



MILWAUKEE COUNTY
DEPARTMENT OF HEALTH AND HUMAN SERVICES

Behavioral Health Division
Delinquency and Court Services Division
Disability Services Division
Economic Support Division
Housing Division

YEAR 2009
PURCHASE OF SERVICE GUIDELINES
TECHNICAL REQUIREMENTS
AUDIT AND REPORTING

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For Master Chart of Accounts see Contract Administration web site at:

<http://county.milwaukeecounty.org/RFPInformation11327.htm>

INTRODUCTION

Welcome to the Year 2008 Request for Proposal (RFP) process. The technical requirements set forth in these guidelines apply to proposals submitted for funding programs under the Department of Health and Human Services (DHHS) Behavioral Health, Delinquency and Court Services, Disability Services, Economic Support and Housing Divisions. The programs for purchase are described in the *Year 2009 Purchase of Service Guidelines: Program Requirements*.

The Audit and Reporting Requirements are organized into three (3) separate sections, each of which explain various audit and reporting requirements along with the format of schedules and forms to use for billing, annual audit and audit waiver requests. The relevant instructions, format and forms are included in each respective section. Forms can also be found on the Contract Administration web page at:

<http://county.milwaukee.org/RFPInformation111327.htm>

The sections are:

- Section 1: Monthly Purchase of Service Contract Billing Forms
- Section 2: Annual Audit Requirements
- Section 3: Required Annual Audit Schedules

To receive information or assistance, please contact the following persons:

Dennis Buesing, CPA, Contract Administration (414) 289-5853
Sumanish K Kalia, CPA, Contract Administration (414) 289-6757
James Sponholz, Contract Administration (414) 289-5778

INSTRUCTIONS, FORMS and SCHEDULES

SECTION 1: MONTHLY PURCHASE OF SERVICE CONTRACT BILLING FORMS

Monthly billing instructions
Monthly billing forms

Milwaukee County Department of Health and Human Services (DHHS)
Billing Instructions

- 1 Please enter one Program per Exhibit 1 per spread sheet/ "Expense Statement". DO NOT combine Programs. Some program may have multiple services.**
- 2 Data can be entered in "grayed" cells ONLY.**
 - Choose month from drop down box on the "Exp" tab.
 - Enter Agency/Program information on the "Exp" tab which will populate the same data fields on the "Rev" and other tabs.
 - For expenses, enter data on "Exp-Details" Tab **ONLY** and it will automatically populate the "EXP" Tab fields.
 - For Revenue, enter data on "Rev" Tab **ONLY** and it will automatically populate the respective field in other forms.
- 3 For "EXP" Tab; please select the starting and ending month of the contract from the drop down menu.**
Also select the type of reimbursement i.e. Final or Partial from the drop down menu.
It will be a partial reimbursement every month except when it is a final invoice.
For every month Please also select whether the Expenses being claimed are Actual or Estimated.
- 4 All amounts must be rounded to the nearest whole dollar.**
- 5 Any prior period adjustments must be made in the current month.**
 - **DO NOT MAKE CHANGES TO MONTHS YOU HAVE ALREADY BILLED.**
 - Footnote any prior period adjustments on the current month report on the "Exp-Details" Tab in Comment Box
- 6 INCREASES IN REVENUES AND EXPENSES MUST BE ENTERED AS POSITIVE NUMBERS.**
- 7 DECREASES IN REVENUES AND EXPENSES MUST BE ENTERED AS NEGATIVE NUMBERS.**
- 8 If you report units, Please enter the rates and units on the "Units" TAB only, even though your agency may have only one type of service and one rate only. DO NOT enter any units on "EXP" TAB it will be automatically calculated and entered on the "Exp" TAB. Please also select the unit type from the drop down menu for each unit rate.**
- 9 Please do not enter "Text" or "punctuation marks" in numerical fields or vice versa.**
- 10 Please email the report to dhhsaccounting@milwcnty.com, the subject line must read : Division, Agency, Program and Month
example: DSD ABC LLC TCM January 07**
- 11 Equipment Cost for code 8700 includes all Assets for example: Fax Machine, Printer, Copier, Computers, Laptop, Phone systems, Furniture, Chairs, Desks, Sofa, Beds etc**
- 12 Employee Travel has been split into two rows on the "Exp-Details" TAB, one row is for expenses like hotel, meals & related expenses like fares etc. which is linked to the supplementary information to be provided on the "TRAVEL" TAB. The other row is for all other mileage and gas reimbursement being paid to employees to travel locally in Milwaukee Metro area or under employee agreement.**

