
EXHIBIT F
FEDERAL AUDIT REQUIREMENTS – STATE ACCOUNTABILITY REQUIREMENTS
GRANTEE AUDIT CERTIFICATION AND FEDERAL EXPENDITURE DISCLOSURE

F.1. Office of Management and Budget (OMB) Circular A-133: Grantees that expend \$500,000 or more during their fiscal year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of the United States Office of Management and Budget's (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. The OMB Circular A-133 audit and related reporting package described therein shall be submitted to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at the address referenced below within the earlier of 30 days after receipt of the auditor's report(s) or nine months after the Grantee's fiscal year end.

F.2. Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) form: The DHHR developed a Grantee Audit Certification and Federal Expenditure Disclosure (GACFED) form to track the Grantee's total Federal award expenditures and to ensure that its Grantees comply with the Federal audit requirements of OMB Circular A-133. Specifically, the GACFED form provides the DHHR with precise information related to a Grantee's Federal award activity in advance of the OMB Circular A-133 audit due date. The Grantee shall submit the GACFED form to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at the address referenced below within 60 days after the Grantee's fiscal year end.

F.3. West Virginia Code §12-4-14: West Virginia Code Chapter 12, Article 4, Section 14 (§12-4-14) sets forth grant-related accountability requirements enacted by the West Virginia Legislature. West Virginia Code §12-4-14 requires any person, corporation, partnership, association, individual or other legal entity that receives one or more State grants in the amount of \$50,000 or more in the aggregate in a State's fiscal year to file with the grantor(s) a "report" of the disbursement of the State grant funds. Conversely, persons or organizations receiving less than \$50,000 in the aggregate must submit a Sworn Statement of Grant Receipts and Expenditures made under the grant(s). Grantees must submit the required report(s) referenced in West Virginia Code §12-4-14 to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring within two years after the end of the fiscal year in which the DHHR disbursed the State grants to the Grantee. According to the Code, if the Grantee's fiscal year differs from the State's fiscal year (July 1 through June 30), the Grantee must file required reports and sworn statements within two years after the end of the Grantee's fiscal year following the State fiscal year in which the funds were disbursed.

F.4. Source of Funds: The relevant audit and reporting requirements expressed within this Exhibit and applicable to DHHR Grantees are generally contingent upon the collective award amounts and related requirements attached to the original funding source. Therefore, it is imperative that both Grantees and their external auditors know the original source of grant funds in order to properly plan, procure and perform an audit or attestation service or to otherwise meet applicable reporting requirements referenced within this Exhibit. In addition to this grant agreement, Grantees should review all other

individual award documents, regardless of grantor, when determining the most efficient and effective means to meet the submission requirements referenced within this grant agreement and possibly attached to other grant awards. Please note that the source of funds schedule, attached to the DHHR grant agreement as Exhibit B, identifies the source (origin) of funds to be used as payment for the term of this grant. Federal funding retains its identity even when it is sub-granted (passed-through) to other organizations; hence, Federal funds are identified in the source of funds schedule within this grant agreement by the applicable Catalog of Federal Domestic Assistance (CFDA) number(s) and the appropriated Federal revenue fund account number(s). State funds are identified by the specific appropriated general revenue fund and/or appropriated/non-appropriated special revenue fund account number(s).

F.5. Address for Submission: Grantees shall submit all audits, reports and supporting information and documentation, whether directly stated or implicitly referenced within this Exhibit, to the following address:

WV Department of Health and Human Resources
Office of Internal Control and Policy Development
Division of Compliance and Monitoring
1900 Kanawha Boulevard East
State Capitol Complex, Building 3, Room 451
Charleston, WV 25305

Questions pertaining to this Exhibit may be directed to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at 304-558-9919 or via facsimile to 304-558-2269.

F.6. Penalties for Noncompliance: In cases of the Grantee's inability or unwillingness to comply with the audit, reporting and disclosure requirements referenced within this Exhibit, the DHHR shall take appropriate action against the Grantee via one or more of the following sanctioning measures: withholding grant funds, suspending grant payments, terminating grant awards, debarring the Grantee from receiving future grants.

F.7. Grantee Audit Compliance Guide / Internet Links: The DHHR developed a Grantee Audit Compliance Guide to further describe and to assist its grantees in complying with the audit, reporting and related disclosure requirements applicable to DHHR grant awards. The Grantee Audit Compliance Guide is posted on the Internet and may be accessed by going to www.wvdhhr.org and then clicking the applicable link on the left side of the webpage. In addition to the Grantee Audit Compliance Guide, the DHHR webpage includes a copy of the GACFED form required by Section F.2 of this Exhibit, links to certain regulatory documents such as OMB Circular A-133 and WV Code §12-4-14, and various other forms and tools to ensure compliance with the requirements referenced herein. The Grantee Audit Compliance Guide applies specifically to recipients of grant awards (Grantees) from the DHHR and must be read in its entirety to gain a complete and thorough understanding of the individual audit and reporting requirements applicable to DHHR grant agreements.