



## DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 4-114

Atlanta, Georgia 30334-8400

**GREG S. GRIFFIN**  
STATE AUDITOR  
(404) 656-2174

August 11, 2016

To: Agency Heads and Chief Fiscal Officers

The Department of Audits and Accounts is compiling a listing of all contracts initiated as well as contract payments to nonprofit organizations made between July 1, 2015, and June 30, 2016. This information will be included in the *Report of State Organization Contract Payments to Nonprofit Organizations* for the year ended June 30, 2016. The report will be provided to the General Assembly in early 2017. In order to summarize the information in time to present it to the General Assembly, we are requesting that you respond to this memorandum no later than September 15, 2016. The Official Code of Georgia Annotated, Section 50-20-5 requires that "state organizations entering into agreements with nonprofit organizations shall report to the state auditor all such agreements and shall provide each individual nonprofit organization's name, fiscal year end, contract amount, and other information as required by the state auditor." State organizations are defined to include "all departments, boards, bureaus, commissions, authorities and other such organizations whose financial activities and balances are included within the State of Georgia Comprehensive Annual Financial Report".

The information requested above should be submitted through a web-based application at <https://www.audits.ga.gov/auth>. Please bookmark this website for future reference. For those of you who are familiar with our Federal Expenditures and/or Salaries and Travel data entry procedures, the format of the NPO Contract Submission application is very similar. The instructions for using this application may be located at <http://www.audits.ga.gov/NALGAD/NpoContractDataSubmissions.html>. If your agency or any of your administratively attached organizations do not contract with nonprofit organizations, please use this application to indicate so. The *Report of State Organization Contract Payments to Nonprofit Organizations* will indicate which state entities as well as any administratively attached state organizations did not comply with O.C.G.A. §50-20-5.

The Official Code of Georgia Annotated, Sections 50-20-1 through 8 provide auditing and reporting requirements for nonprofit organizations contracting with entities of the State of Georgia. Depending on the amount of expenditures from federal or state funding sources, nonprofit organizations are required to submit audited or unaudited financial statements to the State Auditor and each contracting state organization within 180 days of the close of its fiscal year. Please review these code sections and familiarize yourself with the responsibilities of state organizations contracting with nonprofit organizations.

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The following data will be collected. Any new required data is shown in bold type.

- Grant or Contract Number
- Grant or Contract Date
- **Users will be asked if the contract is a multiple year contract**
- **State Chart of Account (SCOA) Number**
- State Payment Amount (payments made during fiscal year)
- **Total State Contract Amount**
- Federal Payment Amount (payments made during fiscal year)
- **Total Federal Contract Amount**
- **CFDA # for Pass-Through Amounts**
- NPO Name (along with FEIN)
- Purpose

We have listed several areas that you should review prior to starting the data submission application.

- The Official Code of Georgia Annotated (OCGA), §50-20-8(b) identifies contracts not subject to the provisions of O.C.G.A. §50-20. Please do not report contracts which meet the exception criteria. Generally, exceptions are procurement contracts used to buy goods or services from vendors, individual employment contracts and benefit payments on behalf of individuals for health care or other services.
- Grants are reported. A grant is a financial award given to an organization to be used toward a specific purpose.
- The names of the nonprofit organizations along with their Federal Employer Identification Number (FEIN) will be populated when entering the contract data. The population is based on information previously submitted to DOAA. Please review the error message if there is an issue. The error message will indicate whether the nonprofit organization exists in our database. If the nonprofit organization does not exist in our database, please request that the organization be added.
- Entities that are not considered to be nonprofit organizations should not be reported when using the Nonprofit Contract Submission application. Examples of contracts not reported as part of this process would be those with (1) county governments, municipalities, other political subdivisions, regional commissions (formerly regional development centers) which have separate reporting requirements to DOAA; (2) local boards of education or local school systems; (3) community service boards; (4) housing authorities (unless a housing authority creates a nonprofit organization, then the contract to the nonprofit organization should be reported); (5) any entity that is part of the State of Georgia reporting entity, including units of the University System of Georgia; and (6) federal government agencies.
- Please review the contract information for all nonprofit organizations for which you are reporting contract data. The Federal Employer Identification Number (FEIN) and the date of the organization's fiscal year end should also be reviewed very carefully. The FEIN should be reviewed to ensure that the contract data is entered for the correct nonprofit organization. The date of the organization's fiscal year end will be used to determine their compliance status with requirements of O.C.G.A. §50-20.
- When entering the contract data, users will be asked if the contract is a multiple year contract.

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- For multiple year contracts, the total contract amount for State or Federal awards will be entered.
- Review award amounts to ensure that amounts reported agree to agency records.
- Review payment dates. Our application currently will not allow contract payments outside of the fiscal year being reported. For multiple year contracts, only the payments made for the reporting fiscal year should be included. Please note that we are requesting that the information you submit cover contract payments made during the entire State Fiscal Year 2016.
- Review contract purposes for completeness. Examples of incomplete purposes are renewal of contract/grant, extension of contract/grant, increase funds, and amendment to contract/grant. Also, abbreviations should be properly defined. Please note that contract purposes should be easily readable for the readers of the report.
- Due to the volume of contract payments entered, please allow sufficient time for completing the submission process by the specified deadline, keeping in mind that several steps may require DOAA approval prior to submission of your contract data.
- Nonprofit organizations are required to submit financial statements to our office. Please include our current mailing address in all agreements with nonprofit organizations:

Georgia Department of Audits and Accounts  
Nonprofit and Local Government Audits Division  
270 Washington Street, S.W., Room 1-156  
Atlanta, Georgia 30334-8400

In an effort to improve the efficiency and accuracy of this project and to ensure compliance with the requirements of O.C.G.A. §50-20-4 and §50-20-5, the DOAA has enhanced the Nonprofit Contract Submission web-based application. Beginning with this submission, contract amounts as well as payments against the reported contract amounts will be collected. In the past, only the contract payments were collected and reported each year. The enhanced application will allow multiple year contracts to be reported. For additional information about the application enhancements please refer to the instructions located at <http://www.audits.ga.gov/NALGAD/NpoContractDataSubmissions.html>.

If you have any questions or require any additional information, please email [npo@audits.ga.gov](mailto:npo@audits.ga.gov) or contact Jackie Neubert at (404) 651-8938. Thank you in advance for your cooperation.

Respectfully submitted,



Greg S. Griffin  
State Auditor

GSG/jn