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July 12, 2018

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
House of Representatives

The Honorable Michael C. Burgess
Chairman
Subcommittee on Health
Committee on Energy and Commerce
House of Representatives

Health Resources and Services Administration: Efforts to Help Ensure Health Center Compliance with Prohibitions on the Use of Federal Funds for Certain Abortions

Nearly 26 million people in the United States rely on federally funded health centers for their health care. In fiscal year 2017, 1,380 health center grantees with more than 11,000 service delivery sites provided care for underserved individuals and families, including people experiencing homelessness, agricultural workers, residents of public housing, and veterans. The Health Resources and Services Administration (HRSA), an agency within the Department of Health and Human Services (HHS), awards grants to health centers so the centers can provide primary care and other services. However, health centers cannot use federal funds from HRSA for abortions, unless the pregnancy is the result of rape or incest, or the life of the pregnant woman would be endangered unless an abortion is performed.¹ HRSA is responsible for helping to ensure that its grant funds are not used for any unallowable costs at health centers, including prohibited abortions.

HRSA has also provided funding through cooperative agreements to the National Association of Community Health Centers (NACHC), the national health care advocacy organization for health centers.² The cooperative agreements are for NACHC to provide training and technical assistance to health centers.

¹Annually, Congress prohibits HHS from funding certain abortions through appropriations legislation. This restriction is commonly referred to as the Hyde Amendment, named after the sponsor of the initial prohibition enacted in 1976, Representative Henry J. Hyde. In recent years, the restriction has applied to all abortions except where the pregnancy is the result of rape or incest, or where a woman suffers from a physical disorder, physical injury, or physical illness, including a life endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. See Consolidated Appropriations Act, 2018, Pub. L. No. 115-141, div. H, tit. V, §§ 506-7, 132 Stat. 348, ___ (2018). Additionally, Executive Order 13535 applies the prohibition to the authorization and appropriation of federal funds to health centers through the Community Health Center Fund established under the Patient Protection and Affordable Care Act. 75 Fed. Reg. 15599, 15600 (Mar. 29, 2010).

²In general, federal agencies use grants and cooperative agreements to transfer a thing of value to the recipient entity to carry out a public purpose as authorized by federal law. Cooperative agreements are used when substantial involvement by the federal agency is expected in carrying out the activity, and grants are used when substantial

You asked us to review issues related to HRSA's funding of health centers and NACHC. This report describes

1. how HRSA helps ensure that health center grantees do not use federal funds for prohibited abortions, and
2. how HRSA supports NACHC and oversees the cooperative agreements with the association.

To describe how HRSA helps ensure that health center grantees do not use federal funds for prohibited abortions, we examined federal laws and regulations related to abortion funding prohibitions at health centers and grant-related documentation, including funding opportunity notices and award notices. We also examined compliance documents including the Office of Management and Budget's (OMB) compliance supplement used for single audits, which identifies compliance requirements expected to be considered by auditors for various federal programs, and HRSA's site visit protocols.³ In addition, we reviewed examples of training materials developed by HRSA, and interviewed HRSA officials regarding their compliance activities, among other things.⁴

To describe how HRSA supports NACHC, we examined data on federal funding obligated to NACHC for federal fiscal years 2010 through 2017, and compared it to NACHC's expenditure data, as reported in the association's annual single audit reports for NACHC's fiscal years 2010 through 2017.⁵ In addition to HRSA, we obtained obligation data from four other federal agencies—the Corporation for National and Community Service (CNCS), the Centers for Disease Control and Prevention, the Department of Veterans Affairs, and the National Park Service—listed as sources of federal funds in NACHC's annual reports in order to capture all sources of federal obligations to NACHC. We compared the obligations data the agencies provided with other data sources and found the data to be sufficiently reliable for our purposes. To describe how HRSA oversees the cooperative agreements with NACHC, we reviewed agency documents, including funding opportunity notices and award notices, a copy of meeting minutes from a coordination call between HRSA and NACHC officials, and documents summarizing some of NACHC's past deliverables under the cooperative agreement. Additionally, we interviewed HRSA officials involved in managing the award process and oversight, and NACHC officials to understand how they carry out the training and technical assistance funded by HRSA.

involvement by the federal agency is not expected. In general, federal agencies use contracts as legal instruments for the acquisition of property or services for the direct benefit or use of the federal government, see 31 U.S.C. §§ 6303-6305.

³Organizations based in the United States with expenditures of federal funding of \$500,000 or more (\$750,000 or more for fiscal years beginning on or after December 26, 2014) within the organization's fiscal year are required to send an audit report to OMB, in accordance with the Single Audit Act, as amended, and OMB implementing guidance. See 31 U.S.C. §§ 7501-7507; 2 C.F.R., pt. 200, subpt. F. (2017) (as added by 78 Fed. Reg. 78590, 78608 (Dec. 26, 2013)). The audit covers the entity's financial statements and a schedule of expenditures of federal awards; a review of related internal controls; and compliance 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.

⁴For example, HRSA officials discussed how they review health centers' single audit reports and shared information from those reviews with us. However, we did not independently verify HRSA's reviews of health centers' single audit reports.

⁵While the federal fiscal year runs from October 1 through September 30 of the subsequent year, NACHC's fiscal year runs from July 1 through June 30 of the subsequent year.

We conducted this performance audit from July 2017 to July 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results in Brief

HRSA emphasizes the restrictions on the use of federal funds for prohibited abortions in its funding opportunity notices and its award notices to health centers. Additionally, according to HRSA officials, the agency makes project officers and grant management specialists available to health centers for questions about unallowable costs or activities, including prohibited abortions. To oversee health centers' compliance with restrictions on the use of federal funds for prohibited abortions, HRSA relies on health centers' annual single audit reports conducted by independent auditors, which check that federal funds were not used for prohibited abortions, as well as financial management reviews it is starting to conduct, which check health centers' policies and procedures regarding prohibited abortions. HRSA also relies on site visits, which, according to HRSA officials, generally happen in the middle of the project period—the period of time approved for a given health center grant—which is typically 3 years.

HRSA also awarded funding to NACHC through cooperative agreements to provide training and technical assistance to health centers on topics such as leadership development and health center governance. HRSA obligated over \$51.3 million to NACHC for this training and technical assistance between fiscal years 2010 and 2017. