



# ***Audit Requirements – OSBM Administered Grants***

NC Office of State Budget and Management  
April 2025

Integrity

Innovation

Teamwork

Excellence

## Overview

- Reporting Levels & Audit Requirements
- Funds Management
- Document Maintenance: Monitoring and Auditing
- Reporting to OSBM using Smartsheet
  - Expense Reporting using Smartsheet Form (includes interest)
  - Quarterly Performance Report PDF (upload via Smartsheet Form)
  - Annual Yellow Book Audit (upload via Smartsheet Form)
- Demonstration
- Resources / Question and Answer

## General Statutes and Administrative Code

- [State Statute](#)
  - G.S. 143C-6-23 State grant funds: administration; oversight and reporting requirements.
- [Administrative Code](#)
  - 09 NCAC 03M – Revised July 1, 2024
- [Policy/State Budget Manual](#)
  - Section 3.15 on Disbursement of Directed Grants – updated on January 10, 2022
- [Audit Amount Threshold – State Threshold](#)
  - State Threshold now matches Federal Amount - 2 CFR 200.501(a)

## 09 NCAC 03M .0202 RECIPIENT AND SUBRECIPIENT RESPONSIBILITIES

- Maintain reports and accounting records that support the allowable expenditure of State funds.
- Recipients and subrecipients shall make available all reports and records for inspection by the awarding agency, the Office of State Budget and Management, and the Office of the State Auditor for oversight, monitoring, and evaluation purposes.
- Grant funds must be accounted for in a separate fund and accounting structure within the RECIPIENT's central accounting and / or grant management system. This shall include accounting for interest earned on these funds.
- All expenses shall be managed in a detailed manner that supports fully transparent accounting of all financial transactions associated with this Grant funding.
- DO NOT commingle your grant funds with any other sources of funds.

### ***Reporting Requirements:***

#### **All OSBM Grants are Required to:**

- Certify that funds received, or held, was used for the purposes for which it was awarded
- Provide an accounting of all funds received, held, used, or expended
- Report on **activities and accomplishments undertaken** by the recipient, including reporting on any **performance measures** established in the contract

#### **OSBM Grants that require a Yellow Book Audit:**

- **\$500,000** or more in total state funds (received, held, used, or expended) – **FYE June 30, 2024 or before**
- **\$750,000** or more in total state funds (received, held, used, or expended) – **FYE July 1, 2024 – Sept. 30, 2024**
- **\$1,000,000** or more in total state funds (received, held, used, or expended) – **FYE Oct. 1, 2024 or later**
  - A single or program-specific **audit** prepared in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book

# Audit Requirement

## Fiscal Year End June 30, 2024 or before:

- **\$500,000** in *TOTAL* state grant funds are:
  - Received,
  - Held,
  - Used or
  - Expended

Within your organization's fiscal year

**= Yellow Book Audit is Required**

## Fiscal Year End July 1, 2024 – September 30, 2024:

- **\$750,000** in *TOTAL* state grant funds are:
  - Received,
  - Held,
  - Used or
  - Expended

Within your organization's fiscal year

**= Yellow Book Audit is Required**

## Fiscal Year End October 1, 2024 or later:

- **\$1,000,000** in *TOTAL* state grant funds are:
  - Received,
  - Held,
  - Used or
  - Expended

Within your organization's fiscal year

**= Yellow Book Audit is Required**

## 09 NCAC 03M .0205 MINIMUM REPORTING REQUIREMENTS FOR RECIPIENTS AND SUBRECIPIENTS (continued)

- Annual Yellow Book Audits are DUE 9 MONTHS AFTER YOUR FISCAL YEAR END.
- Annual Yellow Book Audit will be uploaded using Smartsheet.
- The cost of Annual Yellow Book Audits can be billed to your Grant.
- Most full-service CPA Firms will be able to assist you with an Annual Yellow Book Audit, you choose the firm.
- Yellow Book Audit = General Accepted Government Auditing Standards.

