### BO4. Update on Auditing Requirements for School Title IV Programs and Higher Education Emergency Relief Fund (HEERF) Grants (Q&A)

**Question:**

What is the deadline for our auditor to submit their audit report for FY2022? We were told that we'd be audited on HEERF as a major program on our campus for FY2022 and provided all the requested data to the auditor earlier this year, but have yet to hear from them.

**Response:**

SME - Bales: Single audits are due 9 months after the end of the fiscal year. Proprietary school audits are due 6 months after the end of the fiscal year. Without knowing your FYE date, I cannot give you an exact due date.

**Question:**

IF the auditor (outside auditor) chooses to audit the HEERF funds and not the Federal Aid programs, are they still required to upload the audit results in the G5 account? And is this acceptable???

**Response:**

SME - Bales: Assuming you are asking about a single audit (because proprietary schools do not have the option of not auditing the Federal Aid programs), you would be required to upload your audit report to the Federal Audit Clearinghouse and FSA's eZ-Audit system, even if the Education Stabilization Fund/HEERF is audited but the SFA Cluster (Title IV programs) is not. If your auditor follows the risk-based approach to selecting Federal programs to audit, and auditing the Title IV programs isn't necessary to obtain the necessary audit coverage, it is possible that your Title IV programs are considered low-risk and therefore not audited.

**Question:**

For R2T4, is it documented anywhere that the order of return is for the calculation of which amount is returned to which fund, rather than the order in which it appears on a student account? Our auditor questioned a student account where a Grad PLUS loan was posted as returned before the Unsub, although the calculation of the funds returned was correct, with funds going to the Unsub loan first.

**Response:**

SME Bales - The applicable regulation, 34 CFR 668.22(i), refers to unearned funds being "credited to outstanding balances" in the appropriate order. If this does not answer your question, we would suggest reaching out to an R2T4 subject matter expert in FSA, through your School Participation Division.

**Question:**

is slide 13 and 14 when it says "Audit testing compliance" is this for A-133 audits from third party if hired by a school, or for Program reviews if selected (or any type of federal audits?)

**Response:**

SME - Bales: These are areas from single audits and/or audits of proprietary schools and third-party servicers. If your curious about a specific bullet, I can tell you whether that item is currently covered by a single audit or proprietary school/servicer audit.

**Question:**

How long do we need to keep the expenditure reports on our web site after all funds have peen expended?

**Response:**

(Referring to HEERF grants

**Response:**

SME Bales - Per question 51 of the ARP HEERF III FAQs, public quarterly reports should remain online for a period of at least three years after the submission of the last quarterly or annual performance report.

**Question:**

Is the $500 for all interest earned on Federal funds or just interest on HEERF funds.

**Response:**

SME - Bales: The $500 is in regards to interest earned on all Federal funds. See 2 CFR 200.305(b)(9).

**Question:**

We have turned in our FY 2021 audit on 2/17/22 and it is still under review. When should we expect to have this finalized?

**Response:**

SME - Bales: I'm happy to send your question to group responsible for audit resolution, the Grants Risk Management Services Division.

**Question:**

Is the HEERF Audit still required if all funds have been expended and outside Audit completed?

**Response:**

SME – Bales: If you did not expend any HEERF funds in your current fiscal year, and your school has not closed or in the process of closing, you will not be required to have a HEERF audit for that fiscal year.

**Response:**

Thank you for this clarification!