

Appendix V

List of Changes for the 2005 Compliance Supplement

This Appendix provides a list of changes from the OMB Circular A-133 Compliance Supplement, issued in March 2004, to this 2005 Supplement.

Table of Contents

- The Table of Contents has been corrected to make the names of the following programs consistent with those in the *Catalog of Federal Domestic Assistance* (CFDA) and the program entries in Parts 4 and 5 of the Supplement; add five new programs and one new cluster; delete two programs; substitute a single program reference in lieu of a cluster; and change an entry to reflect the assignment of a CFDA number.
 - CFDA 14.866 – Added program, “Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI)”
 - CFDA 15.614 – Added program, “Coastal Wetlands Planning, Protection, and Restoration Act”
 - CFDA 84.268 – Changed program title to “Federal Direct Student Loans (Direct Loan)”
 - CFDA 84.298 – Changed program title to “State Grants for Innovative Programs”
 - CFDA 84.338 – Deleted program, “Reading Excellence”
 - CFDA 84.366 – Added program, “Mathematics and Science Partnerships”
 - CFDA 93.224 – Eliminated cluster of programs and substituted a single CFDA number for the “Consolidated Health Centers” program
 - CFDA 93.820 – Deleted “Scholarships for Students of Exceptional Financial Need (EFN)” program from Student Financial Assistance cluster
 - CFDA 93.889 – Added program, “National Bioterrorism Hospital Preparedness Program”
 - CFDA 97.004/97.067 – Added cluster, “Homeland Security Cluster”
 - CFDA 97.008 – Added program, “Urban Areas Security Initiative”
 - CFDA 98.007 – Changed entry for Foreign Food Donation Program from 02.001 to 98.007 and changed title to “Food for Peace Development Assistance Program”

Part 1 - Background, Purpose, and Applicability

- The “Purpose and Applicability” section has been updated for the effective date of this Supplement and to include clarifying language concerning implementation of the OMB Circulars by Federal agencies.
- The “Overview of This Supplement” section has been updated to indicate that OMB Circular A-110 has been codified as 2 CFR part 215 and, for the 2005 Supplement, Appendix VI is reserved. Needed coverage of Department of Homeland Security programs has been moved to the DHS programs in Part 4.

Part 2 - Matrix of Compliance Requirements

- Updated to add and remove programs to make the matrix consistent with the Table of Contents and Part 4. For added programs or programs adding compliance requirements, the matrix was updated based on the program supplement in Part 4.

Part 3 - Compliance Requirements

- No changes

Part 4 - Agency Program Requirements

- Deleted the following programs: Page No.
 - 84 Department of Education**
 - 84.338 Reading Excellence 4-84.338-1
- Converted the following from a cluster to a single program entry:
 - 93 Department of Health and Human Services** Page No.
 - 93.224 Consolidated Health Centers 4-93.224-1
- Added the following programs: Page No.
 - 14 Department of Housing and Urban Development**
 - 14.866 Demolition and Revitalization of Severely Distressed Public Housing (Hope VI) 4-14.866-1
 - 15 Department of the Interior**
 - 15.614 Coastal Wetlands Planning, Protection, and Restoration Act 4-15.614-1
 - 84 Department of Education**
 - 84.366 Mathematics and Science Partnerships 4-84.366-1
 - 93 Department of Health and Human Services** Page No.
 - 93.889 National Bioterrorism Hospital Preparedness Program 4-93.889-1
 - 97 Department of Homeland Security** Page No.

