

# Snapshot

FEBRUARY 22, 2022

SNAPSHOT 2022-03

## 2021 OMB Compliance Supplement and related Addenda

The Office of Management and Budget (OMB) issued the 2021 Compliance Supplement – 2 CFR Part 200, Appendix XI ([2021 Supplement](#)) for single audit engagements in three parts this year, including two Addenda. The first Addendum was released on December 3, 2021 and the second Addendum was released on January 19, 2022. The [Addenda](#) were posted by the OMB to [CFO.gov](#), as communicated in Appendix VII of the 2021 Supplement.

### Effective date

The 2021 Supplement, including Addenda, is effective for audits of fiscal years beginning after June 30, 2020.

For entities that issued their Schedule of Expenditures of Federal Awards (SEFA) with a date prior to the issuance of the first or second Addendum (December 3, 2021 or January 19, 2022, respectively), there is no requirement to retroactively apply the Addendum.

The 2021 Supplement, including Addenda, identifies the compliance requirements for auditors to consider when performing single audits under the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. This Snapshot highlights key changes related to the 2021 Supplement.

### GAQC matrix of 2021 Supplement

The AICPA's Government Audit Quality Center (GAQC) posted a [2021 Supplement by section matrix](#), which provides important information on several key changes made since the prior year, including

information related to the Addenda, in the "GAQC Observations" column of the matrix. In addition, the GAQC also posted the 2021 Supplement on the AICPA's website.

### Assistance Listing versus Catalog of Federal Domestic Assistance

Assistance Listing (AL) has replaced the Catalog of Federal Domestic Assistance (CFDA). In addition to these terminology changes in the 2021 Supplement, the reference to AL will also be reflected on the SEFA and the Data Collection Form. The AL is located at [www.sam.gov](http://www.sam.gov).

### Key 2021 Supplement changes

The 2021 Supplement provides important guidance for auditors that perform single audits and potential insight to auditees. The following list summarizes areas of the 2021 Supplement with key changes:

- Appendix IV, "Internal Reference Tables," identifies programs that are higher risk along with a definition of higher risk
- Appendix V, "List of Changes for the 2021 Compliance Supplement," identifies changes that could affect single audit engagements
- Appendix VII, "Other Audit Advisories," provides information on the latest OMB announcements that may impact 2021 single audits; Appendix VII also includes a section with general guidance on the impact of COVID-19 on single audits

- Student Financial Assistance cluster removes Matching, Level of Effort, and Earmarking as compliance requirements subject to audit, as well as revises and adds several requirements in Special Tests and Provisions
- Provider Relief Fund (PRF) includes several clarifications on how and when to report PRF expenditures and lost revenues on the SEFA; refer to [Snapshot 2022-02](#), “Provider Relief Fund updates and reminders,” for additional guidance on the PRF program
- Education Stabilization Fund (ESF) reflects updated implications of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA) funding on the ESF’s Section 2 subprograms; updates to the ESF’s Section 1 subprograms only included those for implications of CRRSSA
- Coronavirus Relief Fund (CRF) reflects the provisions of CRRSSA that extended the CRF’s spend date from December 30, 2020 to December 31, 2021.

#### Programs automatically considered ‘higher-risk’

The following programs are considered “higher risk,” per the 2021 Supplement:

- Department of Health and Human Services (HHS) – PRF (AL 93.498) and HRSA COVID-19 Uninsured Program (AL 93.461)
- Department of Transportation – Airport Improvement Program (AL 20.106) and Federal Transit Cluster (ALs 20.500, 20.507, 20.525, and 20.526)
- Department of Treasury – CRF (AL 21.109) and Emergency Rental Assistance (AL 21.023)
- Department of Education – ESF (AL 84.425)

In addition to these programs, all new COVID-19 federal financial assistance programs with ARPA funding are automatically considered higher risk. The OMB published a list of new and existing COVID-19 federal financial assistance programs with ARPA funding as a guide to which programs are or will be published through the AL. New programs are identified with an asterisk.

## Key changes announced in the 2021 Addenda

The first Addendum includes two programs funded by ARPA: (1) an update to the ESF program (AL 84.425) for updates to the ESF’s Section 1 subprograms for implications of ARPA (other updates were made to ESF in the 2021 Supplement, as described above), and (2) a new program section for the Coronavirus State and Local Fiscal Recovery Fund (AL 21.027).

The second Addendum includes seven programs: three HHS programs (including one new program), one Department of Housing and Urban Development (HUD) program, one new Department of Transportation program, and two new Department of Agriculture programs. The majority of these program updates relate to provisions of ARPA funding.

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