

From: Gundrum, Michele M. DPI
Sent: Thursday, August 21, 2014 8:33 AM
To: Gundrum, Michele M. DPI
Subject: SFS Auditor Update: 8/21/14

Good morning,

PI-1506-AC APPROVAL PROCESS

Due to the high number of revisions to the PI-1506-AC last year after submission, DPI will be changing the approval process for this report. We are asking that auditors do not submit the PI-1506-AC until they are reasonably certain the numbers are accurate and won't lead to more changes if the Annual Report has not been finalized. If the due date is approaching and there are outstanding audit issues, please do not submit the report just to have it submitted on time.

During the DPI review of the PI-1506-AC, DPI will check to see if the district has any remaining errors in the PI-1505 Annual Report. DPI will not approve the PI-1506-AC until all errors in the Annual Report are resolved. Please understand that DPI must review and approve all PI-1506-AC reports. When the majority of these reports are submitted around the due date, this process takes a little longer and we approve them as quickly as we can in the order they were received. An e-mail will be sent to the district and auditor when the PI-1506-AC has been approved and the district can then go in and submit their annual report.

COST REIMBURSED BY A FEDERAL AWARD

The department has received several questions regarding the funding year that an expenditure is reimbursed with a federal grant, and the accounting and auditing of the same expenditure. Based on correspondence with the USDE, it has been confirmed that an expenditure may be reimbursed by a federal award for a funding period that is different than the fiscal year in which the expenditure is reflected in the general ledger and audited. If you have come across this situation, please refer to "General Federal Award Guidance" available at: http://sms.dpi.wi.gov/sms_fedaids When this variance occurs a footnote should be included in the federal single audit. For questions regarding this, please contact Kathy Guralski, Assistant Director, School Management Services, at kathryn.guralski@dpi.wi.gov or 608-264-9331.

Thanks,
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