



How to Survive an Audit



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Kimberly Hays de Muga, GPC Amanda Day, GPC

- Co-Owners of HayDay Services – speaking, coaching, and training
- Co-Creators & Co-hosts of Fundraising HayDay, a podcast about grants & such
- Combined 50+ years of grant & fundraising experience
- Grant Professional Certified (GPC)
- International Grant Trainers – more than 20,000 students
- Leadership at board levels: Grant Professionals Association (GPA), Grant Professionals Certification Institute (GPCI), Grant Professionals Foundation (GPF), and Georgia GPA chapter



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HOUSE RULES

- Use chat for connecting with your fellow attendees
- Use Q & A for questions you'd like Kimberly and Amanda to answer
- GMA will make all slides and handouts available to attendees
- This is being recording, and you will receive access to the recording via GMA

The Best Grant Manager is Prepared to Handle:



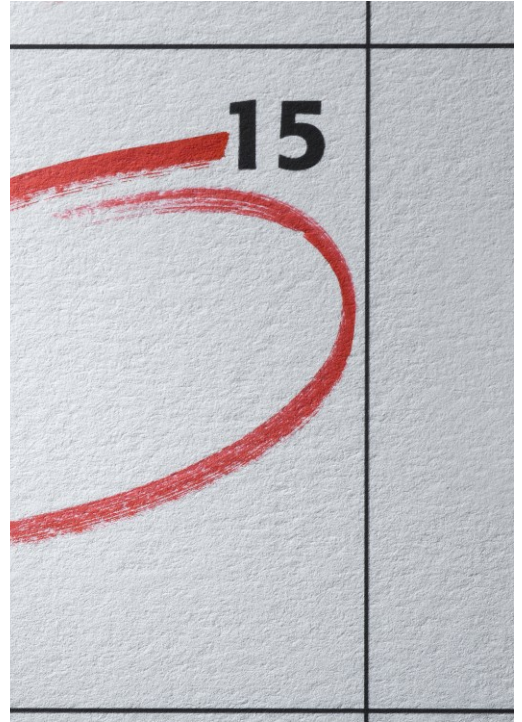
- Site Visits
- Annual Audit
- Single Audit
- OIG Audit



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Site Visits

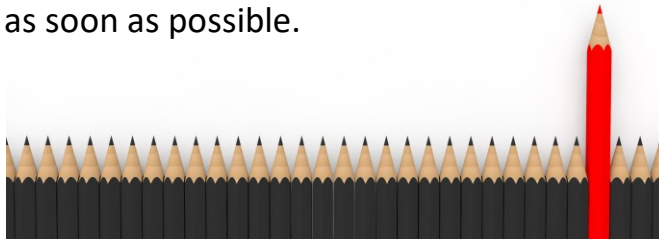
- Federal funders are required to conduct site visits for a portion of their grantees
- A scheduled visit – you can prepare
- It is not an audit, but they will be checking in, offering advice, and answering your questions
- Can happen more than once over the course of the grant period



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How to Prepare for a Site Visit

- Be sure to include appropriate staff – accountant, program manager, and others on your grant team; grant pro should not have to go it alone.
- Make sure your files are up to date, and that you can provide easy access for review by the grantor.
- Understand they will have questions. They are there to confirm things are going well or help where it's not.
- Be ready to take notes.
- If reports or other data needs to be updated or added, try to fix and send to grantor as soon as possible.



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Annual Audit

- Your municipality will be audited each year.
- Grants are reviewed, as are other portions of your agency.
- Most likely finance will manage the bulk of this, but as the grant pro you may need to spend some time answering questions and sharing your files with the auditor.
- If there are findings, you will work with finance to create a corrective action plan as soon as possible.



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Single Audit (formerly A-133)

- Triggered when your agency spends \$750,000 in federal funds during a single fiscal year
- Conducted by the same agency who handles your annual audit
- Just means that more emphasis is placed on reviewing the grant program:
 - High risk agency: At least 40% of federal expenditures audited
 - Low risk agency: At least 20% of federal expenditures audited



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Preparing for a Single Audit

- First step – create the Schedule of Expenditures of Federal Awards (listing of all federal grants and \$ amount expended on each)
- Make sure all your reporting is up to date
- Review your files
- Be prepared to spend more time with the auditors
- Provide them access to grant files



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COPS

*Community Oriented Policing Services
U.S. Department of Justice*

\$1,248,305 via 5 Grant Awards

18 Officers – 1 Funding Accelerated for Small Towns (FAST) Award &
4 Universal Hiring Program (UHP) Awards over 4 years

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ENTER THE:



Office of the Inspector General
U.S. Department of Justice

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Just who exactly is the DOJ OIG?



- The Office of the Inspector General (OIG) of the Department of Justice (DOJ) includes a nationwide workforce of more than 450 special agents, auditors, inspectors, attorneys, and support staff whose mission is to detect and deter waste, fraud, abuse, and misconduct in DOJ programs and personnel, and to promote economy and efficiency in Department operations.

<https://oig.justice.gov/about/meet-ig.htm>

- The DOJ awards billions of dollars in grants and cooperative agreements funding each year, primarily from the Office of Justice Programs (OJP), the Office of Community Oriented Policing Services (COPS), and the Office of Violence Against Women (OVW). The DOJ OIG conducts audits of these awards to ensure aware recipients are complying with applicable statutes and are accomplishing the goals of the awards.

<https://oig.justice.gov/about/grant-audits.htm>

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FINDINGS

1. Remedy \$432 in excessive salaries – FAST Grant
2. Deobligate \$12,666 – FAST Grant
3. Remedy \$65,121 in excessive salaries – UHP Grant
4. Remedy \$167,464 used to supplant local funds
5. Deobligate \$530,266 – UHP Grant
6. Submit timely, accurate monitoring reports
7. Submit timely, accurate financial reports

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**Time to get to
work...and OIG
was beyond
helpful!**

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First up: Reports (findings #6 & #7)

City said, “Hey, let’s hire a grant professional so this does not happen again!”

OIG closed these findings once the professional was hired.

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Pay the man! (findings #2 & #5)

The City deobligated the remaining money in both the FAST and UHP grants. Easy fix, all things considered.

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Overpayment refund (finding #1)



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We swear we
didn't
supplant.
Pinkie
promise!
(finding # 4)

18

**Supplanting
(definition):
act of taking
the place of
another**

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Suck it up & pay it back

Can you believe it? It was the end of our fiscal year, and we had the money needed to repay the full amount sitting, unused, in our police overtime fund.

**DIVINE INTERVENTION?
LUCK?
CLEAN LIVING?
KARMA?**

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12 Years without an OIG Audit, kept receiving grant funding, continued successful grant management

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Lessons Learned: Number 1



Easiest way to deal with the OIG is to manage your grants correctly so they never show up on your doorstep to begin with.

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Lessons Learned: Number 2



**DOCUMENT,
DOCUMENT,
DOCUMENT!**
**Because without proof,
the funder will assume
you did it wrong.**

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Lessons Learned: Number 3



OIG staff are quite helpful throughout the process. Trust your liaison.

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Lessons Learned: Number 4

Finance staff are worth their weight in...



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Lessons Learned: Number 5



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Lessons Learned: Number 6



Educate your Board of Directors (or City Council in my case), boss, and coworkers about the importance of grant management and following the rules. Everyone should understand their role.

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Lessons Learned: Number 7



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Fundraising HayDay Podcast Episodes

- S1, E4 – Internal Controls & Grant Management
- S1, E9 – Site Visits
- S1, E10 – The Joys of Reporting
- S2, E10 – I Survived an OIG Audit & Lived to Tell the Tale
- S2, E14 – Keeping You Out of Jail One Procurement Discussion at a Time

Find episodes on Apple Podcasts, Spotify, or our website: www.haydayservices.com/podcast/



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QUESTIONS & RESOURCE GUIDE



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Where to find us!

HAYDAY SERVICES

www.haydayservices.com

hello@haydayservices.com



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