
**Commonwealth of Virginia
ARPA Sports Events &
Meetings Incentive Program**

Recipient Guidelines,
Terms & Conditions

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I. Applicability

These guidelines outline the terms and conditions that apply to eligible recipients of payments distributed in the form of “grants” under 2 *CFR* §200.40 from the State of Virginia’s funds received under the State Fiscal Recovery Fund (“SFRF”) established within section 602 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act (“ARPA”)¹. An eligible recipient is defined as entities that apply for the funding program described herein (each an “Applicant”). Applicants may consist of owners of event venues within the Commonwealth of Virginia, counties or cities within the Commonwealth of Virginia where eligible events may be held, destination marketing organizations (“DMO’s”) representing the interests of the localities within the region where the event will be held, and other eligible stakeholders who may be involved in attracting and persuading events organizers to hold their events within the Commonwealth of Virginia.

The interests and responsibilities of the Commonwealth will be executed by the Virginia Tourism Corporation (“VTC”) unless otherwise indicated herein or as required by law. The Applicant’s authorized representative will sign this document, acknowledge and agree to the terms and conditions outlined in this guidance document, and will execute the interest and responsibilities of the Applicant. As part of agreeing to these terms and conditions, the Applicant represents that its authorized representative has the authority to act on behalf of the Applicant. Applicants further understand and agree that, although these terms and conditions contain certain provisions that will apply only to those Applicants who are awarded funds, the filing of an application and agreement to this document is not an award of funds, or guarantee of future award of funds.

These requirements are in addition to any that can be found within the Virginia ARPA Sports Events & Meetings Incentive Program portal (the “Portal”), to which recipients agree when accepting the funds. Other state and federal requirements and conditions may apply to the funds, including but not limited to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200, and applicable subparts; the state funding announcement under which funding payments are distributed; and any applicable documents referenced in the documents and sources listed herein.

To the extent the terms and conditions outlined in this guidance do not address a particular circumstance or are otherwise unclear or ambiguous, such terms and conditions are to be construed consistent with the general objectives, expectations

¹ <https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf>

and purposes of this manual and in all cases, according to its fair meaning. The parties acknowledge that each party and its counsel have reviewed these guidelines and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of these guidelines. Any vague, ambiguous or conflicting terms shall be interpreted and construed in such a manner as to accomplish the purpose of the guidelines.

II. Background

A. The American Rescue Plan Act (ARPA)

Under Title IX of ARPA, the Social Security Act was amended to establish the State and Local Fiscal Recovery Fund (“SLFRF”), a \$350B appropriation in assistance to eligible States, local, territorial, and Tribal governments intended to provide support in responding to the impact of the COVID-19 pandemic. The total ARPA funding allocated to the state of Virginia is \$7.20B. The U.S. Treasury managed the initial distribution of these funds in two separate sections. Section 602 establishes a fund for States, territories, and Tribal governments (the SFRF), while section 603 establishes a fund for metropolitan cities, non-entitlement units of local governments, and counties, as defined in the Act (“LFRF”). The Virginia local governments defined with under section 603 received their allocation of the \$2.91B directly from the Treasury.

The Commonwealth of Virginia is making available approximately \$2M from the State’s remaining SFRF balance (split \$1M for sports events and \$1M for meetings events) for funding to event venues, counties, cities, DMOs and other similar entities within Virginia (*i.e.*, the eligible Applicants), for the purpose of Applicants incentivizing event organizers to hold their events in Virginia, thereby increasing visitor engagement and assisting with recovery of the tourism and hospitality industries in Virginia. The total amount allocated to each successful Applicant will be determined and communicated to Applicants after all applications are submitted and reviewed by VTC and award decisions are made.

B. U.S. Department of Treasury ARPA Guidance

The U.S. Department of the Treasury has released ARPA guidance via their website².

² <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

- Coronavirus State and Local Fiscal Recovery Funds Relief Fund Interim Final Rule³
- Coronavirus State and Local Fiscal Recovery Funds Relief Fund Frequently Asked Questions⁴

The Commonwealth of Virginia encourages all recipients to review this guidance to understand federal guidance on eligible and ineligible expenditures. Please also note that Virginia has its own requirements, in addition to the Federal requirements, which are described further below.

III. Roles and Responsibilities

A. U.S. Department of the Treasury

The U.S. Department of the Treasury is the national treasury of the federal government of the United States and serves as an executive department.

The Treasury was directed by the U.S. Congress under ARPA to make payments available to States, local, territorial, and Tribal governments via the SLFRF totaling \$350B through fiscal year 2026 no later than 30 days after enactment of the Act.

B. Office of Inspector General

The Office of Inspector General (“OIG”) conducts independent audits, investigations and reviews to help the Treasury Department accomplish its mission; improve its program and operations; promote economy, efficiency and effectiveness; and prevent and detect fraud and abuse.

Under ARPA, if there is a determination that a State, Tribal government, or unit of local government has failed to comply with the eligible use of funds requirement in ARPA or the associated regulatory guidance, the amount equal to the amount of funds used in violation of such requirement shall be booked as a debt of such entity owed to the Federal Government. Amounts recovered shall be deposited into the general fund of the Treasury.

³ <https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>

⁴ <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>

C. State Government

Under ARPA, the term “State” means the 50 States and the District of Columbia. The Commonwealth of Virginia has the authority to use the funds provided under the SFRF to cover eligible costs of the State.

The Commonwealth of Virginia is making available approximately \$2M of their available SFRF funding (split \$1M for sports events and \$1M for meetings events) to event venues, counties, cities, DMOs and other similar entities within Virginia (*i.e.*, the eligible Applicants), for the purpose of Applicants incentivizing event organizers to hold their events in Virginia, thereby increasing visitor engagement and assisting with recovery of the tourism and hospitality industries in Virginia. The total amount allocated to each successful Applicant will be determined and communicated to Applicants after all applications are submitted and reviewed by VTC and award decisions are made.

D. Pass-through Entities

Under the U.S. Code of Federal Regulations, *2 CFR §200.74*, the term “Pass-Through entity” means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Virginia Tourism Corporation (“VTC”) will serve as a pass-through entity between the U.S. Treasury and the eligible subrecipients. VTC will oversee the administration of the program. This will allow funds to be administered timely and effectively. Approved eligible Funds will be paid by VTC directly to successful Applicants.

E. Applicants

Under this program, the Commonwealth of Virginia has allocated funds to VTC, and the intent is for the funds to be used to incentivize event organizers to hold their events in Virginia, thereby increasing tourist activity. Eligible Applicants will work to obtain commitments from event organizers to hold their events in Virginia, and VTC will award funds to selected Applicants based on the response volume, nature, location and size of events and other eligibility criteria. Funds will be disbursed to successful Applicants once events are held in Virginia, and the Applicants have provide the incentive to the event organizers.