Milwaukee County Department of Health and Human Services (DHHS)
Expense Report

Agency: Agency
Disability: Disability
Program: Program
Contract: Contract
Starting Month: JANUARY
Ending Month: DECEMBER
Reimbursement: Partial

Division: BHD

Month Ending: JANUARY
Certified By: Agency Representative
Email: gmail
Phone #: (123) 456-7800
Fax #: (123) 456-7890

Account Number	Expense Description	January		February		March		April		May		June		July		August		September		October		November		December		Year-To-Date		Approved Budget
		Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	Actual	Estimated or Actual	
*7000	Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*7100	Employee Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*7200	Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8000	Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8100	Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8200	Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8300	Postage & Shipping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8400	Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8500	Equipment Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8600	Printing & Publications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8700	Employee Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8800	Conferences, Conventions, Meetings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8900	Specific Assistance to Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*8916	Client Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*9000	Membership Dues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*9100	Awards & Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*9200	Allocated Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*9300	Client Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*9400	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*9500	Depreciation/Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*9600	Allocations to Agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Than Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenses before profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Profit if Authorized	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenses including Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-DHHS Contract Revenue Brought Forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Net Expenses/Request	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* all items must be entered only on the separate TABS "Exp-Details" or "Units" or the report will be returned and payment denied.

** Applies only to DD group homes and family care homes.

items must be explained on the separate TABS provided with this report or report will be returned and payment denied.

CONTRACT

Current Month Contract	Year-To-Date Contract	Approved Contract
-	-	-

(if applicable)

January Units	February Units	March Units	April Units	May Units	June Units	July Units	August Units	September Units	October Units	November Units	December Units	Final Units	Year-To-Date Units	Approved Budget Units
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Number of Contract Months: 12

NET UNITS EARNED (units of services times the rate, less revenues) (in \$) (if applicable)

January Units	February Units	March Units	April Units	May Units	June Units	July Units	August Units	September Units	October Units	November Units	December Units	Final Units	Year-To-Date Units Earned	Approved Weighted Average Unit Rate
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ESTIMATED PAYMENTS ARE MADE BASED ON THE LOWER OF:

CURRENT MONTH CONTRACT, CURRENT MONTH EXPENSES,

OR CURRENT MONTH UNITS EARNED (if Applicable)

Expenses for Reimbursement does not include EARLY payments:

Email to: dhhsaccounting@milwaukeecounty.com Fax: DHHS Accounting @ (414) 289-8574

Mail to: Milwaukee County Department of Health Human Services

Attn: Fiscal Services

1220 West Vliet Street Suite 109, Milwaukee, WI 53205

File: 2007 DHHS POS REF Financial Report-revised1006-16

Worksheet: Exp

Printed: 7/6/2006

Form 62 (Rev. 5/10/06)

Milwaukee County Department of Health and Human Services (DHHS)
Units Report

Agency
Program

Important: Please use county approved units and rates per Exhibit 1 ONLY. If no approved units or rate please fill "0" not N/A.

Details of Units

Service	Approved Budget Units	Approved Unit Rate	January Units	February Units	March Units	April Units	May Units	June Units	July Units	August Units	September Units	October Units	November Units	December Units	Final Units	Year-To-Date Units
U1	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U2	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U3	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U4	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U5	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U6	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U7	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U8	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U9	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U10	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U11	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U12	TEXT	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Section 2: Annual Audit Requirements

General Requirements

Milwaukee County DHHS requirements

Examples of properly or improperly reported schedules

Audit Waiver

SECTION 2: ANNUAL AUDIT REQUIREMENTS

1. General Requirements

Annual audits of contract agencies receiving \$25,000 or more from Milwaukee County Department of Health and Human Services are required per Wisconsin Statutes, Section 46.036(4)(c). Those audits are to be performed in accordance with the requirements of the Wisconsin *Provider Agency Audit Guide (PAAG), 1999 revision* issued by Wisconsin Departments of Health and Family Services, Corrections and Workforce Development. The PAAG includes the following audit reports and schedules:

- Auditor's Opinion on Financial Statements and Supplementary Schedule of Expenditures of Federal and State Awards.
- Financial Statements of the Overall Agency.
- Schedule of Expenditures of Federal and State Awards.
- Incorporated Group Home/Child Caring Institution Supplemental Schedule.
- Reserve Supplemental Schedule.
- Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Governmental Auditing Standards and the Provider Agency Audit Guide.
- Schedule of Prior Year Findings.
- Schedule of Current Year Findings.
- Corrective Action Plan.
- Schedule of Findings and Questioned Costs.

