
Notice of Certain Reporting and Audit Requirements

Grantees shall comply with all rules and reporting requirements established by statute or administrative rules. For convenience, the audit requirements of 9 N.C.A.C. Subchapter 3M.0205 are set forth in this attachment.

1. Audit Reporting Threshold for State and Federal Funds

State funds include federal financial assistance received by the State and transferred or disbursed to other entities. Both federal and State funds maintain their identity as they are sub granted to other organizations. **The Grantee shall indicate by marking the appropriate box if it received in its previous fiscal year State funds greater than \$500,000 or federal funds greater than \$750,000.**

Greater than \$500,000 – A Grantee that receives, uses, or expends **State** funds and in the amount greater than five hundred thousand dollars (\$500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, or Yellow Book Audit.

Greater than \$750,000 – A Grantee that receives, uses, or expends **federal** funds and in the amount greater than seven hundred fifty thousand dollars (\$750,000) within its fiscal year must comply with the reporting requirements established by the Code of Federal Regulations including a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, or Yellow Book Audit.

Reports are due to the Grantor Program within nine months of the Grantee's fiscal year in which the State or federal funds were received.

2. Audit Requirements

(e) Unless prohibited by law, the costs of audits made in accordance with the provisions of this rule are allowable charges to State and federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2CFR, Part 200. The cost of any audit not conducted in accordance with this Subchapter shall not be charged to State or federal grants.

(f) Notwithstanding the provisions of this Subchapter, a grantee may satisfy the reporting requirements by submitting a copy of the report required under the federal law with respect to the same funds. *Authority G.S. 143C-6-22; 143C-6-23; Eff. July 1, 2005; Readopted Eff. July 1, 2016*

Grantee Organization Name

Signature of Authorized Representative

Date

Printed Name of Authorized Representative

Title