F. Virginia Disbursing Entity

The Virginia Tourism Corporation will manage the disbursement process for the Commonwealth of Virginia’s ARPA Tourism Sports Events & Meetings Incentive

Program funds. Funds will be disbursed using an electronic funds transfer system. Successful Applicants will provide banking information to VTC at the time the awarded funds are requested by the Applicant. Funds will be paid on a reimbursement basis after all requirements are met, and therefore funds will generally be requested after the incentivized event actually has been held in Virginia.

IV. Available Allocations

A. Applications and Awards

The Commonwealth of Virginia has designated \$2M of ARPA funds (to be split \$1M for sports events and \$1M for meeting events) to be distributed to successful Applicants, who will awarded funds based on submitting an applications detailing their event or conference. Applications will be accepted in the portal when it opens, which is expected to occur sometime on or before April 1, 2022, and applications must be submitted no later than May 31, 2022, after which time, applications will no longer be accepted.

Each Applicant will be required to submit an application detailing the incentivized event, its expected impact on the community, and the nature of the incentivized expenses for that event. Applications are due no later than May 31, 2022. Upon award of funds, and successful completion of the incentivized event in Virginia (within the program timeframe), successful Applicants will be able submit requests for reimbursement of the awarded funds for the approved expenditures. Supporting documentation must be provided to substantiate all allocated funds. Funds must be fully committed and obligated by December 31, 2023, and fully expended by June 30, 2024. All reimbursement requests must be submitted by July 31, 2024. As appropriate, sufficient documentation evidencing obligation of the funds and expenditure of the funds will be required in order to receive all funds.

V. Use of Funds – Federal Guidance

ARPA provides that payments from the SFRF may only be used to cover costs that:

- (1) aid in the economic response to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- (2) address and specifically responds to the harmful consequences;

(3) are obligated between the period of March 3, 2021 and December 31, 2024.⁵

The guidance that follows sets forth the Department of the Treasury's interpretation of these limitations.

A. Aid in the economic response to the pandemic or its negative economic impacts

Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel and hospitality industries and to districts that were closed during the COVID-19 public health emergency, as well as aid a planned expansion or upgrade of tourism, travel and hospitality facilities delayed due to the pandemic.

B. Costs obligated during the period that begins on March 3, 2021, and ends on December 31, 2024

Finally, ARPA provides that payments from the Fund may only be used to cover costs that were obligated during the period that begins on March 3, 2021, and ends on December 31, 2024 (the "covered period"). Additionally the Federal period of performance ends December 31, 2026⁶. Putting this requirement together with the other provisions discussed above, section 602 may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover costs that aid in the economic response to the pandemic, by addressing or specifically responding to the harmful consequences, and which are incurred during the covered period.

Goods delivered in the covered period must be used during the covered period. For example, the cost of a good that must be delivered in December 2023 in order to be available for use in January 2024 could be covered using payments from the Fund.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain

⁵ See Section 602 of the Social Security Act, as added by section 9901 of ARPA.

⁶ Note that these are the Federal deadlines, but the State of Virginia is imposing earlier deadlines for this fund (December 31, 2023 and June 30, 2024) to ensure compliance with all Federal deadlines.

disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 31, 2026, the failure of a vendor to complete delivery or services by December 31, 2026, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

VI. Eligible Events & Expenses

Under the Virginia ARPA Tourism Sports Events & Meetings Incentive Program, incentives offered to event organizers will only be considered eligible if the events are obligated within the period beginning December 7, 2021 and ending December 31, 2023, and the events are held in Virginia and completed by June 30, 2024. Guidance released by the U.S. Treasury regarding the use of these funds states that for a cost to be considered to have been incurred, performance or delivery and payment of funds must occur during that time.

Funds may only be used on costs incurred that respond to the public health emergency with respect to COVID-19 or its negative economic impacts. Incentivizing events organizers to hold their sports events and/or meetings in Virginia is intended to increase tourism and thereby help alleviate the negative economic impact of the COVID-19 pandemic on the tourism and hospitality industries. While the impact of each funded event will vary, successful applications will describe the expected impact of the event on the community, based on location, size and other factors.

In order for an event to be eligible the following criteria must be met:

- For Sports events:
 - Amateur and professional competitive sporting events or tournaments only.
- For Meetings:
 - Professional meetings, conventions and events only.
 - Meetings/Events not eligible for the program include – (weddings, family reunions, fraternal (unless national), social events and group tours (except for group tour national convention)).
- For **both** Sports events and Meetings:
 - New event to the destination/venue not held in the destination for at least three years.
 - The event must be contracted on or after December 7, 2021.
 - Must be a competitively bid sports tournament, meeting, convention or event.
 - Must bring attendees or athletes from outside the area (100 miles or more).
 - Minimum size of the event must be 50+ attendees (meetings), or 50+ athletes and coaches (sports events).

- Event must be multi-day. Single day events will be considered if they bring a majority of attendees/athletes from outside the area (100 miles or more).

Without limitation, examples of eligible expenses include:

- For Sports events:
 - Fees for Officials for contracted event
 - Officials travel/housing for event
 - Site/venue rental usage fees
 - Rental of furniture, fixtures or equipment (i.e. portable toilets, fencing, sport court flooring, stage, chairs, tables etc.)
 - Rights / Sanction / Bid Fees (only for successful bids awarded to the destination)
 - Sports rights holders site visit travel/hotel costs after contract signed for purposes of planning the event in destination/venue
- For Meetings:
 - Facility meeting room rental fees
 - Rental of furniture, fixtures or equipment (i.e. stage, chairs, tables, easels, lectern, risers etc.)
 - Meeting Planner site visit travel/hotel costs after contract signed for purposes of planning the event in destination/venue
 - Assistance with technology provider costs to host hybrid meetings
- For **both** Sports events and Meetings:
 - Contracted security or traffic services
 - Event-specific signage
 - Event-specific printed marketing materials
 - Event-specific paid advertising/media buys to promote event
 - Event production and technical expense
 - AV rental and/or services for sound system/lighting/streaming
 - Wifi/Internet fees in meeting room/venue and/or hotel guest rooms – comp or % discount
 - Local Permit fees
 - Event insurance
 - Transportation/Shuttling costs between venue and hotels
 - Discount on F&B and/or complimentary meal
 - Complimentary or discounted parking at venue
 - Charges for room set-up changes
 - Box storage and shipping and receiving fees
 - Upgrades for VIPs or complimentary suites for VIPs
 - Resort fees for guests at host hotels

- Service fees
- Exhibit costs – pipe & drape, table and chairs
- Welcome bags and small gift(s) for attendees, VIPs or event staff

VII. Ineligible Expenses

ARPA funds must be used for live events held in Virginia.

