



VICENTI • LLOYD • STUTZMAN LLP  
BUSINESS CONSULTANTS AND CPAs

# VLS Top Ten List

## Federal Circular A-133 Single Audit Fixes

As your charter school grows the likelihood of a Federal A-133 Single Audit increases and we want you to be prepared! *Use this list to reduce the chance of a federal audit finding!*

- If a charter school management organization (all charters included) has over \$500,000 in federally funded expenditures an A-133 Single Audit is required.
- The California State Controller does require an A-133 Single Audit of the individual charter if their expenditures alone are over \$500,000.

To offer the highest quality service to the many education-related entities we serve, VLS continues to stay ahead of industry changes through continuing education and working with the Office of the State Controller, Department of Education and the Fiscal Crisis and Management Assistance Team (FCMAT) on issues related to charter school accounting and auditing.

With the additional funding opportunities we have seen over the past few years the likelihood of a charter school needing a Federal A-133 Single Audit has dramatically increased. Grantees of those federal funds are responsible for:

- Safeguarding all assets
- Spending funds in accordance with the authorized purpose
- Developing and implementing systems to ensure proper stewardship of funds
- Financial management systems
- Procurement systems
- Time & effort reporting systems
- Monitoring activities
- Adherence to terms & conditions of award

Vicenti Lloyd & Stutzman is committed to providing the highest quality and most efficient compliance audit to our clients who are required to have a single audit performed in accordance with the Single Audit Act and the U.S. Office of Management and Budget (OMB) Circular A-133. **We want you to succeed!**

[www.vlsllp.com](http://www.vlsllp.com) ▼ 2210 E. Route 66, Suite 100, Glendora, CA 91740 ▼ 626.857.7300  
©Vicenti, Lloyd & Stutzman LLP

# THE TOP 10 FIXES FOR A-133 SINGLE AUDITS

<p><b>1. Transaction Level Accounting</b></p>	<ul style="list-style-type: none"> <li>■ Federal expenditures should be identified in the accounting system at the transaction level.</li> <li>■ Understanding what transactions are allowable under the various federal programs.</li> </ul>
<p><b>2. Period of Availability</b></p>	<ul style="list-style-type: none"> <li>■ Understanding Period of Availability requirements (when can you spend).</li> <li>■ Understanding when carry-over of federal funds is allowable.</li> </ul>
<p><b>3. Time Reporting Requirements</b></p>	<ul style="list-style-type: none"> <li>■ Time reporting requirements should be established for multi-funded and single cost objective employees.</li> <li>■ Documentation should be maintained for audit.</li> </ul>
<p><b>4. NCLB Documentation</b></p>	<ul style="list-style-type: none"> <li>■ NCLB Highly Qualified Teacher/Paraprofessional documentation requirements.</li> </ul>
<p><b>5. Consolidated Application</b></p>	<ul style="list-style-type: none"> <li>■ The Consolidated Application should be supported by auditable records.</li> <li>■ If funding determination is based on number of low income students, supporting documentation should be maintained supporting those numbers.</li> </ul>
<p><b>6. Maintenance of Effort</b></p>	<ul style="list-style-type: none"> <li>■ Maintenance of Effort Calculations should be performed to check for compliance.</li> <li>■ Calculations compare expenditures per student for previous two years to current year.</li> </ul>
<p><b>7. Clear Assignment of Responsibilities</b></p>	<ul style="list-style-type: none"> <li>■ Clear assignments of responsibilities should be established to ensure compliance with Federal program requirements.</li> <li>■ Assigning program coordinator is key. They become your program compliance expert.</li> </ul>
<p><b>8. Federal Interest</b></p>	<ul style="list-style-type: none"> <li>■ Tracking of interest earned on federal funds not expended. This calculation must be completed on a daily cash basis and remitted quarterly.</li> </ul>
<p><b>9. Cafeteria Claims</b></p>	<ul style="list-style-type: none"> <li>■ Cafeteria claims should be supported by auditable records.</li> </ul>
<p><b>10. Income Verification</b></p>	<ul style="list-style-type: none"> <li>■ Income verification for free and reduced lunch requirements.</li> </ul>

## WHAT YOU CAN DO NOW

- Review your funding levels and budget to determine the expected level of federal expenditures.
- Talk to your accounting department or outside servicer about how they track federal expenditures.
- Ask your auditor about the possibility of an A-133 audit.
- Ask your auditor for information about compliance for your largest federal funding sources.