



JUNE 2023

State Single Audit Guide

DEPARTMENT OF AGRICULTURE, TRADE & CONSUMER
PROTECTION APPENDIX

*EFFECTIVE FOR SINGLE AUDITS HAVING FISCAL YEARS
BEGINNING AFTER JUNE 30, 2023*

Table of Contents

1.0 General Audit Requirements	2
1.1 Audit Authority.....	2
1.2 Type of Audit Required.....	2
1.3 Audit Waivers.....	2
1.4 Programs Subject to Audit	2
1.5 Contact Information	2
2.0 Program-Specific Requirements.....	3
2.1 County Staff and Support	3
2.2 Land and Water Resource Management Plan Implementation Projects.....	6

1.0 General Audit Requirements

This document is part of the State Single Audit Guide (“Guide”), and should be used only in the context of the Guide as a whole. The Guide is comprised of the Main Document and state awarding agency appendices. The Main Document and available state awarding agency appendices are available at: [https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-\(SSAG\).aspx](https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-(SSAG).aspx).

1.1 Audit Authority

Non-Federal entities, not including a State of Wisconsin agency, that expended \$750,000 or more in federal awards during their fiscal year must have a single audit or program-specific audit conducted for that year in accordance with Uniform Guidance, as applicable. Additionally, these agencies may be required to have an audit in accordance with Section 1.4 of the Guide - Main Document. Entities not subject to the state single audit requirements of Section 1.4 of the Guide - Main Document may be subject to additional audit requirements as established by state statute or administrative code.

1.2 Type of Audit Required

An entity that meets the applicability of Section 1.4 of the Guide - Main Document is required to have a state single audit conducted.

1.3 Audit Waivers

If a waiver is necessary, please send a request citing the circumstances using the contact information in Section 1.5 of the Appendix below.

1.4 Programs Subject to Audit

The programs subject to audit are outlined within the State and Federal Program Listings at: [https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-\(SSAG\).aspx](https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-(SSAG).aspx).

1.5 Contact Information

Questions or comments on this appendix or state programs administered by this agency should be directed to:

Kim Chase
Budget & Policy Analyst
datcpsingleaudit@wisconsin.gov
(608) 224-4750

2.0 Program-Specific Requirements

2.1 County Staff and Support

State identification number 115.15

DATCP may award annual grants to eligible county Land Conservation Committees (LCCs) for staff and support that reimburse counties for staff salaries and fringe benefits, independent contractor fees, training, and eligible support costs.

Participation in this program is optional.

DATCP awards annual funding as part of a joint allocation plan with the Department of Natural Resources (DNR) to each county that applies for funding and has a DATCP-approved land and water resource management plan.

Every year in May, DATCP renews each county's master grant contract by sending a Schedule of Awards that reflects the county's most recent annual grant awards.

Counties receive grant funding on a reimbursement basis, with DATCP providing payments for eligible expenditures up to the award amounts specified in the Schedule of Awards for the grant year. A county must use its annual staffing grant in the year in which it is awarded. Counties typically submit one reimbursement request for staffing costs incurred before November 1 of the grant year. As a practical matter, most counties rely on staffing costs to claim their maximum grant award, and do not seek reimbursement for training or other support costs.

COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirements for allowable costs:

1. Counties have maximum flexibility to seek reimbursement for soil and water resource management (SWRM) activities performed by employees or contractors. A county may seek reimbursement for any combination of staff salaries, fringe benefits, independent contractor fees, and is not bound by the positions and percentages of time listed in their grant applications.
2. DATCP only reimburses counties for SWRM activities performed by staff and independent contractors. SWRM activities include:
 - Providing technical assistance and support to install conservation practices.
 - Implementing state farm runoff standards including compliance monitoring for the Farmland Preservation Program.
 - Administering livestock and manure management ordinances including permit approvals.
 - Implementing construction site and storm water management.
 - Carrying out activities related to the Conservation Reserve Enhancement Program (CREP), and DNR notices of discharge under ch. NR 243, Wis. Admin. Code.

Compliance Requirements for unallowable costs:

1. Counties cannot use DATCP funds to pay for staff and contractor work unrelated to SWRM activities. Unallowable activities may include land management, planning and zoning, parks and recreation, and public health.

B. REIMBURSEMENT FOR STAFF COSTS

Compliance Requirements

1. Counties request reimbursement using a DATCP form, by which the county certifies that it has fully paid the costs for which the county seeks reimbursement and that those costs are eligible for reimbursement.
2. For eligible county costs for employee salaries/fringe benefits and contractor fees, DATCP reimburses at different rates depending on the county designation in the reimbursement request. On each reimbursement, counties designate a staff person or contractor as their first, second and third positions. For the first position, DATCP pays 100 percent of the costs and no match is needed; for the second, DATCP pays 70 percent of the costs with the county providing a 30 percent match; and for third, DATCP pays 50 percent of the costs with the county providing a 50 percent match. In rare cases, a county may make a second request for reimbursement, and in this request, it may vary the designation of staff and contractors from those in the first request, changing who is claimed as first, second and subsequent staff persons.
3. To seek reimbursement for staff salaries/fringe benefits and contractor fees, counties must maintain accurate time reporting and payment documentation that supports the reimbursement request.
4. County records must adequately document that staff performed SWRM activities for the hours submitted in the reimbursement request. For staff who work full-time performing SWRM activities, the person's position description may provide proof of the work performed. For staff with multiple work assignments, the county records must have a coding system to document the time these staff performed SWRM activities.

