



FEDERAL AWARD BEST PRACTICES

Have you or your organization received support under the **CARES Act Provider Relief Fund**? Did you know that receiving those funds may trigger an audit requirement—even for commercial (i.e., for-profit) organizations?

Preparing for an audit of federal award funds can seem daunting, even if you have been subject to them in the past. The following tried-and-true best practices can be applied to the administration of any federal award(s), and will serve as a catalyst and foundation for your compliance with the Provider Relief Fund rules.



Establish a compliance team. A separate position, small group, or department charged with program compliance responsibility and accountability enhances success. Educate them on the program requirements and allow them to train relevant personnel. Program-related queries can be directed to the compliance team to provide consistent answers and solutions.



Document, document, document. Evidence and support each cost or loss charged to the fund with an invoice, timesheet, journal entry packet, or other appropriate documentation. Whether in physical or electronic format, make the documentation easily accessible.



Review regularly. Establish timely review procedures for costs and losses charged to the award. Provide and update the personnel responsible for charging costs to the award regarding allowable costs and transaction types per award terms and conditions.



Reconcile recurrently. Given workload, personnel, and operational constraints, prepare a reconciliation of funds received and expended as often as is practical. Flag, for further review, any costs that do not appear reasonable or do not pass a “sniff test.”



Create a culture focused on controls and compliance. The tone at the top of your organization should reinforce the critical importance of internal controls and compliance. Control and compliance-focused organizations stay on top of their duties, rather than letting administrative tasks fall by the wayside. Turn time into your ally by identifying issues promptly. Early identification allows for quick process improvement and reeducation of staff, which leads to prevention or earlier detection of future issues.



Remain up-to-date. Be alert for communications from the federal agency. Sign-up for automated updates where available.



Communicate with auditors. Your auditor likely has insights and experience with these funds, or similar programs and would be happy to share. Communicate early and often with them.