2. Milwaukee County Department of Health and Human Services Requirements

The allowability of costs is determined by the Federal Allowable Cost Principles found in *O.M.B. Circular A-122* for non-profit agencies and the Code of Federal Regulations *48 CFR part 31* for for-profit entities, and State Allowable Cost Principles found in the *Allowable Cost Policy Manual* issued by the Wisconsin Department of Health and Family Services. Purchase of Service Contracts effective January 1, 2006 and later also limit the allowability of costs based on variance from the approved budget(s).

The annual audit report shall contain a budget variance and reimbursable cost calculation for each program contracted, as identified as a separate line item in Exhibit I of the Purchase of Service Contract. Such report shall follow the prescribed format, and determine the budget variance for each line item within the approved budget. Costs allowable under State and Federal Allowable Cost guidelines that exceed the approved budget by the greater of (1) 10% of the specific budget line item or (2) 3% of the total contract amount are deemed unallowable and not reimbursable under this contract. In no event shall the reimbursable amount exceed the contract amount.

An annual audit report in which the Schedule of Program Revenues and Expenses omits information or presents line-item information utilizing classifications not in strict adherence to those found in Budget Form 3 will place the Contractor out of compliance with the contract.

In past years, many auditors have prepared audited financial statements and supplementary schedules with total disregard to the requirements in the contract. This has placed many Contractors in technical non-compliance. Effective with 2006 Purchase of Service Contracts, such deviations from the contract requirements may cause budget variances, resulting in fiscal recoveries owed DHHS that would not be owed if the auditor had complied with the requirements of the contract. **IT IS IMPORTANT THAT YOUR AUDITOR READ THE CONTRACT, THIS SUPPLEMENT, AND AGREE TO ABIDE BY THESE REQUIREMENTS.**

In order to implement these limitations on the allowability of costs, additional schedules are required in your annual audit. These schedules must conform specifically as laid out, and cannot combine individual line items. The line items **must** conform precisely to the line items found in the *Anticipated Program Expenses*, Budget Form 3 for each individual program. A separate schedule must be prepared for each program award. **MULTIPLE PROGRAMS MAY NOT BE COMBINED INTO A SINGLE SUPPLEMENTAL SCHEDULE.**

Audited financial statements and supplementary schedules are the representation of management, not the auditor. Although auditors often prepare the financial statements and schedules on behalf of management, the accuracy and compliance of the financial statements are still the responsibility of management. If auditor prepared supplementary schedules deviate from the required content and level of detail, it is quite possible the Contractor Agency will have unallowable costs and owe money back to Milwaukee County DHHS, simply because of the deficient reports. Please be sure your auditor is aware of the required schedules, their required content and the required level of detail. These schedules are your representation and responsibility; **you are the party responsible for their content and preparation, not your auditor.**

3. **Examples of properly and improperly reported schedules.**

Following are examples of properly and improperly prepared Supplementary Schedules of Program Revenue and Expense. These are all examples of reports based on the same underlying costs. The Contractor Agency in this example spent the contract amount; within allowable budget variance levels, on allowable expenditures, and when the Schedule of Program Revenue and Expense is properly prepared, owes no money back. All of the fiscal recoveries are the result of improperly prepared audit reports.

EXAMPLES OF PROPERLY AND IMPROPERLY REPORTED SCHEDULES

Underlying data and assumptions

	Budget	Actual
Wages	\$ 200,000	\$ 210,000
Benefits	50,000	57,000
Payroll Taxes	20,000	21,000
Supplies	1,000	2,000
Occupancy	150,000	140,000
Indirect:		
Payroll	40,000	35,000
Benefits	10,000	7,500
Taxes	4,000	2,500
	\$ 475,000	\$ 475,000

Example 1: Audit report correctly presented

Example 2: Audit report combines Wages, Benefits & Taxes

Example 3: Audit report segregates Benefits as Insurance & Retirement

Example 4: Audit reports Indirect Cost items as direct costs

Schedule of Revenue & Expense	Example 1	Example 2	Example 3	Example 4
Wages	\$ 210,000		\$ 210,000	\$ 245,000
Benefits	57,000			64,500
Benefits - Insurance			40,000	
Benefits - Retirement			17,000	
Payroll Taxes	21,000		21,000	23,500
Wages, Benefits & Taxes		\$ 288,000		
Supplies	2,000	2,000	2,000	2,000
Occupancy	140,000	140,000	140,000	140,000
Indirect Costs	45,000	45,000	45,000	
	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000