The following is a non-exhaustive list of examples of costs that would not be eligible expenditures of these funds:

- ARPA funds must be used for New events geared at increasing visitation. ARPA funding cannot be used to supplant or replace an organization's existing tourism funding commitment for existing budgets, marketing and/or staffing
- Site visits prior to contracting event
- Non-refundable bid fees when destination/venue is not awarded the event
- Funds to advertise their incentive program
- Renovations or building permanent structures at facility for event
- Expenses from an event that was contracted prior to December 7, 2021
- General operating or administrative expenses (travel reimbursement, salaries, maintenance etc)
- Travel cost to solicit event
- Purchase of permanent equipment
- Monetary or non-monetary awards (trophies, medals, etc)
- Printed programs which solicit advertising
- Purchase or production of items for resale
- Ads or content that appear on a political or unsavory website or publication, determined at the discretion of VTC
- Personal Protective Equipment products
- Purchase of alcohol for meetings, events, sponsorships, etc.
- Programs that promote and market cannabis will not qualify.
- For Sports events:
 - Sports Rights Holder entertainment or client events
- For Meetings:
 - Meeting Planner entertainment or client events
 - Meetings/Events not eligible for the program include – (weddings, family reunions, fraternal (unless national), social events and group tours (except for group tour national convention).

VIII. Fund Payment Terms and Conditions

A. Legal Authority to Apply

As part of the certification process in the Portal, the Applicant's authorized representative shall certify that the Applicant possesses legal authority to accept these terms and conditions and apply for funds and accept payments for which the Applicant is eligible pursuant to the funding announcement. The individual signing this agreement must be authorized by the Applicant to commit the Applicant to these terms and conditions.

B. Period of Performance

Funding has been authorized for eligible expenditures obligated between December 7, 2021 and December 31, 2023 and incurred by June 30, 2024. All expenditures must be obligated and paid with funds within the performance period. The State will not provide funding or reimbursement for expenses obligated after the performance period and the recipient shall return to the State all funds received and not expended by the recipient and approved by the State on or before the performance period end date of June 30, 2024. A cost is incurred when the responsible Applicant has expended funds to cover the cost, and the goods or services purchased have been received or performed.

The State is the primary recipient. The Applicants (subrecipients) are subject to a shortened period of performance (relative to the Federal requirements) in order to ensure compliance with Federal expense requirements.

C. Financial Management

Applicants must keep financial records sufficient to demonstrate that the expenditure of funds they have received are in accordance with section 602 of the Social Security Act. The Applicant is responsible for the integrity of the fiscal and programmatic management of the funds; accountability for all funds received; and compliance with state guidelines, policies and procedures and applicable federal and state laws and regulations.

The Applicant agrees to maintain records adequate to provide full accountability of funds use, and to provide reasonable assurance that the Applicant in compliance with all applicable laws and regulations.

Applicant must provide requested electronic payment information to the Virginia Tourism Corporation, as part of submitting requests for payment in the Portal, prior to receiving any payments from the Fund.

Funding for the State's ARPA funds is appropriated under ARPA, enacted on March 11, 2021, for the purposes noted herein. All expenditures under the Fund must be made in accordance with these guidelines and any other applicable laws, rules or regulations. Further, all funds are subject to recapture and repayment for non-compliance.

An Applicant may submit an applicant for the allocation amount in the Portal. Upon review of applications, and award of funds to the Applicant, funds will be paid on a reimbursement basis after the incentivized event is held in Virginia, and the incentive has been provided to the event organizer. Supporting documentation will be required to be uploaded into the Portal before funds are released to the Applicant. Additionally, all expense documentation must be submitted by July 31, 2024. Extensions will not be granted.

D. Record Retention

Recipients must maintain appropriate records to provide accountability and facilitate review of all expenditures claimed and funding provided from the Commonwealth of Virginia under the Fund. Records maintained by the recipient will, at a minimum, identify the supporting documentation prepared by the recipient to permit an audit of its records and payment verification with respect to the expenditure of any funds.

E. Audits and Reviews

All records and expenditures are subject to, and the recipient agrees to comply with, monitoring and/or audits conducted by the United States, the Office of Inspector General (OIG), the Commonwealth of Virginia, the Virginia Tourism Corporation, or any other appropriate State agency in Virginia. Further, should a federal audit (OIG) later find that an expense was unallowable, the recipient must return the associated funds to the Commonwealth of Virginia.

The recipient shall maintain adequate records for examination by these entities. The record retention period is governed by provisions of 2 CFR 200, which generally requires records to be retained by fund recipients for at least 3 years from the time they are last submitted to the Portal.

F. Compliance with Federal Laws and Regulations

The recipient acknowledges that all federal financial assistance will be used in accordance with ARPA and accompanying U.S. Department of Treasury guidance. The recipient will comply with all applicable federal law, regulations, executive orders, policies, procedures, and directives.

Fund payments are federal financial assistance subject to the Uniform Guidance (found at 2 CFR §200) and the Single Audit Act (31 U.S.C. §§ 7501-7507). Fund payments count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F regarding audit requirements. Recipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when they spend \$750,000 or more in federal awards during their fiscal year.

Any recipient expending \$750,000 or more in federal funds during their entity's fiscal year must have a single or program-specific audit in accordance with Single Audit Requirements in 2 CFR §200, Subpart F – Audit Requirements, found at: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

The audit must be completed and the data collection and reporting package described in 2 CFR 200.512 must be submitted to the Federal Audit Clearinghouse ("FAC") within 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period, whichever is earlier.

G. Amendments and Changes to Terms and Conditions

Virginia Tourism Corporation may make changes to these terms and conditions at any time. Changes include, but are not limited to, modifying the scope of the funds, adding funds to previously un-awarded cost items or categories, changing funds in any awarded cost items or category, reallocating awarded funds, or changing Fund officials. In the event the Virginia Tourism Corporation determines that changes are necessary to the award document after an award has been made, including changes to period of performance or terms and conditions, recipients will be notified of the changes in writing. Notwithstanding this requirement, it is understood and agreed by the parties hereto that changes in local, state and federal rules, regulations or laws applicable hereto may occur during the term of this funding agreement and that any such changes shall be automatically incorporated into this funding agreement without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

The recipient has no right or entitlement to payment or reimbursement with federal funds. The recipient agrees that any act, action or representation by either party, their

agents or employees that purports to waive or alter the terms of this agreement or increase the maximum liability of the State is void unless an amendment to this agreement is signed by the Applicant and documented in the Portal. The recipient agrees that nothing in this agreement will be interpreted to create an obligation or liability of the State in excess of the availability of funds for reimbursement as provided in the funding announcement.

H. Remedies for Non-Compliance

Virginia Tourism Corporation shall have the right to terminate a recipient's funding and require repayment of any funds spent in a manner that is not allowed under these guidelines and all applicable laws, rules, and regulations.

I. Appeal Procedure

Should the Applicant wish to dispute any approval or disbursement determinations made under this program, the appeal procedure will be posted on the VTC ARPA program webpage, and determinations made under that procedure will be final.

J. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Fund payments are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200), more commonly known as the Uniform Guidance⁷.

IX. Payments and Required Documentation

A. Program Portal ("Portal")

ARPA Tourism Sports Events & Meetings Incentive Program funds will be advanced and reimbursed through the applicable online portal, one portal for the Sports Events Incentive Program, and one portal for the Meetings Incentive Program (each referred to as a "Portal"). Each applicable Portal is a user-friendly tool that allows recipients to create accounts, submit applications and submit requests for funding, and to upload the necessary supporting documentation for each request. Each applicable Portal will allow recipients to monitor the status of these requests and keep track of the

⁷ <https://www.govinfo.gov/content/pkg/CFR-2021-title2-vol1/pdf/CFR-2021-title2-vol1-part200.pdf>

awarded funds. The following sections include further description of each Portal's functions.