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|-----------|---|-----------------|
| 97.008 | Urban Areas Security Initiative | 4-97.008-1 |
| • | Added the following cluster: | <u>Page No.</u> |
| 97 | Department of Homeland Security | |
| 97.004 | State Domestic Preparedness Equipment Support Program (State Homeland Security Grant Program) | |
| 97.067 | Homeland Security Grant Program | 4-97.067-1 |
| • | Added a CFDA number for the following: | <u>Page No.</u> |
| 98 | U.S. Agency for International Development | |
| 98.007 | Food for Peace Development Assistance Program | 4-98.007-1 |

The following significant changes were made to the programs in Part 4:

- CFDA 10.557 – Updated II, “Program Procedures.” Updated III.B.1, “Allowable Costs/Cost Principles - Applicable Credits,” to include local agency collection requirements. Updated III.E.1.d, “Eligibility – Eligibility for Individuals - Nutritional Risk.” Updated III.H, “Period of Availability of Federal Funds.” Added III.N.2, “Special Tests and Provisions – Review of Food Instruments” to Enforce Limitations and Detect Errors.” Previous III.N.2 was re-numbered to III.N.3 and updated.
- CFDA 14.872 – Updated information in II, “Program Procedures,” added a regulation to “Program Procedures - Sources of Governing Regulations,” and added a new subsection, “Program Procedures - Availability of Other Program Information.” Updated III.A.1, “Activities Allowed or Unallowed,” to including financing as an allowable activity. Added III.D, “Davis-Bacon Act,” to provide information on the basis for the applicability of the Davis-Bacon Act. Revised III.L, “Reporting.” Added a new III.N, “Special Tests and Provisions - Provisions - FASS – PHA, Public Housing Assessment System Phase Indicator #2, Financial Condition, and HUD-50075, PHA Plans.”
- CFDA 84.000 – Department of Education Cross-Cutting Section – Changed name of CFDA 84.298 to reflect current name. Corrected the CFDA number for Reading First to 84.357. Deleted CFDA 84.338, Reading Excellence. Added CFDA 84.366, Mathematics and Sciences Partnerships, to the list of applicable programs and added references to the new program consistent with the CFDA 84.366 program supplement. In II, Program Procedures, added sections on “Transferability” and “Small Rural Schools Achievement (SRSA) Alternative Uses of Funds Program” under “Unique Features of ESEA Programs That May Affect the Conduct of the Audit;” revised guidance in “General and Program-Specific Cross-Cutting Requirements;” and updated website in “Availability of

Other Program Information.” Revised citations and requirements and expanded discussion in III.B.2, “Allowable Costs/Cost Principles - Documentation of Employee Time and Effort.” Updated III.B.3, “Allowable Costs/Cost Principles – Indirect Costs.” Updated citations in III.G.2.1, “Matching, Level of Effort, Earmarking - Level of Effort – Maintenance of Effort (SEAs/LEAs).” Updated citations and program names in III.G.2.2, “Matching, Level of Effort, Earmarking - Level of Effort – Supplement Not Supplant (SEAs/LEAs).” Updated III.H, “Period of Availability of Federal Funds,” added CFDA 84.318 to the programs covered by this requirement, and updated the website address. Clarified the compliance requirement and suggested audit procedures in III. N.2, “Special Tests and Provisions - Schoolwide Programs.” Add III. N.4, “Special Tests and Provisions - Access to Federal Funds for New or Significantly Expanded Charter Schools (SEAs/LEAs).” See below for programs affected by this new Special Test. Clarified the citation in IV, “Other Information – Prima Facie Case Requirements for Audit Findings.”

- CFDA 84.011 – Updated II, “Program Procedures.” In III.L.3, “Reporting – Special Reporting,” updated information in III.L.3.b and added a new report in III.L.3.c. Updated III.N.4, “Special Tests and Provisions - Priority for Services.”
- CFDA 84.027 and 84.173 – Updated III.G.2.1, “Matching, Level of Effort, Earmarking - Level of Effort – Maintenance of Effort (SEAs/LEAs)” by updating and renumbering “a. LEAs” to “b. LEAs” and by adding a new section “a. SEAs.” The renumbered III.G.2.1.b, “LEAs,” is revised to note that the requirement could be met on either an aggregate or per capita basis. Updated III.G.3.a(2) and b(2), “Matching, Level of Effort, Earmarking - Earmarking” by providing additional information on the base period for the distribution of funds requirements. Added a new requirement as III.G.3.d, “Matching, Level of Effort, Earmarking - Earmarking – Redistribution of Formula Funds to LEAs.” Added III. N.2, “Special Tests and Provisions - Access to Federal Funds for New or Significantly Expanded Charter Schools (SEAs/LEAs).”
- CFDA 84.032 – Removed outdated material under II, “Program Procedures.” Updated the internet address in III.L.3, “Reporting - Special Reporting.” In III.N, “Special Tests and Provisions,” updated the compliance requirement and suggested audit procedure in N.3, “Conditions of Reinsurance Coverage;” removed outdated material and added a citation in N.7, “Federal Share of Borrowed Payments;” clarified and deleted outdated material in N.9, “Federal Fund and Agency Operating Fund;” and corrected the citation and updated the audit objective and suggested audit procedure in N.10, “Investments – Federal Fund.”

- CFDA 93.224 – Changed title to 93.224, Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care For The Homeless, Public Housing Primary Care, And School Based Health Centers), and deleted references to other programs previously considered part of a cluster. Added IV, “Other Information” to explain this change in funding and reporting. Added reference in I., “Program Objectives,” to allowability of governing board waiver under migrant health services funding. Updated citations in III.A.1.e, “Activities Allowed or Unallowed;” III.J; “Program Income”; and III.N.1, “Special Tests and Provisions - Governing Board – Compliance Requirement.”
- CFDA 93.556 – Added a new paragraph 6 on “Administrative Costs” under III.A, “Activities Allowed or Unallowed,” with a cross reference to a newly added III.G.2.” Renumbered the remaining paragraphs of III.A. Expanded the citation under the new III.A.7 to 45 CFR section 1357.32(h)(3).
- CFDA 93.558 – Under III.L.2, “Reporting – Performance Reporting,” included discussion of importance of reporting related to work participation and added line items to be reviewed in the TANF and Tribal TANF Data Reports: Section One – Family-Level Data - Item 28 *Is the TANF family exempt from the Federal time limit provisions;* Section One - Person-Level Data - Item 30 *Family Affiliation Code;* Item 32 *Date of Birth;* Item 39 *Parents with a Minor Child;* and Item 44 *Number of months countable toward the Federal time limit.*
- CFDA 93.658 – Added a new III.A.2.b, “Activities Allowed or Unallowed – Activities Unallowed.” Updated III.E.1, “Eligibility – Eligibility for Individuals.” Clarified III.G.1, “Matching, Level of Effort, Earmarking – Matching” by reiterating exemption from specified requirements of the A-102 Common Rule.

The following non-substantive changes or changes of a less significant nature were made to the programs in Part 4:

- 10.001 – Deleted the last sentence under II, “Program Procedures – Food for Progress Program” because it is outdated.
- CFDA 10.500 –
 - Added West Virginia University as an eligible recipient under this program. References to West Virginia University have been added under II, “Program Procedures,” III.G.1d, Matching, Level of Effort, Earmarking – Matching, III.H, “Period of Availability of Federal Funds, and III.L.1.a, Reporting – Financial Reporting,” in each case to read “...including Tuskegee University and West Virginia University.”