Example 1: Audit report correctly presented

Analysis:	Budget	Actual	Variance	Maximum	Disallowed
Wages	\$ 200,000	\$ 210,000	\$ 10,000	\$ 20,000	\$ -
Benefits	50,000	57,000	7,000	14,250	-
Payroll Taxes	20,000	21,000	1,000	14,250	-
Supplies	1,000	2,000	1,000	14,250	-
Occupancy	150,000	140,000	(10,000)	15,000	-
Indirect Costs	54,000	<u>45,000</u>	(9,000)	14,250	-
		475,000			
Disallowed Variance		<u>-</u>			<u>\$ -</u>
	<u>\$ 475,000</u>	<u>\$ 475,000</u>			
Total Paid		<u>\$ 475,000</u>			
Recovery		<u>\$ -</u>			

Example 2: Audit report combines Wages, Benefits & Taxes

Analysis:	Budget	Actual	Variance	Maximum	Disallowed
Wages	\$ 200,000	\$ 288,000	\$ 88,000	\$ 20,000	\$ 68,000
Benefits	50,000	-	(50,000)	14,250	-
Payroll Taxes	20,000	-	(20,000)	14,250	-
Supplies	1,000	2,000	1,000	14,250	-
Occupancy	150,000	140,000	(10,000)	15,000	-
Indirect Costs	54,000	<u>45,000</u>	(9,000)	14,250	-
		475,000			
Disallowed Variance		<u>(68,000)</u>			<u>\$ 68,000</u>
	<u>\$ 475,000</u>	<u>\$ 407,000</u>			
Total Paid		<u>\$ 475,000</u>			
Recovery		<u>\$ 68,000</u>			

Example 3: Audit report segregates Benefits as Insurance & Retirement

Analysis:	Budget	Actual	Variance	Maximum	Disallowed
Wages	\$ 200,000	\$ 210,000	\$ 10,000	\$ 20,000	\$ -
Benefits	50,000	40,000	(10,000)	14,250	-
Payroll Taxes	20,000	21,000	1,000	14,250	-
Supplies	1,000	2,000	1,000	14,250	-
Occupancy	150,000	140,000	(10,000)	15,000	-
Indirect Costs	54,000	45,000	(9,000)	14,250	-
Unbudgeted Items		<u>17,000</u>	17,000	-	17,000
		475,000			
Disallowed Variance		<u>(17,000)</u>			<u>\$ 17,000</u>
	<u>\$ 475,000</u>	<u>\$ 458,000</u>			
 Total Paid		<u>\$ 475,000</u>			
 Recovery		<u>\$ 17,000</u>			

Example 4: Audit reports Indirect Cost items as direct costs

Analysis:	Budget	Actual	Variance	Maximum	Disallowed
Wages	\$ 200,000	\$ 245,000	\$ 45,000	\$ 20,000	\$ 25,000
Benefits	50,000	64,500	14,500	14,250	250
Payroll Taxes	20,000	23,500	3,500	14,250	-
Supplies	1,000	2,000	1,000	14,250	-
Occupancy	150,000	140,000	(10,000)	15,000	-
Indirect Costs	54,000	<u>475,000</u>	(54,000)	14,250	-
		475,000			
Disallowed Variance		<u>(25,250)</u>			<u>\$ 25,250</u>
	<u>\$ 475,000</u>	<u>\$ 449,750</u>			
 Total Paid		<u>\$ 475,000</u>			
 Recovery		<u>\$ 25,250</u>			

SECTION 2: ANNUAL AUDIT REQUIREMENTS

4. Audit Waiver

Wisconsin Statute 46.036 requires an audit from providers that receive more than \$25,000 from the Department of Health and Human Services or from a county. The statute allows the department to waive audits on a case-by-case basis. The waiver of the audit may be appropriate in certain circumstances, some of which are given below. The audit waiver criteria doesn't apply to Group Homes and Child Caring Institutions that provide out of home residential care for children. In addition, audits required under the Single Audit Act Amendment of 1996 cannot be waived (this refers to Single Audits under OMB Circular A-133 for agencies expending more than \$500,000 of federal funding).

If the provider does not need to have a federal audit, the audit may be waived when:

- Provider is identified as a low risk, (Sole Proprietor/ Single member LLC, or with funding around \$100,000, paid on a unit rate, alternative forms of financial reports are submitted, prior experiences, certain CBRF, AFH etc.)
- Provider agency agrees to increased or alternate form of reporting/monitoring efforts,
- Provider is funded solely with federal funds below the \$500,000 threshold,
- Department's funding is a very small part of provider's overall business,
- The audit will create a financial hardship on the provider, (e.g. audit fee more than 5% of funding).
- Audited information is not needed, due to alternate source(s) being available,
- The agency does not operate a Group Home or Child Caring Institution.