B. Account Creation Form

Each Portal contains a form for Applicant's to create a user account. An account in the Portal must be created in order to submit an application. The account creation form includes the ability to provide a unique email address and password, and other identifying information. After an account is created, a verification email is sent, and upon successful verification, users (Applicants) will be able to access the other features of the Portal, including the application submission form.

C. Application Submission Form

Each Portal contains a form for submission of the Applicant's funding application. Submission of an application is required for to receive an award of funds. The application form includes the ability to submit all required documentation, as well optional additional documentation. The application form also contains the ability to submit the signed copy of this recipient guidelines and terms and conditions document.

D. Expense Documentation Form

The Expense documentation module in each Portal allows Applicants receiving awards to submit requests for reimbursement of awarded funds, and to provide the required expense documentation. Expense documentation is submitted directly in the Portal. The module enables the recipient to attach supporting documentation, monitor the approval process, and the subsequent payment.

E. Required Supporting Documentation

Each Portal will provide the user with the ability to upload the necessary supporting documentation related to their costs incurred. Such documentation shall include, but not be limited to, proof that the event was held in Virginia during the applicable time period, and proof that the applicable incentive items were provided or rendered, including proof of payment as applicable, and other supporting items. This exchange of information through the applicable Portal will streamline the reimbursement processes and help accelerate the transfer of funds to the recipient.

X. Closeout of Funds

The funding provided to a recipient will be closed-out when all available funds have been distributed, required administrative actions have been completed, and all supporting documentation has been provided by that recipient. The Virginia Tourism Corporation will perform a final accounting of funds provided to the recipient and all access to the Portal previously provided to the recipient will be cancelled. Additionally, no applications submitted after May 31, 2022 will be considered or approved, but applications submitted before May 31, 2022 may be for incentives provided to events that will be obligated by December 31, 2023 and held and completed on or before June 30, 2024. Disbursement of the funds will be on a reimbursement basis, and only occur after documentation showing the actual expenditures have been made prior to June 30, 2024. In the event that the Applicant has failed to provide documentation substantiating expenditure of all funds by July 31, 2024, any unspent (or undocumented) funds shall be de-obligated, (or returned to Virginia Tourism Corporation or the Commonwealth of Virginia).

XI. Signature of Authorized Representative of Applicant

By signature below, the representative of the Applicant certifies that they have the authority to act on behalf of the Applicant, and acting as the Applicant’s authorized representative, the signatory below certifies that the Applicant acknowledges and agrees to these guidelines, terms and conditions in exchange for receipt and acceptance of the funds, in the event the Applicant is awarded funds under this program.

By: _____

Name: _____

Title: _____

Date: _____

XII. Appendices

- A. Frequently Asked Questions (FAQs), as of April 1, 2022
- B. Single Audit Act

Virginia Tourism Corporation

Sports & Meetings Incentive Programs- Frequently Asked Questions

Frequently Asked Questions – Sports & Meetings Incentive Programs

COVID-19 has had a continued and devastating impact on Virginia's meetings & conventions and competitive sports event industry. As the Commonwealth prepares to restore tourism economic impact, VTC is offering these funds to be used for event incentives and marketing promotions specifically targeted at attracting new meetings & conventions and sports tournaments & competitions to spur economic activity and travel across the Commonwealth.

Competition among destinations to attract meetings & conventions and competitive sporting events has increased. Nationwide, DMOs and venues are offering new and/or increasing their current incentive offerings.

How are these programs different from the funds allocated for localities?

Funds allocated to the locality funding program are to be used for media, promotions, marketing, sales, and tourism product development. These two incentive programs are designed to support specific meetings and events.

Meeting planners and sports event rights holders typically require that host destinations or venues help offset their production and operational costs. These funds will allow our Virginia partners to be more competitive and provide the extra incentive needed for planners to sign the contract for Virginia. The eligible and ineligible funds lists are quite different.

Who can apply?

Eligible applicants are Destination Marketing Organizations (DMO/CVBs), meeting or sports venues, city or county local government agencies (i.e. parks & recreation department) and sports commissions.

Appendix A

How much money is available?

Virginia has allocated \$1 million for sports marketing and \$1 million for meetings & convention incentive programs.

What can these funds be used for?

These funds must be used for expenses paid by the destination, organization, or venue to support the hosted meeting or sporting event. These expenses range from site/venue rental usage fees to equipment rental and shuttling. Funds may not be used for any expenses that are not related to hosting the event, including but not limited to staffing, maintenance, general operating expenses, etc. For a list of eligible items that can be used with ARPA funds, click [here for sports](#) and [here for meetings](#).

Can I apply more than once?

Yes. Each application is for a specific meeting & convention or competitive sporting event. You can submit applications for multiple meetings or events

Can I submit an application for any meeting or sporting event?

No. Funds are available for new multi-day meetings or events that attract out of town visitors that are competitively up for bid. See under the *Criteria To Meet* section of the [Sports Marketing Incentive Program Application Guidelines](#) or [Meetings & Conventions Incentive Program Application Guidelines](#) for more details.

What are the incentive programs' important dates?

Application deadline – May 31, 2022

Final date for event to be contracted – December 31, 2022

Final date for event to have taken place – June 30, 2024

All applications will be approved or declined by July 15, 2022

Can I apply prior to securing a signed contract for the event?

Yes. An application can be submitted for approval. Contract **MUST** be signed no later than December 31, 2022, or approval is no longer valid, and funds will be released back into the VTC ARPA Incentive Account.

Are the funds guaranteed if the event has been contracted?

The funds are not guaranteed until the VTC Review Panel approves the application, applicants might have to contract events without the guarantee of receiving incentive funds.

When are funds expected to be available?

Funds will be made available after the event and once all supporting documentation has been submitted. Receipts are due within 60 days of the event taking place.

Appendix A

What substantiating documentation for program expenses will be required?

Supporting documentation can include and may not be limited to receipts, invoices, and proof of payment, which can include check stubs, credit card statements, bank statements, or any other documentation sufficient to demonstrate that the expense was actually paid by the recipient. Recipients should also include a narrative with their reimbursement request providing more detail stating what the expenses were used for and how the expense aids in recovery response.

Is there a cap on the amount of grant monies requested per city?

No, grants are awarded based on merit of the event.

Would e-sports events qualify for the sports marketing incentive grant?

Yes, e-sports are an emerging part of sports tourism and qualifying events will be considered.

If a facility/hotel applies for the grant, do they need support from the local DMO to be eligible?

A letter of support from the local DMO is not necessary but we suggest you inform them of your application.

If the funds are used for marketing, do we need to include the Virginia is for Lovers logo / Sports Virginia logo?

No.

As a reimbursement grant, will you require post event information?