- Updated II, “Program Procedures,” and III.A.1, “Activities Allowed or Unallowed” to note that a 2-Year Plan of Work Update is required for fiscal years (FYs) 2005 and 2006 instead of submitting a new 5-Year Plan of Work for FYs 2005-2009 (See Revisions to the Guidelines for State Plans of Work for the Agricultural Research and Extension Formula Funds, 69 *Federal Register* (FR) 6244-48, February 10, 2004). The 2-Year Plan of Work Update extends coverage of the original 5-Year Plan of Work to include FYs 2005 and 2006 and was due April 1, 2004. The 2-Year Plan of Work Update should be based on the original national goals established in the FY 2000 – FY 2004 Plan of Work.
- Updated II, “Program Procedures,” to add “Availability of Other Program Information” at <http://www.csrees.usda.gov>.
- Updated III.G.1.c and d, “Matching, Level of Effort, Earmarking - Matching,” to add “and the 2-Year Plan of Work Update” after “5-Year Plan of Work.”
- Updated III.G.1.d, “Matching,” by adding “1890 Land-Grant Institutions, including Tuskegee University and West Virginia University, may carry over matching funds from one fiscal year to the following fiscal year” to the end of the paragraph.
- Updated III.L.1.d, “Reporting - Financial Reporting,” by replacing “SF-272, *Federal Cash Transactions Report* – Not Applicable” with “SF-272, *Federal Cash Transactions Report* - Payments under this program are made by the HHS Payment Management System. Reporting equivalent to the SF-272 is accomplished through the Payment Management System and is evidenced by the PSC-272 series of reports.”
- CFDA 10.551 and 10.561 – Updated and clarified coverage in II, “Program Procedures.”
 - “Certification - Assessing Need” now reads as follows:

“Households generally cannot exceed a gross income eligibility standard set at 130 percent of the Federal poverty standard (7 CFR section 273.9(a)(1)). Households also cannot exceed a net income standard, which is set at 100 percent of the Federal poverty standard (7 CFR section 273.9(a)(2)). The net income standard allows specified deductions from gross income, e.g., a standard deduction and deductions for medical expenses (elderly and disabled only), excess shelter costs, and work expenses. Non-financial eligibility criteria include age, school status, citizenship/legal immigration status, residency, household composition, work requirements, and disability status. Some non-citizens are ineligible to participate in the program (7 USC 2015(f)). Able-bodied adults without

dependents are subject to a time limit for receiving benefits if certain requirements are not met (7 USC 2015(o)).”

- The second paragraph under “Benefits” has been changed to read as follows:

“The benefits each household receives are redeemed for food in participating retail stores. States issue benefits in the form of debit cards, which recipients can use to purchase food. This is known as electronic benefits transfer (EBT). Welfare reform legislation required all States to use EBT by 2002, and all States have achieved full compliance.”

- The first two sentences of “Certification Quality Control System – Implications of Quality Control for the Compliance Supplement” have been changed as follows:

“The Food Stamp Program Quality Control system uses an intensive State review of a sample of active cases across the United States to measure the accuracy of Food Stamp Program eligibility determinations and benefit amounts. An FNS re-review of a subset of those cases follows.”

- CFDA 10.553, 10.555, 10.556, and 10.559 – Changed title of III.A.3 under “Activities Allowed or Unallowed” to “Exceptions for States with Simplified SFSPC Programs,” and added Colorado, Louisiana, Michigan, Mississippi, Ohio, and Oregon to the States covered by the exception. The period for the exception for the 19 States is October 1, 2004 through September 30, 2009.
- CFDA 10.558 –
 - Updated II, “Program Procedures - Federal Assistance to States - Funding State-Level Administrative Costs” to note that the one and one-half percent of FNS payments available to comply with audit requirements and to fund costs associated with performing administrative reviews of institutions after the audit requirements have been met is reduced to one percent for FYs 2005 through 2007.
 - Updated III.A.2.b, “Activities Allowed and Unallowed - Sponsoring Organization Procedures – Sponsoring Organizations of Centers,” to note that the portion of a center’s meal reimbursement that the sponsor may retain for its own administrative expenses may not exceed 15 percent.
 - Updated III.E.1.a(1), “Eligibility - Eligibility for Individuals,” by revising the definition of “children” to include “persons through age 18 that are in emergency shelters.”
 - Updated III.E.3.b, “Eligibility - Eligibility for Subrecipients,” by replacing everything after “(2)” with “as of June 30, 2004, at least 25 percent of the

children in their care are eligible for free or reduced price meals (42 USC 1766(a)(2)(B)).”