As stated earlier, the waiver will be allowed on case-by-case basis. A request for waiver may be submitted to Contract Administration, Department of Health and Human Services on the attached Audit Waiver Request form before the due date of the audit. The form is also available on the web at <http://www.milwaukeecounty.org/Contractmgt15483.htm>. The Audit Waiver Request form may be completed electronically and submitted as an email attachment to skalia@milwcnty.com, or faxed to DHHS Contract Administration at (414) 289-6757.

Agency Name: Your Agency Name Here
Contact Person: Contact Person Name Here **Title:** Title Of Contact Person
Address: Address Here
Phone #: 414-999-9999 **Fax #** 414-999-9999 **Email:** youremail@here

AUDIT WAIVER REQUEST

Dennis Buesing,
 Contract Administrator
 Milwaukee County Department of Health & Human Services (DHHS)
 1220 West Vilet St. Suite 109
 Milwaukee, WI 53205

Re: 2006 Purchase of Services Waiver of Audit Request

1. **Date of Request:**
2. **Program:** Program (S) Names Here
3. **DHHS Division:** BHD
4. **Total Contract Amount:** \$0.00
5. **Total Amount Earned/payment received:** \$0.00
6. **Reason Audit Waiver is being requested:**

a. **Experience:**

Number of years in Business: 0
Number of year's experience providing these services: 0
Number of year's experience providing these services to DHHS: 0
Payment Method: Unit Rate
Other program reports submitted to DHHS: Other Program Reports Like Daily Time Sheet

b. **Audit Fee exceed 5% of payments under the contract:**

Audit Cost:\$0.00
Source of estimate: CPA Firms name, Contact & Phone number

c. **Audit not cost effective or undue burden. Please explain:** Any Other Reason For Audit Being Undue Burden Or Not Cost Effective, Other Reasons Like Single Member Llc, Sole Proprietorship Etc.

7. **Alternate Form of Financial Statement/Reports being provided in lieu of certified audit reports (Check all that you could provide)**

CPA Compiled /Reviewed Internally Generated Financial Statement,
 Statement of Revenue and Expenditure by Program, Copy of Tax return

Signature _____ Date _____

OFFICE USE:	___ Approved	___ Denied	Vendor Type: Low Risk/High Risk
Comments/ alternate form of Financial and/or Program compliance monitoring being implemented:			
Signature _____		Date _____	

You can fax or email this form to: Fax (414) 289-8574 Email: skalia@milwcntv.com

Section 3: Required Annual Audit Schedules

Schedule of Program Revenue and Expense

Schedule of Revenue and Expense by Funding Source

Schedules Required by Provider Agency Audit Guide

Schedule of Expenditures of Federal and State Awards

*Incorporated Group Home/Child Caring Institution Supplemental
Schedule*

Reserve Supplemental Schedule

Schedule of Findings and Questioned Costs

SECTION 3: REQUIRED ANNUAL AUDIT SCHEDULES

1. Schedule of Program Revenue and Expense

Prepare a separate Program Revenue and Expense Schedule for each program contracted. Each program contracted is represented by a separate line item on Exhibit I of the Purchase of Service Contract, and had has a separate Budget Form 3 in the proposal submission. **DO NOT COMBINE MULTIPLE PROGRAMS INTO A SINGLE PROGRAM REVENUE AND EXPENSE SCHEDULE.**

Specific Instructions

Actual. In the column labeled “Actual”, report the actual costs incurred for the program during 2009 or the fiscal period ending in 2009. Do not include costs unallowable under the allowable costs principles contained in the *Allowable Cost Policy Manual, 1999 revision, O.M.B. Circular A-122 or Code of Federal Regulations 48 CFR part 31.*

Approved Budget. In the column labeled “Approved Budget”, report the latest approved budget for the program, as calculated on Budget Forms 3 and 4. If you need to combine information from more than one Form 3 and Form 4 in order to encompass the entire budget for this program, **STOP.** Two or more programs have been combined in the report. The total actual expenses reported in this schedule will be compared to one and only one program budget. **MONEY WILL BE OWED BACK TO MILWAUKEE COUNTY.** Prepare a separate Program Revenue and Expense Schedule for each individual program.

