



## Practical Audit Guidelines Webinar Q&A

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### Speakers

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- Tracy Jackson, Audit Liaison, NOAA Grants Management Division

**1. Q: What are the ongoing obligations of the recipient to conduct inventories of equipment purchased with award funds?**

A: Recipients of federal grant programs are required to inventory equipment, defined as tangible nonexpendable personal property having a useful life of greater than one year and a per-unit acquisition cost of \$5,000 or more. It is a requirement to maintain and perform an inventory every two years, and NTIA expects that all recipients will maintain equipment inventories. NTIA and NOAA are developing processes for how recipients should account for equipment that may become obsolete (or beyond its useful life) or if the organization disposes of all its assets.

**2. Q: To what Federal agency will recipients submit the inventory report and when?**

A: Recipients should always maintain inventory information in case the Office of the Inspector General (OIG) conducts an audit. While recipients must perform an inventory every two years, NTIA does not plan to collect that information. However, NTIA will maintain personnel to collect required UCC-1 filings every five years for the remaining BTOP useful life. That information may be sent to NTIA c/o OTIA Associate Administrator, 1401 Constitution Avenue NW, Room 4887, Washington, DC 20230.

**3. Q: What is the process for A-133 entities that must file for indirect cost proposals and carry-forward provisions, after the audit is completed?**

A: This particular issue is unique to PCC/SBA recipients because indirect costs are limited to those awards. NTIA has not seen any instances to date where adjustments have been made based on a change in the indirect cost rate and the carry-forward provision. If it was determined that an adjustment was needed and the recipient was owed money, NTIA would pay funds to the recipient. If the recipient owed the government money, NTIA would set up an accounts receivable. Please work directly with your FPO and your NIST grants specialist regarding specific situations.

**4. Q: If we are a state agency and our state government conducts the audit on a different timeline, may we submit the audit as soon as it is completed by the state?**

A: Yes, NTIA and NOAA advise states to send a memorandum to the Program Office and the Grants Office that requests an extension of the A-133 submission deadline and the date on which you plan to submit your audit. This can also be done through an AAR requesting an audit extension.



**5. Q: If we provided information for an OIG audit, when do we know we have met our obligations for the audit?**

A: For the sub-recipient monitoring audit, the OIG's audit is complete and your obligations related specifically to the audit are also complete. However, your subrecipient monitoring obligations, more broadly, are not complete until the sub-recipient award has ended. For other audits, we recommend checking the status of OIG reports online to determine if your obligations are over. You are able to link the OIG audits and final reports that are released by the OIG on the Department of Commerce website. Often the OIG will release a draft report to NTIA. If we have further follow up questions, we will contact you at that time.

**6. Q: How do we check the principals of a company when checking for suspension or debarment on the EPLS system?**

A: As a recipient, you must check both your vendor and its principals. A rule of reason must be used to define principals. NTIA encourages recipients to look at the CEO, CFO, COO, and other key organizational leaders, to ensure that they are not suspended or debarred and included on the Excluded Parties List. Recipients can access the Excluded Parties List System (EPLS) through the System for Award Management, available at [www.sam.gov](http://www.sam.gov).

**7. Q: What is the timeframe of response from the OIG on past audit findings?**

A: While it may take longer, the Grants Offices try to provide a final determination of the audit within 180 days from the time that the recipient receives the OIG audit report.

**8. Q: Where is the citation for the requirement that principals in addition to an entity are also required to be checked for exclusion?**

A: The DoC's Uniform Administrative Requirements (UAR) codify Executive Orders 12549 and 12689 at 15 C.F.R. §§ 14.13, 24.35. These provisions cross reference and incorporate other provisions of the UAR. The rule specifically mandating a check of principals is 2 C.F.R. § 180.320.