

Model Legislation: Minimum Reporting Requirements for Grant Recipients of Opioid Settlement Funds

(1) For the purposes of this Chapter, there are two reporting levels established for recipients and subrecipients receiving grants from the [OPIOID SETTLEMENT FUND] of this State. Reporting levels are based on the allocated funds from all grants disbursed through the [OPIOID SETTLEMENT FUND]. The reporting levels are:

(a) Level I – A recipient or subrecipient that receives, holds, uses, or expends grants in an amount less than the dollar amount requiring audit as listed in the Code of Federal Regulations 2 CFR 200.501(a) within its fiscal year. The dollar amount requiring audit listed in 2 CFR 200.501(a) is herein incorporated by reference, including subsequent amendments and editions, and can be accessed free of charge at <https://www.ecfr.gov/>.

(b) Level II - A recipient or subrecipient that receives, holds, uses, or expends grants in an amount equal to or greater than the dollar amount requiring audit as listed in 2 CFR 200.501(a) within its fiscal year. The dollar amount requiring audit listed in 2 CFR 200.501(a) is herein incorporated by reference, including subsequent amendments and editions, and can be accessed free of charge at <https://www.ecfr.gov/>.

(2) Agencies shall require all recipients and subrecipients to meet the following reporting standards on an annual basis:

(a) All recipients and subrecipients shall provide to the [STATE AGENCY WITH AUDIT RESPONSIBILITY FOR THE OPIOID SETTLEMENT FUND] a certification that grants received or held were used for the purposes for which the grants were awarded.

(b) Level I recipients and subrecipients shall provide an accounting to the [STATE AGENCY WITH AUDIT RESPONSIBILITY FOR THE OPIOID SETTLEMENT FUND] of all grants received, held, used, or expended. At a minimum, this accounting shall include copies of recipients' or subrecipients' bank statements for the period of the grant, bank reconciliations, and a copy of the resulting general ledger. Recipients may satisfy this requirement narrowly by isolating transactions relating to the receipt, use, or expense of grant funds into a dedicated bank account established for this purpose and segmenting transactions related to the receipt, use, or expense of grant funds within the general ledger.

(c) All recipients and subrecipients shall report on activities and accomplishments undertaken by the recipient, including reporting on any performance measures established in the contract.

(d) Level II recipients and subrecipients shall have a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book, which is herein incorporated by reference, including subsequent amendments and editions, and can be accessed free of charge at <https://www.gao.gov/yellowbook>. Level I recipients and subrecipients may opt to comply with this provision in lieu of paragraph (b).

(3) All reports shall be filed with the [STATE AGENCY WITH AUDIT RESPONSIBILITY FOR THE OPIOID SETTLEMENT FUND] in the format and method specified by the agency no later than three months after the end of the recipient's fiscal year, unless the same information is already required through more frequent reporting. Audits shall be provided to the [STATE AGENCY WITH AUDIT RESPONSIBILITY FOR THE OPIOID SETTLEMENT FUND] no later than nine months after the end of the recipient's fiscal year.

(4) Agency-established reporting requirements to meet the standards set forth in Paragraph (2)(c) of this Chapter shall be specified in each recipient's contract.

(5) Unless prohibited by law, the costs of audits made in accordance with the provisions of this Rule shall be allowable charges to awards from the [OPIOID SETTLEMENT FUND]. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 CFR Part 200, which is herein incorporated by reference, including subsequent amendments and editions, and can be accessed free of charge at <https://www.ecfr.gov>. The cost of any audit not conducted in accordance with this Chapter shall not be charged to State awards.

(6) Notwithstanding the provisions of this Chapter, a recipient may satisfy the reporting requirements of Subparagraph (2)(d) of this Rule by submitting a copy of the report required under federal law with respect to the same funds.

(7) In the event any Level I or Level II recipient fails to comply with the provisions of this Chapter, the recipient, all natural persons exercising control over the recipient, and any additional persons over which those natural persons may exercise control, shall become ineligible for the future award of any grants or contracts provided by this State.

(8) If the [STATE AGENCY WITH AUDIT RESPONSIBILITY FOR THE OPIOID SETTLEMENT FUND], in consultation with the attorney general, determines that the natural persons exercising control over a Level I or Level II recipient have utilized grant monies from the [OPIOID SETTLEMENT FUND] in a manner substantially different from the purposes for which the grants were awarded, the recipient or the natural persons exercising control over the recipient may be held civilly liable for a restitution of those monies to the [OPIOID SETTLEMENT FUND].