No, however if you would like to share post event information with VTC to show the success of the event, you are more than welcome to do so.

Can I apply for more than the guidelines indicate?

Yes. The guidelines are based on anticipated number of athletes/coaches outlined in the contract. The guidelines are general in nature rather than absolute. Lesser or larger funds may be awarded based on the merits of the application. The review committee will consider other aspects of the event such as earned media, value to community, spectators, percentage of attendees from outside the community etc. beyond the of number of people. The incentive funds are not meant to pay the entire hosting costs but help support you with hosting.

50 - 250 people = up to \$5,000

251-750 people = up to \$10,000

751 - 1250 people = up to \$15,000

1251+ people = \$20,000+

Appendix A

What if my event doesn't have an RFP or bid document?

A copy of the RFP/Bid document and the signed contract will be required. However, if one isn't available, we will accept a letter or documentation from the rights holder/meeting planner. Letter should include their contact information, confirmation that other destinations are being considered (must identify competitive destinations) and outline of the host requirements and general event information (i.e., number of athletes, room nights etc.).

Who do I contact with any questions?

Any questions regarding the online portal for application and expense plan submissions can be directed to support@vatourismarpa.com. Please specify the incentive program you are inquiring about.

31 USC Ch. 75: REQUIREMENTS FOR SINGLE AUDITS**From Title 31—MONEY AND FINANCE****SUBTITLE V—GENERAL ASSISTANCE ADMINISTRATION****CHAPTER 75—REQUIREMENTS FOR SINGLE AUDITS**

Sec.	
7501.	Definitions.
7502.	Audit requirements; exemptions.
7503.	Relation to other audit requirements.
7504.	Federal agency responsibilities and relations with non-Federal entities.
7505.	Regulations.
7506.	Effective date.

AMENDMENTS

2016—Pub. L. 114–301, §2(a)(2), Dec. 16, 2016, 130 Stat. 1514, added item 7506 and struck out former items 7506 "Monitoring responsibilities of the Comptroller General" and 7507 "Effective date".

1996—Pub. L. 104–156, §2, July 5, 1996, 110 Stat. 1396, amended chapter analysis generally, substituting in item 7504 "Federal agency responsibilities and relations with non-Federal entities" for "Cognizant agency responsibilities" and in item 7507 "Effective date" for "Effective date; report".

§7501. Definitions

(a) As used in this chapter, the term—

- (1) "Comptroller General" means the Comptroller General of the United States;
- (2) "Director" means the Director of the Office of Management and Budget;
- (3) "Federal agency" has the same meaning as the term "agency" in section 551(1) of title 5;
- (4) "Federal awards" means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities;
- (5) "Federal financial assistance" means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance, but does not include amounts received as reimbursement for services rendered to individuals in accordance with guidance issued by the Director;
- (6) "Federal program" means all Federal awards to a non-Federal entity assigned a single number in the Catalog of Federal Domestic Assistance or encompassed in a group of numbers or other category as defined by the Director;
- (7) "generally accepted government auditing standards" means the government auditing standards issued by the Comptroller General;
- (8) "independent auditor" means—
 - (A) an external State or local government auditor who meets the independence standards included in generally accepted government auditing standards; or
 - (B) a public accountant who meets such independence standards;
- (9) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;
- (10) "internal controls" means a process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (A) Effectiveness and efficiency of operations.¹
 - (B) Reliability of financial reporting.¹
 - (C) Compliance with applicable laws and regulations;

(11) "local government" means any unit of local government within a State, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, any other instrumentality of local government and, in accordance with guidelines issued by the Director, a group of local governments;

(12) "major program" means a Federal program identified in accordance with risk-based criteria prescribed by the Director under this chapter, subject to the limitations described under subsection (b);

(13) "non-Federal entity" means a State, local government, or nonprofit organization;

(14) "nonprofit organization" means any corporation, trust, association, cooperative, or other organization that—
 (A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;
 (B) is not organized primarily for profit; and
 (C) uses net proceeds to maintain, improve, or expand the operations of the organization;

(15) "pass-through entity" means a non-Federal entity that provides Federal awards to a subrecipient to carry out a Federal program;

(16) "program-specific audit" means an audit of one Federal program;

(17) "recipient" means a non-Federal entity that receives awards directly from a Federal agency to carry out a Federal program;

(18) "single audit" means an audit, as described under section 7502(d), of a non-Federal entity that includes the entity's financial statements and Federal awards;

(19) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian tribe; and

(20) "subrecipient" means a non-Federal entity that receives Federal awards through another non-Federal entity to carry out a Federal program, but does not include an individual who receives financial assistance through such awards.

(b) In prescribing risk-based program selection criteria for major programs, the Director shall not require more programs to be identified as major for a particular non-Federal entity, except as prescribed under subsection (c) or as provided under subsection (d), than would be identified if the major programs were defined as any program for which total expenditures of Federal awards by the non-Federal entity during the applicable year exceed—

(1) the larger of \$30,000,000 or 0.15 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed \$10,000,000,000;

(2) the larger of \$3,000,000, or 0.30 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed \$100,000,000 but are less than or equal to \$10,000,000,000; or

(3) the larger of \$300,000, or 3 percent of such total Federal expenditures for all programs, in the case of a non-Federal entity for which such total expenditures for all programs equal or exceed \$300,000 but are less than or equal to \$100,000,000.

(c) When the total expenditures of a non-Federal entity's major programs are less than 50 percent of the non-Federal entity's total expenditures of all Federal awards (or such lower percentage as specified by the Director), the auditor shall select and test additional programs as major programs as necessary to achieve audit coverage of at least 50 percent of Federal expenditures by the non-Federal entity (or such lower percentage as specified by the Director), in accordance with guidance issued by the Director.

(d) Loan or loan guarantee programs, as specified by the Director, shall not be subject to the application of subsection (b).

(Added Pub. L. 98–502, §2(a), Oct. 19, 1984, 98 Stat. 2327; amended Pub. L. 104–156, §2, July 5, 1996, 110 Stat. 1396.)

REFERENCES IN TEXT

The Alaskan Native Claims Settlement Act, referred to in subsec. (a)(9), probably means the Alaska Native Claims Settlement Act, Pub. L. 92–203, Dec. 18, 1971, 85 Stat. 688, as amended, which is classified generally to chapter 33 (§1601 et seq.) of Title 43, Public Lands. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 43 and Tables.

AMENDMENTS

1996—Pub. L. 104–156 reenacted section catchline without change and amended text generally, substituting present provisions for similar provisions defining terms used in this chapter.

SHORT TITLE OF 2016 AMENDMENT

Pub. L. 114–301, §1, Dec. 16, 2016, 130 Stat. 1514, provided that: "This Act [amending section 5226 of Title 12, Banks and Banking, section 280g–15 of Title 42, The Public Health and Welfare, and section 114 of Title 49, Transportation, renumbering section 7507 of this title as section 7506, repealing section 7506 of this title, amending provisions set out as notes under section 78m of Title 15, Commerce and Trade, and section

5189a of Title 42, and repealing provisions set out as a note under section 1395l of Title 42] may be cited as the 'GAO Mandates Revision Act of 2016'."