Variance from Budget. In the column labeled “Variance From Budget” report the difference between the actual expenses incurred and the approved budget. Actual expenses in excess of the approved budget will be reported as positive amounts; actual expenses less than the approved budget amount will be reported as negatives.

Revenues. Report program revenues for all services performed in 2009 identified by the line items indicated. **DO NO COMBINE LINE ITEMS.** These line items correspond to the budget forms submitted with the original application, were part of the basis used in determining the contract amount and/or rate, and are incorporated into your contract by reference.

Expenses. Report program expenditures for all services performed in 2009 identified by the line items indicated. **DO NO COMBINE LINE ITEMS.** These line items correspond to the budget forms submitted with the original application, were part of the basis used in determining the contract amount and/or rate, and are incorporated into your contract by reference. As indicated in the examples previously presented, combination of line items may result in un-allowability of otherwise allowable costs.

NAME OF AGENCY
Schedule of Program Revenues and Expenses
For the Year Ended December 31, 2XXX

Program Name : _____

	Actual	Approved Budget	Variance from Budget
Revenues:			
DHHS Purchase of Service Contract	XXX	XXX	XXX
DHHS LTS Revenue (CIP/COP)	XXX	XXX	XXX
DHHS IPN/FFSN Revenues	XXX	XXX	XXX
MCDA (Aging) Revenue	XXX	XXX	XXX
Other Program Revenues	XXX	XXX	XXX
Total Revenues	XXX	XXX	XXX
Expenses:			
Salaries	XXX	XXX	XXX
Employee Benefits	XXX	XXX	XXX
Payroll Taxes	XXX	XXX	XXX
Professional Fees	XXX	XXX	XXX
Supplies	XXX	XXX	XXX
Telephone	XXX	XXX	XXX
Postage and Shipping	XXX	XXX	XXX
Occupancy	XXX	XXX	XXX
Equipment Costs	XXX	XXX	XXX
Printing and Publications	XXX	XXX	XXX
Employee Travel	XXX	XXX	XXX
Conferences, Conventions, Meetings	XXX	XXX	XXX
Specific Assistance to Individuals	XXX	XXX	XXX
Membership Dues	XXX	XXX	XXX
Awards and Grants	XXX	XXX	XXX
Allocated Costs (From Indirect Cost Allocation Plan, if applicable)	XXX	XXX	XXX
Client Transportation	XXX	XXX	XXX
Miscellaneous	XXX	XXX	XXX
Depreciation or Amortization	XXX	XXX	XXX
Allocations to Agencies, Payments to affiliated Organizations	XXX	XXX	XXX
Total Expenses	XXX	XXX	XXX
Net Profit	XXX	XXX	XXX
Allowable Profit (include calculation)	XXX	XXX	XXX
Net Profit in excess of Allowable Profit	XXX	XXX	XXX

SECTION 3: REQUIRED ANNUAL AUDIT SCHEDULES

2. Schedule of Revenue and Expenses by Funding Source

The Schedule of Revenues and Expenses by Funding Source incorporates all revenues and expenses for Milwaukee County DHHS funded programs as well as all other contracts, programs and functions of the Agency.

Milwaukee County DHHS Funded Programs. Report the total funding from Milwaukee County DHHS funded programs by Division – Disabilities Services Division (DSD), Delinquency & Court Services Division (DCSD), Economic Support Division (ESD), Behavioral Health Division (BHD), and Wraparound Milwaukee and other Fee for Service Networks (e.g. CCSN, Wiser Choice, etc.). It is not necessary to report each individual program separately; however, it is necessary to report programs funded by each of the Divisions separately. If a program is partially funded by Milwaukee County DHHS and partially funded by another source, it must be included here.

Other Programs. Report other programs, contracts and functions of the Agency that are not funded by Milwaukee County DHHS. These would include Contracts with and Programs funded by Municipalities, Other Counties, the State of Wisconsin, and other Agencies. If a program is partially funded by Milwaukee County DHHS and partially funded by another source, do not include it here, it must be included under “Milwaukee County DHHS Funded Programs.”

Indirect Costs. Report all indirect costs, allocable and unallocable, in this column. **Note,** not all indirect costs are allocable to federal, state, or county funded programs.

Total Agency. Sum all the reported revenues and expenses from the previous columns and place the total in the final column. The amounts in the final column should agree with the Agency-wide Statement of Operations or Income Statement.

Revenues and Expenses. Please do not alter the line items identified in this Schedule. These line items correspond to the line items in the approved budget upon which the Contract amount and/or rate were based.

