When are FEMA PA funds considered "expended" relative to triggering a single audit?

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Each year municipalities that have received a federal funds (grants, loans, etc.) are required to submit the Subrecipient Annual Report (SAR) to the State of Vermont within forty-five (45) days after their fiscal year end. A municipality is required to have a single audit if it ***expends*** $1 million or more in federal funds during ***its*** fiscal year. This federal funding may come directly from the federal government, through the State of Vermont, or through another organization. The municipality's business manager, controller, treasurer or other financial official should compile federal expenditures from all sources and determine if the municipality exceeded the $750,000 threshold. It is for this reason that the Subrecipient Annual Report should be completed by the financial official in your municipality who has access to grant information for the entire organization.

A helpful SAR Frequently Asked Questions page can be found on the Vermont Department of Finance Management website. Q15 answers the question: when are FEMA Public Assistance funds are considered "expended" relative to triggering a single audit?

According to the August 6, 2013 memo from the US Department of Homeland Security titled, "Audit of Eligible Stafford Act Claimed Costs," the recording of expenditures related to Stafford Act funds should be based on when the funds are approved (i.e., approval of the Award Worksheet) since that is when FEMA actually obligates funds to such recipient.

This means that FEMA PA funds are considered to be "expended" when FEMA has ***obligated*** funds to a subrecipient based on an ***approved Project Worksheet***, not when the subrecipient incurs the cost.

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