

STATE AND FEDERAL COMPLIANCE REQUIREMENTS

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Introduction

As noted in [Chapter 2.1](#) of this manual, having accounting and other systems in place to ensure compliance with federal and state laws and regulations, local ordinances, and other legal requirements is one of the seven basic elements of an effective financial management system. The number of requirements is substantial. Some of the major sources of general information on requirements that must be complied with include:

- federal and state laws and administrative rules;
- contracts with a granting entity, including the State/County contract; and
- program manuals, administrative memos, and other information referenced in contracts.

In addition, there are certain federal documents, which are included in this manual, that spell out general administrative requirements to be met by governmental entities and by the non-profit organizations that governmental entities typically contract with for services. These documents are:

- [OMB Circular A-102](#) "Grants and Cooperative Agreements with State and Local Governments";
- [Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments](#) (Common Rule); and
- [OMB Circular A-110](#) "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations."

These documents contain a considerable body of key administrative requirements that must be met in the operation of almost every program, and thus can serve as a "first reference" for administrators looking for answers to questions concerning general program operations.

Other guides to the requirements that must be met in operating programs can be found in the body of audit literature, designed primarily for use by auditors in performing their audit tests to determine how well an entity has met the key compliance features of individual programs. Some of the sources for these documents are:

- the [State Single Audit Guidelines](#), by the Wisconsin Department of Administration;
- the *Provider Agency Audit Guide*, by the Wisconsin Department of Health and Social Services;
- OMB Compliance Supplement for Single Audits of State and Local Governments ("Green

Book");

- OMB Compliance Supplement of Audits of Institutions of Higher Learning and Other Non-Profit Institutions; and
- the [*Catalog of Federal Domestic Assistance*](#).

Wisconsin DHSS staff are working on developing a chapter for this manual, to be inserted here, which will serve to highlight some of the key requirements that agencies receiving funding from DHSS must comply with and that will assist in locating compliance information by noting source documents that contain compliance requirements. The chapter will not serve to attempt to consolidate, fully distill, or otherwise replace the documents noted above. However, it is our hope that the chapter will be a valuable resource and will aid in providing a framework for organizing and thinking about compliance requirements.

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