Allocated Costs. Report the indirect costs allocated to each program or contract in each respective columns. Report the total costs allocated to all the programs as a negative figure in the “Indirect Costs” column. When this row is summed across, the total for this line reported in the “Total Agency” column should be zero.

SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE

NAME OF AGENCY
Schedule of Revenues and Expenses By Funding Source
For the Year Ended December 31, 20XX

	Milwaukee County DHHS Funded Programs							Other Programs	Indirect Cost	Total Agency
	DSD	DCSD	ESD	BHD	IPN / FFSN					
Revenues:										
DHHS Purchase of Service Contract	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
DHHS LTS Revenue (CIP/COP)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
DHHS IPN/FFSN Revenues	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
MCDAs (Aging) Revenue	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Other Program Revenues	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total Revenues	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Expenses:										
Salaries	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Employee Benefits	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Payroll Taxes	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Professional Fees	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Supplies	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Telephone	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Postage and Shipping	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Occupancy	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Equipment Costs	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Printing and Publications	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Employee Travel	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Conferences, Conventions, Meetings	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Specific Assistance to Individuals	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Membership Dues	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Awards and Grants	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Allocated Costs (From Indirect Cost Allocation Plan, if applicable)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Client Transportation	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Miscellaneous	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Depreciation or Amortization	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Allocations to Agencies, Payments to affiliated Organizations	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total Expenses	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Net Profit	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Allowable Profit (include calculation)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Net Profit in excess of Allowable Profit	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 3: REQUIRED ANNUAL AUDIT SCHEDULES

3. Schedules Required by the Provider Agency Audit Guide

In addition to the above schedules, the Wisconsin Provider Agency Audit Guide has several required schedules. These schedules are also required to be included in the annual audit report by the Milwaukee County Purchase of Service Contract. Please refer to the Provider Agency Audit Guide for instructions and information regarding each of these schedules.

Schedule of Expenditures of Federal and State Awards. Follow the format and instructions contained in the *Provider Agency Audit Guide and the Purchase of Service Contract with the Milwaukee County DHHS*. There are differences between the Schedule of Expenditures of Federal Awards required by *O.M.B. Circular A-133* and the Schedule of Expenditures of Federal and State Awards contained in the *Provider Agency Audit Guide*. Prepare the Schedule under the requirements of the *Provider Agency Audit Guide*.

Incorporated. Group Home/Child Caring Institution Supplemental Schedule. Follow the format and instructions contained in the *Provider Agency Audit Guide*. This form includes a calculation of the allowable reserve for Non-profit Agencies. **For Profit Entities are not permitted to retain a reserve under Federal or State Guidelines.** Non-profit Agencies wishing to retain a reserve **MUST** complete the reserve schedule at the bottom of the form.

Reserve Supplemental Schedule. Follow the format and instructions contained in the *Provider Agency Audit Guide*. Non-profit Agencies contracting for services on a prospective unit-rate basis are permitted to retain a reserve under State guidelines. **For Profit Entities are not permitted to retain a reserve under Federal or State Guidelines.** Non-profit Agencies wishing to retain a reserve **MUST** complete the reserve supplemental schedule.

Schedule of Findings and Questioned Costs. Follow the format and instructions contained in the *Provider Agency Audit Guide*. There are differences between the Schedule of Findings and Questioned Costs required by *O.M.B. Circular A-133* and the Schedule of Findings and Questioned Costs for audits performed in accordance with Circular A-133 contained in the *Provider Agency Audit Guide*. Prepare the Schedule under the requirements of the *Provider Agency Audit Guide*. Failure to include a Schedule of Findings and Questioned Costs consistent with the *Provider Agency Audit Guide* may result in requesting a properly prepared schedule before accepting the audit. Please refer to *Milwaukee County Department of Health and Human Services Administrative Probation Policy* regarding potential consequences if the audit is not accepted as submitted, and the auditor does not remedy the shortcomings.

Illustration 7.4 Schedule of Expenditures of Federal and State Awards

**Example Agency
Schedule of Expenditures of Federal and State Awards¹
For the Year Ended June 30 19X1**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title Expenditures</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number²</u>	<u>Federal</u>
U.S. Department of Agriculture: Pass-Through Program From: Wisconsin Department of Health and Family Services			
Special Supplemental Food \$350,000	10.557	147071, 147080 & 147156	(Note B) ³
Program for Women, Infants, And Children			
Total Expenditures of Federal Awards			<u>\$350,000</u>
<u>State Grantor/Program Expenditures</u>		<u>State Identifying Number</u>	<u>State</u>
Wisconsin Department of Health and Family Services:			
GPR Childhood Lead	na	177010	\$85,000
GPR Lead Poisoning	na	177020	<u>\$15,000</u>
Total Expenditures of State Awards			<u>\$100,000</u>

The accompanying notes are an integral part of this schedule.
(These notes are on the following page.)