SHORT TITLE OF 1996 AMENDMENT

Pub. L. 104–156, §1(a), July 5, 1996, 110 Stat. 1396, provided that: "This Act [amending this chapter and enacting provisions set out as notes below] may be cited as the 'Single Audit Act Amendments of 1996'."

SHORT TITLE OF 1984 AMENDMENT

Pub. L. 98–502, §1(a), Oct. 19, 1984, 98 Stat. 2327, provided that: "This Act [enacting this chapter and provisions set out as notes under this section] may be cited as the 'Single Audit Act of 1984'."

TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

TRANSITIONAL APPLICATION

Pub. L. 104–156, §3, July 5, 1996, 110 Stat. 1404, provided that: "Subject to [former] section 7507 of title 31, United States Code (as amended by section 2 of this Act) [now 31 U.S.C. 7506] the provisions of chapter 75 of such title (before amendment by section 2 of this Act) shall continue to apply to any State or local government with respect to any of its fiscal years beginning before July 1, 1996."

CONGRESSIONAL STATEMENT OF PURPOSE

Pub. L. 104–156, §1(b), July 5, 1996, 110 Stat. 1396, provided that: "The purposes of this Act [see Short Title of 1996 Amendment note above] are to—

"(1) promote sound financial management, including effective internal controls, with respect to Federal awards administered by non-Federal entities;

"(2) establish uniform requirements for audits of Federal awards administered by non-Federal entities;

"(3) promote the efficient and effective use of audit resources;

"(4) reduce burdens on State and local governments, Indian tribes, and nonprofit organizations; and

"(5) ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to chapter 75 of title 31, United States Code (as amended by this Act)."

Pub. L. 98–502, §1(b), Oct. 19, 1984, 98 Stat. 2327, provided that: "It is the purpose of this Act [enacting this chapter and provisions set out as notes under this section]—

"(1) to improve the financial management of State and local governments with respect to Federal financial assistance programs;

"(2) to establish uniform requirements for audits of Federal financial assistance provided to State and local governments;

"(3) to promote the efficient and effective use of audit resources; and

"(4) to ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to chapter 75 of title 31, United States Code (as added by this Act)."

TENNESSEE VALLEY AUTHORITY AUDITS UNAFFECTED BY SINGLE AUDIT REQUIREMENTS

Pub. L. 98–502, §2(b), Oct. 19, 1984, 98 Stat. 2334, provided that: "The provisions of this Act [enacting this chapter and provisions set out as notes under this section] shall not diminish or otherwise affect the authority of the Tennessee Valley Authority to conduct its own audits of any matter involving funds disbursed by the Tennessee Valley Authority."

¹ *So in original.*

§7502. Audit requirements; exemptions

(a)(1)(A) Each non-Federal entity that expends a total amount of Federal awards equal to or in excess of \$300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such non-Federal entity shall have either a single audit or a program-specific audit made for such fiscal year in accordance with the requirements of this chapter.

(B) Each such non-Federal entity that expends Federal awards under more than one Federal program shall undergo a single audit in accordance with the requirements of subsections (b) through (i) of this section and guidance issued by the Director under section 7505.

(C) Each such non-Federal entity that expends awards under only one Federal program and is not subject to laws, regulations, or Federal award agreements that require a financial statement audit of the non-Federal entity, may elect to have a program-specific audit conducted in accordance with applicable provisions of this section and guidance issued by the Director under section 7505.

(2)(A) Each non-Federal entity that expends a total amount of Federal awards of less than \$300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such entity, shall be exempt for such fiscal year from compliance with—

- (i) the audit requirements of this chapter; and
- (ii) any applicable requirements concerning financial audits contained in Federal statutes and regulations governing programs under which such Federal awards are provided to that non-Federal entity.

(B) The provisions of subparagraph (A)(ii) of this paragraph shall not exempt a non-Federal entity from compliance with any provision of a Federal statute or regulation that requires such non-Federal entity to maintain records concerning Federal awards provided to such non-Federal entity or that permits a Federal agency, pass-through entity, or the Comptroller General access to such records.

(3) Every 2 years, the Director shall review the amount for requiring audits prescribed under paragraph (1)(A) and may adjust such dollar amount consistent with the purposes of this chapter, provided the Director does not make such adjustments below \$300,000.

(b)(1) Except as provided in paragraphs (2) and (3), audits conducted pursuant to this chapter shall be conducted annually.

(2) A State or local government that is required by constitution or statute, in effect on January 1, 1987, to undergo its audits less frequently than annually, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

(3) Any nonprofit organization that had biennial audits for all biennial periods ending between July 1, 1992, and January 1, 1995, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

(c) Each audit conducted pursuant to subsection (a) shall be conducted by an independent auditor in accordance with generally accepted government auditing standards, except that, for the purposes of this chapter, performance audits shall not be required except as authorized by the Director.

(d) Each single audit conducted pursuant to subsection (a) for any fiscal year shall—

- (1) cover the operations of the entire non-Federal entity; or
- (2) at the option of such non-Federal entity such audit shall include a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered Federal awards during such fiscal year provided that each such audit shall encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and organizational unit, which shall be considered to be a non-Federal entity.

(e) The auditor shall—

- (1) determine whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles;
- (2) determine whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole;
- (3) with respect to internal controls pertaining to the compliance requirements for each major program—
 - (A) obtain an understanding of such internal controls;
 - (B) assess control risk; and
 - (C) perform tests of controls unless the controls are deemed to be ineffective; and

(4) determine whether the non-Federal entity has complied with the provisions of laws, regulations, and contracts or grants pertaining to Federal awards that have a direct and material effect on each major program.

(f)(1) Each Federal agency which provides Federal awards to a recipient shall—

- (A) provide such recipient the program names (and any identifying numbers) from which such awards are derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter; and
- (B) review the audit of a recipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the recipient by the Federal agency.

(2) Each pass-through entity shall—

- (A) provide such subrecipient the program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter;
- (B) monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means;

(C) review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity; and

(D) require each of its subrecipients of Federal awards to permit, as a condition of receiving Federal awards, the independent auditor of the pass-through entity to have such access to the subrecipient's records and financial statements as may be necessary for the pass-through entity to comply with this chapter.

(g)(1) The auditor shall report on the results of any audit conducted pursuant to this section, in accordance with guidance issued by the Director.

(2) When reporting on any single audit, the auditor shall include a summary of the auditor's results regarding the non-Federal entity's financial statements, internal controls, and compliance with laws and regulations.

(h) The non-Federal entity shall transmit the reporting package, in an electronic form in accordance with the data standards established under chapter 64 and which shall include the non-Federal entity's financial statements, schedule of expenditures of Federal awards, corrective action plan defined under subsection (i), and auditor's reports developed pursuant to this section, to a Federal clearinghouse designated by the Director, and make it available for public inspection within the earlier of—

(1) 30 days after receipt of the auditor's report; or

(2)(A) for a transition period of at least 2 years after the effective date of the Single Audit Act Amendments of 1996, as established by the Director, 13 months after the end of the period audited; or

(B) for fiscal years beginning after the period specified in subparagraph (A), 9 months after the end of the period audited, or within a longer timeframe authorized by the Federal agency, determined under criteria issued under section 7504, when the 9-month timeframe would place an undue burden on the non-Federal entity.

