



DEPARTMENT OF AUDITS AND ACCOUNTS

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August 5, 2015

To: Agency Heads and Chief Fiscal Officers

The Department of Audits and Accounts is compiling a listing of all contract payments to nonprofit organizations made between July 1, 2014, and June 30, 2015. This information will be included in the *Report of State Organization Contract Payments to Nonprofit Organizations* for the year ended June 30, 2015. The report will be provided to the General Assembly in early 2016. 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 1, 2015. 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. If your staff would like to receive the instructions for using this application, please have them submit a request by email to npo@audits.ga.gov. 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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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.
- 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 contact 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.
- 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 2015.
- Review award amounts to ensure that amounts reported agree to agency records.
- 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.
- If your contract/grant agreement with nonprofit organizations specifies that the NPO's financial statements should be submitted to DOAA, please include our current mailing address:

Georgia Department of Audits and Accounts
Nonprofit and Local Government Audits Division
270 Washington Street, S.W., Room 1-156
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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 is enhancing the Nonprofit Contract

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Submission web-based application. Some of the enhancements are described below in order to allow agencies to prepare for future reporting.

In fiscal year 2016, contract amounts as well as payments against the reported contract amounts will be collected. Currently, only the contract payments are collected and reported each year. In the future, the application will allow multiple year contracts to be reported. Also, the data will be collected on a more frequent basis rather than annually. Additional information about the enhancements will be released prior to the opening of the collection system.

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

Respectfully submitted,

/s/ Greg S. Griffin

Greg S. Griffin
State Auditor

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