1 Additional formats for this schedule are available in the AICPA's Statement of Position 98-3 "Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards." Also, some providers prefer other formats for the schedule to better suit their circumstances and the information needs of their report users. Providers can use other formats if they include the elements for this schedule that are listed in Section 7.1.4.

2 Use the Community Aids Reporting System (CARS) profile number, purchase order number, or contract number for the Pass-Through Entity Identifying Number and the State Identifying Number.

3 If federal, state, and local funds are commingled and if the commingled portion cannot be separated to specifically identify the individual funding sources, the total amount should be included in the schedule, with a note describing the commingled nature of the funds.

Illustration 7.5 Incorporated Group Home/Child Caring Institution Supplemental Schedule

Incorporated Group Home/Child Caring Institution Supplemental Schedule

Name of facility, HSRS provider number

Period covered by the audit

1. Total units of service _____
2. Allowable expenses for rate-based service _____
- 2a. Expenses allowable for reimbursement from the IV-E program _____
- 2b. Expenses allowable for reimbursement from the XIX program _____
- 2c. Other allowable expenses _____
- 2d. Allowable expenses for rate-based service (line 2a plus 2b plus 2c) _____
3. Total revenue for rate-based service _____
4. Excess (deficiency) revenue over expenses (line 3 less line 2) _____
5. Total reserve from all prior periods (not including this period) _____

6. Calculation of reserve and amounts due to purchaser:

Purchaser (6a)	Revenue from purchaser (6b)	Purchaser's share of total revenue (6c)	First Test			Second test				Total amount due to purchaser (6m)					
			Purchaser's share of excess revenue (defic.) (6d)	Cap on reserve for first test (6e)	Amount to add to reserve for this period (6f)	Amount due to purchaser from first test (6g)	Purchaser's share of reserve from prior periods (6h)	Purchaser's share of reserve from all periods (6i)	Cap on reserve for second test (6j)		Amount of reserve (6k)	Amount due to purchaser from second test (6l)			

Illustration 7.9 Schedule of Findings and Questioned Costs, Continued

**Example A – An agency-wide audit in accordance
with just the *Provider Agency Audit Guide***

**Example Agency
Schedule of Findings and Questioned Costs
For the Year Ended June 30 19X1**

A. Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditors' report issued? | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(s) identified? | No |
| b. Reportable condition(s) identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to the financial statements noted? | No |

B. Financial Statement Findings

No matters were reported

C. Other issues

- | | |
|--|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>Provider Agency Audit Guide</i> : | |
| Department of Health and Family Services | Yes |
| Department of Workforce Development | N/A |
| Department of Corrections | N/A |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? (yes/no) | No |
| 4. Name and signature of partner | |
| 5. Date of report | |

Illustration 7.9 Schedule of Findings and Questioned Costs, Continued

**Example B – An agency-wide audit in accordance with both
the *Provider Agency Audit Guide* and OMB Circular A-133**

Example Agency
Schedule of Findings and Questioned Costs
For the Year Ended June 30 19X1

A. Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditors' report issued? | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(s) identified? | No |
| b. Reportable condition(s) identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|---------------|
| 4. Internal control over major programs: | |
| a. Material weakness(s) identified? | No |
| b. Reportable condition(s) identified not considered to be material weaknesses? | None reported |
| 5. Type of auditor's report issued on compliance for major programs? | Unqualified |
| 6. Any audit findings discloses that are required to be reported in accordance with Circular A-133, Section .510(a)? | No |

- | | | |
|---|-----------------|---------------|
| 7. Identification of major programs: | <u>CFDA No.</u> | <u>Amount</u> |
| Special Supplemental Food Program for Women, Infants, and Children | 10.557 | \$350,000 |
| 8. Dollar threshold used to distinguish between Type A and Type B programs? | | \$300,000 |
| 9. Auditee qualified as low-risk auditee? | | No |

B. Financial Statement Findings

No matters were reported

C. Federal and State Award Findings and Questioned Costs

No matters were reported

D. Other Issues

- | | |
|--|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>Provider Agency Audit Guide</i> : | |
| Department of Health and Family Services | Yes |
| Department of Workforce Development | N/A |
| Department of Corrections | N/A |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? (yes/no) | No |
| 4. Name and signature of partner | |
| 5. Date of report | |