(i) If an audit conducted pursuant to this section discloses any audit findings, as defined by the Director, including material noncompliance with individual compliance requirements for a major program by, or reportable conditions in the internal controls of, the non-Federal entity with respect to the matters described in subsection (e), the non-Federal entity shall submit to Federal officials designated by the Director, a plan for corrective action to eliminate such audit findings or reportable conditions or a statement describing the reasons that corrective action is not necessary. Such plan shall be consistent with the audit resolution standard promulgated by the Comptroller General (as part of the standards for internal controls in the Federal Government) pursuant to section 3512(c).

(j) The Director may authorize pilot projects to test alternative methods of achieving the purposes of this chapter. Such pilot projects may begin only after consultation with the Chair and Ranking Minority Member of the Committee on Governmental Affairs of the Senate and the Chair and Ranking Minority Member of the Committee on Government Reform and Oversight of the House of Representatives.

(Added Pub. L. 98–502, §2(a), Oct. 19, 1984, 98 Stat. 2329; amended Pub. L. 103–272, §4(f)(1)(W), July 5, 1994, 108 Stat. 1363; Pub. L. 104–156, §2, July 5, 1996, 110 Stat. 1399; Pub. L. 116–103, §5(a)(1), Dec. 30, 2019, 133 Stat. 3270.)

REFERENCES IN TEXT

The effective date of the Single Audit Act Amendments of 1996, referred to in subsec. (h)(2)(A), is the effective date of Pub. L. 104–156, which is classified generally to this chapter. See section 7506 of this title.

AMENDMENTS

2019—Subsec. (h). Pub. L. 116–103 inserted "in an electronic form in accordance with the data standards established under chapter 64 and" after "the reporting package," in introductory provisions.

1996—Pub. L. 104–156 reenacted section catchline without change and amended text generally, substituting present provisions for similar provisions relating to audit requirements and exemptions from such requirements for State and local governments receiving Federal financial assistance of \$100,000 or more in any fiscal year and requiring audits to be conducted annually in most instances, to cover entirety of government operations, for reports to be made on audits in specified time period, and for appropriate corrective action plans to be submitted to Federal officials for any material State or local noncompliance with Federal laws and regulations.

1994—Subsec. (b)(2). Pub. L. 103–272, §4(f)(1)(W), substituted "October 19, 1984" for "the date of enactment of this chapter" in subpar. (A) and for "such date" in subpar. (B).

Subsec. (d)(5), (6). Pub. L. 103–272, §4(f)(1)(W)(iii), redesignated par. (6) as (5) and struck out former par. (5) which read as follows: "Each State or local government which, in any fiscal year of such government, receives directly from the Department of the Treasury a total of \$25,000 or more under chapter 67 of this title (relating to general revenue sharing) and which is required to conduct an audit pursuant to this chapter for such fiscal year shall not have the option provided by paragraph (1)(A) for such fiscal year."

Subsec. (g). Pub. L. 103–272, §4(f)(1)(W)(iv), substituted "section 3512(c)" for "section 3512(b)".

CHANGE OF NAME

Committee on Governmental Affairs of Senate changed to Committee on Homeland Security and Governmental Affairs of Senate, effective Jan. 4, 2005, by Senate Resolution No. 445, One Hundred Eighth Congress, Oct. 9, 2004.

Committee on Government Reform and Oversight of House of Representatives changed to Committee on Government Reform of House of Representatives by House Resolution No. 5, One Hundred Sixth Congress, Jan. 6, 1999. Committee on Government Reform of House of Representatives changed to Committee on Oversight and Government Reform of House of Representatives by House Resolution No. 6, One Hundred Tenth Congress, Jan. 5, 2007. Committee on Oversight and Government Reform of House of Representatives changed to Committee on Oversight and Reform of House of Representatives by House Resolution No. 6, One Hundred Sixteenth Congress, Jan. 9, 2019.

§7503. Relation to other audit requirements

(a) An audit conducted in accordance with this chapter shall be in lieu of any financial audit of Federal awards which a non-Federal entity is required to undergo under any other Federal law or regulation. To the extent that such audit provides a Federal agency with the information it requires to carry out its responsibilities under Federal law or regulation, a Federal agency shall rely upon and use that information.

(b) Notwithstanding subsection (a), a Federal agency may conduct or arrange for additional audits which are necessary to carry out its responsibilities under Federal law or regulation. The provisions of this chapter do not authorize any non-Federal entity (or subrecipient thereof) to constrain, in any manner, such agency from carrying out or arranging for such additional audits, except that the Federal agency shall plan such audits to not be duplicative of other audits of Federal awards.

(c) The provisions of this chapter do not limit the authority of Federal agencies to conduct, or arrange for the conduct of, audits and evaluations of Federal awards, nor limit the authority of any Federal agency Inspector General or other Federal official.

(d) Subsection (a) shall apply to a non-Federal entity which undergoes an audit in accordance with this chapter even though it is not required by section 7502(a) to have such an audit.

(e) A Federal agency that provides Federal awards and conducts or arranges for audits of non-Federal entities receiving such awards that are in addition to the audits of non-Federal entities conducted pursuant to this chapter shall, consistent with other applicable law, arrange for funding the full cost of such additional audits. Any such additional audits shall be coordinated with the Federal agency determined under criteria issued under section 7504 to preclude duplication of the audits conducted pursuant to this chapter or other additional audits.

(f) Upon request by a Federal agency or the Comptroller General, any independent auditor conducting an audit pursuant to this chapter shall make the auditor's working papers available to the Federal agency or the Comptroller General as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this chapter. Such access to auditor's working papers shall include the right to obtain copies.

(Added Pub. L. 98-502, §2(a), Oct. 19, 1984, 98 Stat. 2332; amended Pub. L. 103-272, §4(f)(1)(X), July 5, 1994, 108 Stat. 1363; Pub. L. 104-156, §2, July 5, 1996, 110 Stat. 1401.)

AMENDMENTS

1996—Pub. L. 104-156 reenacted section catchline without change and amended text generally, substituting present provisions for similar provisions relating to other audit requirements, including compliance and evaluation audits of individual Federal assistance programs, audits by State and local governmental entities, and provisions requiring Federal agencies to arrange for funding cost of conducting audits that are in addition to audits required by this chapter.

1994—Subsec. (a). Pub. L. 103-272 substituted "extent" for "extend" in second sentence.

§7504. Federal agency responsibilities and relations with non-Federal entities

(a) Each Federal agency shall, in accordance with guidance issued by the Director under section 7505, with regard to Federal awards provided by the agency—

(1) monitor non-Federal entity use of Federal awards, and

(2) assess the quality of audits conducted under this chapter for audits of entities for which the agency is the single Federal agency determined under subsection (b).