Suggested Audit Procedures

1. If a county submitted more than one request for reimbursement, select the one seeking the highest amount of reimbursement. Identify the two persons (including any independent contractor) listed on the reimbursement form with the highest dollar amounts requested (usually these will be the first and second positions listed on the reimbursement form).
2. Secure supporting documentation in the form of payroll records (e.g. time sheets) and billing records for each of the two persons including records of salary and fringe benefits costs or contractor fees. Locate records that document that the two staff persons performed the percentage of SWRM work indicated on the reimbursement form. These may include a table of county billing codes or a position description if no billing codes are used.

3. Verify that available payroll, billing and other records support the (1) dollar amount submitted for each of the two persons on the reimbursement request, and (2) percentage of work performed by each person related to SWRM activities. For example, verify that appropriate billing codes were entered for persons who perform work other than eligible SWRM activities.

C. REPORTING REQUIREMENTS

Compliance Requirement

1. Counties must establish and maintain an accounting and recordkeeping system that fully and clearly accounts for the receipt, handling and disposition of all DATCP grant funds that the LCC receives, and includes accurate records of work performed and activities conducted that support each request for reimbursement.

Suggested Audit Procedures

1. Reconcile the county's reimbursements received from DATCP and the amounts identified and reported as Beginning Balance, Expenditures, State Aid or Grant Receipts or Revenues Received, and Ending Balance or Deferred Revenues in the county's *Schedule of Federal and State Financial Assistance* for calendar year 2023.

2.2 Land and Water Resource Management Plan Implementation Projects

State identification number 115.40

DATCP may award annual grant funds to county Land Conservation Committees (LCCs) or other entities for landowner cost-sharing to install conservation practices.

Participation in this program is optional.

As part of its final joint allocation plan described in Section 2.1, DATCP may award two types of grants for landowner cost-sharing using different funding sources:

DATCP uses Bond revenue funds for grants to cost-share the installation of engineered conservation practices considered capital improvements. Bond funds can pay for engineering services provided in connection with a cost-shared practice, except if those services are provided by county employees or independent contractors working for the county. [Note: in fiscal years 2024 and 2025, the Legislature and Governor did not approve bond funds for these capital cost-sharing grants; instead, they substituted GPR funds. It is unknown if this change in funding source will continue or if it will be only one biennium. Regardless, it is the Department's understanding these funds were approved only for capital/structural practices.]

DATCP relies on SEG funds to provide grants for cost-sharing nutrient management, and other related cropping practices such as cover crop, residue management and strip-cropping. When making these cost-share payments, counties or entities make flat rate payments to landowners (for example, \$10 per acre for four years for a nutrient management plan).

Every year in May, DATCP renews each cost-share entity's master contract by sending a Schedule of Awards that reflect the entity's most recent annual grant awards. DATCP reimburses for eligible expenditures up to the award amounts specified in the Schedule of Awards for the grant year. Entities must seek reimbursement for cost-share projects in the year the grant is awarded, unless they receive a one-year extension for a specific project. DATCP makes payments for landowner cost-sharing on a reimbursement basis upon the submission of proper documentation.

COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES OR PURCHASES ALLOWED OR UNALLOWED

Compliance Requirements

1. An entity must implement cost-containment procedures (such as competitive bidding or other procedures described in ch. ATCP 50, Wis. Admin. Code) to ensure that costs are reasonable. If an entity adopts competitive bidding, it must require competitive bidding if a cost-share contract exceeds \$25,000 in DATCP cost-sharing.

Suggested Audit Procedures

1. Determine whether the entity has procedures in place that are effective in containing costs,

including competitive bidding, or the use of typical or maximum acceptable costs for conservation practices.

2. Identify any cost-share contract where more than \$25,000 in DATCP reimbursement for installation of an engineered practice during the grant year is requested. Cost-share contracts based on flat rate payments should not be considered.
3. For each of the cost-share contracts identified, determine if the entity followed the process it adopted for cost containment. For example, determine if the entity used competitive bidding in the event that they adopted this method of cost containment.

B. COST-SHARE REIMBURSEMENT

Compliance Requirements

1. Entities request reimbursement using a DATCP form, by which the entity certifies that the cost-shared practices are installed according to technical standards, and that the costs for which the entity seeks reimbursement have been paid.
2. An entity must retain the following records related to cost-share projects submitted for reimbursement:
 - Copies of all entity cost-share contracts with landowners, including change orders and contract amendments.
 - Receipts, invoices and bills documenting costs incurred for the design and installation of conservation practices.
 - Itemized statements of landowner-supplied labor and equipment including allowable costs and entity approval for such contribution.
 - Evidence of any payments made by the landowner or entity.

Suggested Audit Procedures

1. Locate all completed cost-share contracts that provided payments for engineered practices during the grant year. Do not review any cost-share contracts that provide flat rate payments for nutrient management, cover crop or other soft practices.
2. Select the two cost-share contracts involving the highest amount of reimbursement requested of DATCP.
3. Determine if the entity has all supporting financial documentation— corresponding installation receipts and payments—in its possession for the two reimbursement requests selected.

C. REPORTING REQUIREMENTS

Compliance Requirements

1. Counties and entities must establish and maintain an accounting and recordkeeping system that fully and clearly accounts for the receipt, handling and disposition of all DATCP grant

funds that are received, and includes accurate records of cost-sharing provided and activities conducted that support each request for reimbursement.

Suggested Audit Procedures

1. Reconcile the entity's reimbursements received from DATCP and the amounts identified and reported as Beginning Balance, Expenditures, State Aid or Grant Receipts or Revenues Received, and Ending Balance or Deferred Revenues in the county's Schedule of Federal and State Financial Assistance for calendar year 2023.