the Treasury's FAQs for the Coronavirus Relief Funds (CRF) is additional information clarifying the CARES Act funding is subject to Single Audit. Agencies need to ensure adequate documentation for all costs being claimed against the CRF. The County's external auditor will include CARES Act funding in our annual audit due to the significance of the funding. See Treasury FAQ's on Audit Guidance below:

### **Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?**

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

**Are Fund payments subject to other requirements of the Uniform Guidance?** Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

### **If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?**

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program- 11 specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.