- CFDA 11.300 and 11.307 – Added a new section III.D, “Davis-Bacon Act,” to provide the statutory citation that makes the Davis-Bacon Act apply to these programs (42 USC 3212) and corrected citation to add omitted “13” before CFR in III.N.1, “Special Tests and Provisions - Increases to RLF Capital Base – Compliance Requirement”.
- CFDA 12.401 – Updated National Guard Bureau Manual citation under III.J, “Program Income,” to “NGR 5-1/ANGI 63-101, chapter 7-3b(2).”
- CFDA 14.239 – Updated the website for the HOME Rule under II, “Program Procedures – Availability of Other Program Information” to <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/>. Updated language in III.G.1, “Matching,” by deleting “Except for funds allocated in Fiscal Year 1992.”
- CFDA 14.850 – Corrected the report number in II, “Program Procedures – Performance Reporting” and III.L.2, “Reporting - Performance Reporting,” to “HUD Form 50072.”
- CFDA 15.605 and 15.611 –
 - Updated website address under II, “Program Procedures - Availability of Other Program Information,” to [http://federalaid.fws.gov-grants/grantinf.html](http://federalaid.fws.gov/grants/grantinf.html).
 - Revised III.G.3.a, “Matching, Level of Effort, Earmarking - Earmarking,” citation to 50 CFR section 80.15(e).
 - Added the following paragraph to III.J, “Program Income:”

“Grant agreements will normally contain specific language that income generated by the grantee outside of the grant period from federal assistance-supported acquisitions or other activities will either be: (1) treated as license revenue and used to support the administration of the State fish and wildlife agency; or (2) if the State so requests, used as additional funding for purposes consistent with the grant or the program that generated the income. Lacking specific language requested by the grantee in the grant agreement, there are no requirements to account for income generated by a subgrantee outside of the grant period unless provided for by the grantee in the award to the subgrantee. However, the grantee and subgrantee may enter into subsequent contractual agreements that require accounting for income generated outside the grant period in order to comply with separate obligations (e.g., maintenance of a facility during its useful life, oversight of allowable commercial activities, etc).”

- Updated III.L.3, “Special Reporting,” to add the report number “Form 3-154A” and to add the following information:

“License holders shall be counted over a period of 12 months; the calendar year, fiscal year, or other licensing period may be used provided it is consistent from year to year in each State. The data is used in the calculation for apportioning the annual appropriation of funds to all State grantees and, therefore, exaggerating the number of license holders can result in additional Federal funds. Determining and reporting the number of persons holding paid licenses requires eliminating duplication or multiple counting of single individuals in the certified figures. Sampling and other statistical techniques may be utilized by the certifying officer for this purpose. [A paid license holder is one person, regardless of the number of licenses, tags, permits, or stamps held.] Trapping licenses, commercial licenses, and other licenses that are not for the express purpose of permitting the holder to hunt or fish for sport or recreation shall not be included; licenses that do not return net revenue to the State shall not be included; licenses valid for more than one year may be counted in each of the years for which they are valid; and combination fishing and hunting licenses (a single license that permits the holder both to hunt and fish) shall be included in the determination of both the number of paid hunting license holders and the number of persons holding paid licenses to fish for sport or recreation.”

- Revised III.N.1, “Special Tests and Provisions - Assent Legislation and Diversion of License Fees,” by replacing “Federal funds” with “State license fee revenue.”
- CFDA 45.129 – Under III.G.1, “Matching, Level of Effort, Earmarking – Matching,” added “Federal” in front of “Matching Funds in each instance in the first and third paragraphs and substituted “Cost Sharing” for “Matching” in front of “Outright Funds.”
- CFDA 66.468 – Deleted III.G.1. c., “Matching, Level of Effort, Earmarking – Matching” because that provision of the Safe Drinking Water Act no longer applies.
- As noted above for the ED Cross-Cutting Section (84.000), updated III.N, “Special Tests and Provisions,” of the programs listed below by adding a reference to the new ED Cross-Cutting Section requirement in III. N.4, “Special Tests and Provisions - Access to Federal Funds for New or Significantly Expanded Charter Schools (SEAs/LEAs),” as follows:

“Access to Federal Funds for New or Significantly Expanded Charter Schools

See ED Cross-Cutting Section.”

