



NATIONAL ENDOWMENT FOR THE HUMANITIES

OFFICE OF INSPECTOR GENERAL

January 27, 2021

Via FedEx

Board of Directors
Ohio Humanities
471 East Broad Street; Suite 1620
Columbus, Ohio 43215
Attn: [REDACTED] Chair

OIG Report Number: OIG-21-02 (DR)

Dear Board Members:

The National Endowment for the Humanities (NEH) Office of Inspector General (OIG) has completed a desk review of the single audit report prepared by Maloney + Novotny, LLC (the "IPA"), which includes Federal assistance programs administered by the Ohio Humanities Council (the "Council") during the organization's fiscal year (FY) ended October 31, 2019. The independent auditors previously furnished a copy of their audit report dated February 21, 2020 to the Council. The IPA issued unmodified opinions¹ regarding the financial statements and compliance with Federal requirements. Furthermore, the IPA issued no written findings in conjunction with the single audit. The Federal Audit Clearinghouse accepted the single audit reporting package on March 13, 2020.

Our review was limited to an examination of the single audit reporting package, email exchanges with the Executive Director of the Council, a limited review of select IPA workpapers, and review of applicable NEH grant files and accounting records. We did not perform a comprehensive examination of the underlying audit documentation to evaluate the adequacy of the audit work performed; rather, we used the *Guide For Desk Reviews of Single Audit Reports (2016 Edition)*, as issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE), to determine whether the reporting package meets the core reporting requirements stipulated by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 200). Based on our review, we can assign a rating to the IPA's reporting package of either **Pass**, **Pass with Deficiencies**, or **Fail**. Audit reports receiving a **Fail** rating require corrective action.

¹ **Unmodified opinion.** The opinion expressed by the IPA upon concluding that the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework. An unmodified opinion represents the highest level of assurance the IPA can provide that the Council's financial statements as a whole are free from material misstatement, whether due to fraud or error.

We assigned a rating of **Pass** to the FY 2019 reporting package. We determined that the audit report meets Federal reporting requirements, as evidenced by the lack of any noted exceptions. Accordingly, our office is accepting this single audit reporting package in its current form and no corrective action deemed necessary.

Other Matters:

During the course of our desk review, we identified a matter that we wish to bring to the attention of Council management and the Board of Directors.

Compliance with Federal Cash Management Requirements

Non-Federal entities must minimize the time elapsing between the transfer of funds from the U.S. Treasury or pass-through entity and disbursement by the non-Federal entity for direct program or project costs and the proportionate share of allowable indirect costs, whether the payment is made by electronic funds transfer, issuance or redemption of checks, warrants, or payment by other means. Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project.²

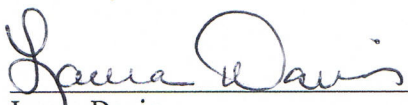
The Council indicates in the audited *Schedule of Expenditures of Federal Awards*³ for the fiscal year ended October 31, 2019 that \$14,390 was expended during the fiscal year related to NEH grant award MT-234023-16. We determined during our desk review that, as of April 2017, the Council had drawn all NEH funds authorized for the award. The Council's failure to fully expend advanced NEH funds prior to commencement of the organization's fiscal year ended October 31, 2019 represents a violation of Federal cash management requirements, as prescribed by 2 CFR section 200.305(b).

We recommend that the Council review existing grant cash request procedures to ensure proper alignment with Federal cash management requirements.

Please be advised that we are sending a copy of this letter to Maloney + Novotny, LLC to inform the firm of the results of our review.

If you have any questions concerning this letter or need accounting assistance, please contact Mr. Daniel M. Gelfand at (202) 606-8353 or via email at dgelfand@neh.gov.

Sincerely,



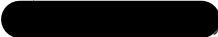
Laura Davis
Inspector General

² 2 CFR section 200.305(b)

³ 2 CFR section 200.510(b) requires auditees to prepare a schedule of expenditures of Federal awards for the period covered by the organization's financial statement.

Distribution List:

Auditor:

 Senior Manager
Maloney + Novotny, LLC
1105 Schrock Road, Suite 510
Columbus, OH 43229
