



# Georgia Department of Community Affairs

Mike Beatty  
Commissioner

Sonny Perdue  
Governor

## Memorandum

TO: All ESGP, HOPWA, SPC Grantees

FROM: Patricia Wright, Grants Compliance Manager

DATE: September 20, 2005

**REF: Audits and Financial Reporting Requirements**

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The purpose of this correspondence is to underscore audit and financial reporting requirements as required in the *Official Code of Georgia Annotated (O.C.G.A.), Section 50-20*. These auditing and reporting requirements are contained within your contract in *Exhibit E, page 4, Section 3, B(9)*, that states,

*“The audit, financial, organizational and/or reporting requirements of both the State of Georgia, and OMB Circular A-133, as set forth in 24 CFR 45, as the same may be amended from time to time;”*

In addition, the following Audit and Financial reporting requirements have been disseminated by the Nonprofit and Local Government Audit Section of the Georgia Department of Audits and Accounts:

*The nonprofit organization understands the auditing and reporting requirements as set forth in Title 50, Chapter 20 of the Official Code of Georgia.*

*Nonprofits that expend \$500,000 or more in **Federal** funds during their fiscal year agree to have a single entity-wide audit conducted for that year in accordance with the provisions of the Single Audit Act Amendments of 1996 (Public Law 104-156) and their implementing regulation, OMB Circular A-133 entitled, “Audits of States, Local Governments, and Nonprofit Organizations”.*

*Nonprofits expending \$100,000 or more in **State** funds during their fiscal year agree to have an entity-wide audit conducted for that year in accordance with Generally Accepted Auditing Standards issued by the American Institute of Certified Public Accountants.*

*Nonprofits expending at least \$25,000 but less than \$100,000 in **State** funds during their fiscal year agree to prepare unaudited entity-wide financial statements for that year. The president or person responsible for financial statements must make assertions concerning the basis of financial statement preparation as described in O.C.G.A. Section 50-20-3.*

*The financial statement reporting package shall include a “Schedule of State Awards Expended” which reflects revenues, expenditures, and amounts owed to or due from each state organization arranged by state program and contract number. Amounts listed for each program should include state or federal funds, or both, which pass through state organizations to the nonprofit organization.*

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*The nonprofit organization further agrees to submit the required audit or financial statements to the Georgia Department of Audits and each contracting state organization, within 180 days after the close of the nonprofit's fiscal year. The financial statement reporting packages should be sent to the following addresses:*

*One (1) copy to:  
Georgia Department of Community Affairs  
Office of the State Housing Trust Fund  
60 Executive Park South, NE  
Atlanta, GA 30329*

*One (1) copy to:  
Georgia Department of Audits and Accounts  
Nonprofit and Local Government Audit Division  
NPO Review Section  
270 Washington Street, SW, Suite 1-156  
Atlanta, GA 30334-8400*

***The nonprofit organization understands that according to the provisions of Title 50, Chapter 20, Sections 4 and 6 of the Official Code of Georgia, failure to comply with the above audit and financial reporting requirements could be cause to suspend payments, to terminate this contract, to require a refund of all monies received under this contract and to prohibit the nonprofit organizations from receiving funds from any state organization for a period of twelve (12) months from the date of notification.***

*In addition, Title 24 Part 84, Sec 84.21 (b)(1) states, "If a recipient maintains its records on other than an accrual basis, the recipient shall not be required to establish an accrual accounting system. These recipients may develop such accrual data for their reports on the basis of an analysis of the documentation on hand".*

Departures from the *Code* as well as *Title 24 Part 84* will not be permitted. Please plan accordingly when preparing financial statements for submission to the Department of Community Affairs as well as the Department of Audits and Accounts, Nonprofit and Local Government Audits.

If you have any questions or concerns, please contact me at (404) 327-6856 or e-mail [pwright@dca.state.ga.us](mailto:pwright@dca.state.ga.us) .

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