- Program to be updated where this addition is the only change to the program are:

ESEA programs: SDFSCA (except the Governor’s Program authorized under Section 4114) (CFDA 84.186); Ed Tech (CFDA 84.318); Reading First (CFDA 84.357); Title III, Part A (CFDA 84.365); and Title II, Part A (CFDA 84.367). Other program: Adult Education (CFDA 84.002).
- As noted elsewhere in this appendix, coverage of this new requirement is being added to the following programs that also have other changes in this Supplement:

Title I, Part A (CFDA 84.010), IDEA, Part B (CFDA 84.027 and 84.173), Vocational Education (CFDA 84.048), 21st CCLC (CFDA 84.287), and Title V, Part A (CFDA 84.298).
- CFDA 84.010 –
 - Added the citation 20 USC 6315 to II, “Program Procedures.”
 - Added to II, “Program Procedures” the following:

Availability of Other Program Information

A number of documents contain non-regulatory guidance applicable to the Title I, Part A requirements in this Supplement. They include:

- Local Educational Agency Identification and Selection of School Attendance Areas and Schools and Allocation of Title I Funds to Those Areas and Schools (August 2003)
(<http://www.ed.gov/programs/titleiparta/wdag.doc>);
- Improving Teacher Quality State Grants (Jan. 16, 2004)
(<http://www.ed.gov/programs/teacherqual/guidance.doc>);
- Public School Choice (Feb. 6, 2004)
(<http://www.ed.gov/policy/elsec/guid/schoolchoiceguid.doc>);
- Report Cards, Title I, Part A (Sept. 12, 2003)
(<http://www.ed.gov/programs/titleiparta/reportcardsguidance.doc>);
- Supplemental Educational Services (Aug. 22, 2003)
(<http://www.ed.gov/policy/elsec/guid/suppsvcsguid.doc>);
- Title I Paraprofessionals (Mar. 1, 2004)
(<http://www.ed.gov/policy/elsec/guid/paraguidance.doc>);
- Title I Services to Eligible Private School Children (Oct. 17, 2003)
(<http://www.ed.gov/programs/titleiparta/psguidance.doc>); and
- LEA and School Improvement (Jan. 7, 2004)
(<http://www.ed.gov/policy/elsec/guid/schoolimprovementguid.pdf>)

- 20 Participation Level (for the reporting period only)
- 21 Academic Need - primary
- 33 Grade Level (at time of first entry into project)
- 34 Grade Level (at the end of the reporting period)

(2) Section II-B, *Record Structure for Participant List for Veterans Upward Bound Projects*, fields:

- 11 Eligibility
- 13 Date of First Entry into Project
- 14 Educational Status (at time of entry into project)
- 17 Participant Status
- 18 Length of Program Participation
- 19 Educational Status (at end of reporting period)

- III.L.2.d, “Reporting – Performance Reporting – *Ronald E. McNair Postbaccalaureate Achievement Performance Report*, (OMB No. 1840-0640).” Revise to:

Key Line Items - The following items contain critical information:

(1) Section II, *Record Structure for Participant List*, fields:

- 11-13 Eligibility
- 14 First School Enrollment Date
- 15 Project Entry Date
- 16 Participant Status
- 17 College Grade Level (entry into project)
- 18 College Grade Level (Current - at the end of the spring/summer term)
- 19 Enrollment Status (for the academic year being reported)
- 21 Highest Degree Earned in the Reporting Year