(b) Each non-Federal entity shall have a single Federal agency, determined in accordance with criteria established by the Director, to provide the non-Federal entity with technical assistance and assist with implementation of this chapter.

(c) The Director shall designate a Federal clearinghouse to—

- (1) receive copies of all reporting packages developed in accordance with this chapter;
- (2) identify recipients that expend \$300,000 or more in Federal awards or such other amount specified by the Director under section 7502(a)(3) during the recipient's fiscal year but did not undergo an audit in accordance with this chapter; and
- (3) perform analyses to assist the Director in carrying out responsibilities under this chapter.

(Added Pub. L. 98–502, §2(a), Oct. 19, 1984, 98 Stat. 2333; amended Pub. L. 104–156, §2, July 5, 1996, 110 Stat. 1402.)

AMENDMENTS

1996—Pub. L. 104–156 substituted "Federal agency responsibilities and relations with non-Federal entities" for "Cognizant agency responsibilities" in section catchline and amended text generally. Prior to amendment, text read as follows:

"(a) The Director shall designate cognizant agencies for audits conducted pursuant to this chapter.

"(b) A cognizant agency shall—

"(1) ensure that audits are made in a timely manner and in accordance with the requirements of this chapter;

"(2) ensure that the audit reports and corrective action plans made pursuant to section 7502 of this title are transmitted to the appropriate Federal officials; and

"(3)(A) coordinate, to the extent practicable, audits done by or under contract with Federal agencies that are in addition to the audits conducted pursuant to this chapter; and (B) ensure that such additional audits build upon the audits conducted pursuant to this chapter."

§7505. Regulations

(a) The Director, after consultation with the Comptroller General, and appropriate officials from Federal, State, and local governments and nonprofit organizations shall prescribe guidance to implement this chapter. Each Federal agency shall promulgate such amendments to its regulations as may be necessary to conform such regulations to the requirements of this chapter and of such guidance.

(b)(1) The guidance prescribed pursuant to subsection (a) shall include criteria for determining the appropriate charges to Federal awards for the cost of audits. Such criteria shall prohibit a non-Federal entity from charging to any Federal awards—

(A) the cost of any audit which is—

(i) not conducted in accordance with this chapter; or

(ii) conducted in accordance with this chapter when expenditures of Federal awards are less than amounts cited in section 7502(a)(1)(A) or specified by the Director under section 7502(a)(3), except that the Director may allow the cost of limited scope audits to monitor subrecipients in accordance with section 7502(f)(2)(B); and

(B) more than a reasonably proportionate share of the cost of any such audit that is conducted in accordance with this chapter.

(2) The criteria prescribed pursuant to paragraph (1) shall not, in the absence of documentation demonstrating a higher actual cost, permit the percentage of the cost of audits performed pursuant to this chapter charged to Federal awards, to exceed the ratio of total Federal awards expended by such non-Federal entity during the applicable fiscal year or years, to such non-Federal entity's total expenditures during such fiscal year or years.

(c) Such guidance shall include such provisions as may be necessary to ensure that small business concerns, qualified HUBZone small business concerns, and business concerns owned and controlled by socially and economically disadvantaged individuals will have the opportunity to participate in the performance of contracts awarded to fulfill the audit requirements of this chapter.

(d) Such guidance shall require audit-related information reported under this chapter to be reported in an electronic form in accordance with the data standards established under chapter 64.

(Added Pub. L. 98–502, §2(a), Oct. 19, 1984, 98 Stat. 2333; amended Pub. L. 104–156, §2, July 5, 1996, 110 Stat. 1403; Pub. L. 105–135, title VI, §604(e)(3), Dec. 2, 1997, 111 Stat. 2634; Pub. L. 116–103, §5(a)(2), Dec. 30, 2019, 133 Stat. 3270.)

AMENDMENTS

2019—Subsec. (d). Pub. L. 116–103 added subsec. (d).

1997—Subsec. (c). Pub. L. 105–135 substituted "small business concerns, qualified HUBZone small business concerns, and" for "small business concerns and".

1996—Pub. L. 104–156 reenacted section catchline without change and amended text generally, substituting present provisions for similar provisions relating to regulations, including implementation guidelines for regulations, criteria for determining appropriate charges to programs of Federal financial

assistance for cost of audits, and guidelines to ensure that small business concerns and business concerns owned and controlled by socially and economically disadvantaged individuals have opportunity to participate in contracts awarded to fulfill audit requirements of this chapter.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–135 effective Oct. 1, 1997, see section 3 of Pub. L. 105–135, set out as a note under section 631 of Title 15, Commerce and Trade.

GUIDANCE

Pub. L. 116–103, §5(b), Dec. 30, 2019, 133 Stat. 3270, provided that: "Not later than 3 years after the date of enactment of this Act [Dec. 30, 2019], the Director [of the Office of Management and Budget] shall issue guidance requiring audit-related information reported under chapter 75 of title 31, United States Code, to be reported in an electronic form consistent with the data standards established under chapter 64 of that title, as added by section 4(a) of this Act."

GUIDELINES FOR ACCEPTANCE OF AUDITS BY STATE AND LOCAL GOVERNMENTS RECEIVING FEDERAL ASSISTANCE

Pub. L. 104–201, div. A, title VIII, §808(c), Sept. 23, 1996, 110 Stat. 2607, provided that: "The Director of the Office of Management and Budget shall issue guidelines to ensure that an audit of indirect costs performed by the Federal Government is accepted by State and local governments that receive Federal funds under contracts, grants, or other Federal assistance programs."

§7506. Effective date

This chapter shall apply to any non-Federal entity with respect to any of its fiscal years which begin after June 30, 1996.

(Added Pub. L. 98–502, §2(a), Oct. 19, 1984, 98 Stat. 2334, §7507; amended Pub. L. 104–156, §2, July 5, 1996, 110 Stat. 1404; renumbered §7506, Pub. L. 114–301, §2(a)(1)(B), Dec. 16, 2016, 130 Stat. 1514.)

PRIOR PROVISIONS

A prior section 7506, added Pub. L. 98–502, §2(a), Oct. 19, 1984, 98 Stat. 2333; amended Pub. L. 104–156, §2, July 5, 1996, 110 Stat. 1403, related to the monitoring responsibilities of the Comptroller General, prior to repeal by Pub. L. 114–301, §2(a)(1)(A), Dec. 16, 2016, 130 Stat. 1514.

AMENDMENTS

2016—Pub. L. 114–301 renumbered section 7507 of this title as this section.

1996—Pub. L. 104–156 struck out "; report" after "Effective date" in section catchline and amended text generally. Prior to amendment, text read as follows:

"(a) This chapter shall apply to any State or local government with respect to any of its fiscal years which begin after December 31, 1984.

"(b) The Director, on or before May 1, 1987, and annually thereafter, shall submit to each House of Congress a report on operations under this chapter. Each such report shall specifically identify each Federal agency or State or local government which is failing to comply with this chapter."