## Audit Info Cheat Sheet

- Yellow Book Audit = General Accepted Government Auditing Standards
- [Compliance Supplement document](#) (PDF) for more detail on how how audits should be performed for OSBM administered grants.
- Program Specific Audit – audits only the grant funds
- Single Audit – audits financial records of the entire organization
  - If you already have a single audit done, you can use that to fulfill your audit requirement, as long as the grant funds are within the scope of the audit (included in the audit review).
- You get to decide on what Auditor or CPA firm to use.
  - [North Carolina State Treasurer provides guidance](#) to local governments on audits, including sample RFPs and a list of firms offering audit services.



## Monitoring and Auditing

- You are required to maintain all supporting documentation for your grant for five (5) years after the grant has been closed out.
- All grant recipients are subject to being audited, inspected and monitored at any time by OSBM upon its request (whether in writing or otherwise).
- Grantees must provide OSBM staff and staff of the Office of State Auditor with access to financial and accounting records to support internal audit, financial reporting and related requirements.

# Reporting to OSBM using SmartSheet

- **Point of Contact and Contract Signer will receive link and email for Smartsheet login.** Other members of your organization can also gain access.
- The spreadsheet is **View Only** for Grantees
- **Expense Reporting form** link is live in the spreadsheet.

File Automation Forms Connections Dynamic View 00000 - Cole's Example for Training ☆

Grid View Filter Arial 10 B I U


	GrantID	Grantee Name	Grant Title	Link to Data Entry Form for THIS Grant	Item#	Entry Type	QPR - Quarter	Report Year	Expense Incurred By	Subrecipient Na
1	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	0001	Expense			Subrecipient	EXAMPLE Subre
2	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	0002	Expense			Recipient	
3	00000	EXAMPLE Grantee	EXAMPLE Title	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	0003	Expense			Recipient	
4	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	1001	Quarterly Performance				
5	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	1002	Expense			Recipient	
6	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	1003	Expense			Recipient	
7	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	1005	Interest Earned				
8	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	1007	Quarterly Performance				
9	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	1008	Annual Yellow Book Au				
10	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	1009	Interest Earned				
11	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	1011	Quarterly Performance				
12	00000	Jack's Example for	Test Grant	<a href="https://app.smartsheet.cc">https://app.smartsheet.cc</a>	1012	Quarterly Performance				



## Reporting to OSBM using SmartSheet - audits

- All reports are submitted through your SmartSheet reporting form link, including:
  - Quarterly Performance Reports
  - Expenses
  - Interest Earned
  - Reimbursed Sales Tax
  - Annual Yellow Book Audit Reports



  
OFFICE OF STATE BUDGET  
AND MANAGEMENT

### OSBM Grant Reporting

Grant ID: 00000 - Cole's Example for Training  
Grant Title: Test Grant

For questions on the Reporting process, please contact  
[NCGrants@osbm.nc.gov](mailto:NCGrants@osbm.nc.gov)

Please enter each item individually. After submitting an item, you will be given a chance to link back to the form to submit another entry.

All expense items and reports are due quarterly: (Apr 10, Jul 10, Oct 10, and Jan 10)

Name of person entering this data \*

Submission Type \*

☐ Expense

☐ Interest Earned

☐ Reimbursed Sales Tax

☐ Quarterly Performance Report

☐ Annual Yellow Book Audit

☐ Send me a copy of my responses

Submit

[Privacy Notice](#) | [Report Abuse](#)

## Demonstration

- We have developed instructional videos that are available for each type of reporting, please see OSBM website.
- **Friendly reminder**: You are responsible for compliance with all laws, ordinances, codes, rules, regulations, licensing requirements and other regulatory matters that are applicable to the conduct of this business and work performance under this Agreement, including those of Federal, State, and local agencies having appropriate jurisdiction.
- Time for Demonstration!

# *Questions*

## **Website:**

<https://www.osbm.nc.gov/stewardship-services/directed-grants/osbm-administered-grants/reporting>

## **Email:**

[NCGrants@osbm.nc.gov](mailto:NCGrants@osbm.nc.gov)