- CFDA 84.048 – Under III.E.3.a, “Eligibility - Eligibility for Subrecipients,” deleted the entire second paragraph (the paragraph beginning “For the program years beginning July 1, 1999...”) because the information is outdated. Removed “(Form IV)” from the title of the form in III.L.2, “Reporting - Performance Reporting.” Added the new ED Cross-Cutting requirement, as III.N.2, “Special Test and Provisions - Access to Federal Funds for New or Significantly Expanded Charter Schools. See ED Cross-Cutting Section.”
- CFDA 84.186 – Corrected numbering and a reference under III.G.3, “Matching, Level of Effort, Earmarking – Earmarking.” Numbering was corrected to normal outline numbering, i.e., 3.a(1) and (2), 3.b, etc. Under III.G.3.a(2), corrected the reference from “an SEA may reserve not more than five percent of its total allocation for State-level activities authorized under Section 4112(c) (Section

4112(c)(1) of the SDFSCA (20 USC 7112(c)(1)))” to “an SEA may reserve not more than five percent of its total allocation for State-level activities authorized under Section 4112(c) of the SDFSCA (20 USC 7112(c)(1)).”

- CFDA 84.282 – Revised the last sentence in the first paragraph under II, “Program Procedures,” by adding “non-SEA” prior to “eligible applicant.”
- CFDA 84.287 – Revised III.H.2, “Period of Availability of Federal Funds – NCLB,” as follows: “Funds not obligated by the end of the Federal fiscal year for which they were appropriated may be obligated for one additional Federal fiscal year. For example, funds appropriated for Federal fiscal year 2005 are available from October 1, 2004 (the beginning of Federal fiscal year 2005) until September 30, 2005 (Title III of Pub. L. 107-116, School Improvement Programs, 115 Stat. 2202) plus an additional 12 months (34 CFR sections 76.707 through 76.709).” Added the new ED Cross-Cutting requirement as, III.N.3, “Special Test and Provisions - Access to Federal Funds for New or Significantly Expanded Charter Schools. See ED Cross Cutting Section.”
- CFDA 84.298 – Changed name of program from “Innovative Education Program Strategies” to “State Grants for Innovative Programs.” Added the new ED Cross-Cutting requirement, as III.N.3, “Special Test and Provisions - Access to Federal Funds for New or Significantly Expanded Charter Schools. See ED Cross-Cutting Section.”
- CFDA 93.563 – Changed regulatory citation under II, “Program Procedures – Source of Governing Requirements” to 45 CFR parts 301 through 309. Added a new III.A.2.a(11), “Activities Allowed or Unallowed - Activities Unallowed,” as follows: “Purchased support enforcement services which are not secured in accordance with 45 CFR section 304.22.” Under III.E.1, “Eligibility - Eligibility for Individuals,” deleted reference to 45 CFR section 302.32(a). Under III.G.1.a, “Matching, Level of Effort, Earmarking – Matching,” changed reference from 45 CFR section 304.30 to 45 CFR section 304.29.
- CFDA 93.991 – Added 2010 under I, “Program Objectives,” and III.A.1, “Activities Allowed and Unallowed,” to read “2000/2010 objectives” and “for the year 2000/2010,” respectively.
- CFDA 94.006 – Corrected reference under III.A.1, “Activities Allowed or Unallowed,” from 42 USC 12754 to 42 USC 12574. Under III.E.1, “Eligibility – Eligibility for Individuals,” updated living allowances by deleting completed years and adding most recent year as follows for Program Year, Minimum Allowance and Maximum Allowance:

2003-2004	\$9,900	\$19,800
2004-2005	\$10,197	\$20,934

2005-2006 \$10,600 \$21,200

Part 5 - Clusters of Programs

The following non-substantive changes or changes of a less significant nature were made to the Student Financial Assistance Cluster:

STUDENT FINANCIAL ASSISTANCE PROGRAMS

Department of Education

Department of Health and Human Services

- Deleted references to CFDA 93.820 – Scholarships for Students of Exceptional Financial Need (EFN) from list of programs in the cluster; under II, “Program Procedures – Source of Governing Requirements, and under III.E.1, “Eligibility - Eligibility for Individuals.”
- In II, “Program Procedures,” revised “(8) making refunds” to “(8) returning funds” to reflect current terminology.
- Under III.E.1, “Eligibility - Eligibility for Individuals - *Annual Limits for Unsubsidized Loans*,” replaced a reference for Exceptions from a Dear Colleague Letter to “Volume 8, Chapter 3 of the 2003-04 SFA *Handbook*. The *Handbook* is available on the Internet (<http://ifap.ed.gov/>).”
- Under III.L.1.e, “Reporting - Financial Reporting – *Pell Payment Data*,” revised information on key items to: “Key items to test on origination records are: Social Security Number, award amount, enrollment date, verification status code, transaction number, expected family contribution (applicable for phase-in participants only), cost of attendance, academic calendar* and payment methodology*, weeks*, and clock/credit hours* (* optional reporting items for phase-in participants; auditor should test when participants report these items). Key items to test on disbursement records are disbursement date and amount. The information may be accessed by the institution for the auditor at <http://www.cod.ed.gov/> (34 CFR section 690.83; SFA *Handbook*).”
- In III.N.3.b, “Special Tests and Provisions - Disbursements To or On Behalf of Students-Compliance Requirement,” replaced reference to the *Federal Register* (67 FR 67071) with 34 CFR section 668.4(b).
- In III.N.3.b(2)(c), “Special Tests and Provisions - Disbursements To or On Behalf of Students-Compliance Requirement,” replaced the reference to the *Federal Register* (67 FR 67071, 67072) to 34 CFR section 668.4(b)(3) and, under *Pell*, the reference to the *Federal Register* (67 FR 67073) with 34 CFR section 668.164(g).

- In III.N.4, “Special Tests and Provisions - Return of Title IV Funds - Compliance Requirements,” replaced reference under *Post-withdrawal Disbursements* to the *Federal Register* (67 FR 67074) with 34 CFR section 668.164(g) and the reference under *Timing of Returning of Title IV Funds*, to the *Federal Register* (67 FR 67074) with 34 CFR section 668.173(b).
- In III.N.10, “Special Tests and Provisions - Institutional Eligibility,” replaced the introductory paragraph in 10.c. to clarify that zone alternative and provisional certification alternative only apply to nonprofit institutions as follows:

“Nonprofit institutions not meeting ED’s financial responsibility regulations may, for a limited time, participate in SFA programs under either the zone alternative or the provisional certification alternative. Generally, a nonprofit institution participating under the zone alternative receives a letter to that effect and, as a condition of participation, is placed on a cash-monitoring method of funding. If a nonprofit institution is participating under the zone alternative or the provisional certification alternative, the nonprofit institution must notify the Secretary of Education by certified mail or electronic or facsimile transmission within 10 days of any of the following events (34 CFR section 668.175):”

Revised Suggested Audit Procedure paragraph c. to:

“When the zone alternative or provisional certification alternative is applicable to a nonprofit institution:”

- Updated list of other clusters for programs included in this Supplement to delete Consolidated Health Centers Cluster and add State Homeland Security Cluster.

Part 6 - Internal Control

- No changes.

Part 7 - Guidance for Auditing Programs Not Included in This Compliance Supplement

- No changes.

Appendix I - Federal Programs Excluded from the A-102 Common Rule

- No changes.

Appendix II - Federal Agency Codification of Certain Governmentwide Grant Requirements

- No changes.

Appendix III - Federal Agency Contacts for A-133 Audits

- This Appendix has been modified to update responsible offices and related information, as appropriate.

Appendix IV - Internal Reference Tables

- Updated tables for changes in this Supplement.

Appendix V - List of Changes for the 2004 Compliance Supplement

- Updated this appendix to provide a list of changes from the OMB Circular A-133 Compliance Supplement issued in March 2004 to this 2005 Supplement.

Appendix VI

- “Department of Homeland Security and the Compliance Supplement” deleted. Appendix reserved for future years.

Appendix VII

- No change

Appendix VIII

- No change

Appendix IX - Compliance Supplement Core Team

- Updated this Appendix to recognize contributions of current interagency team responsible for the production of this Supplement.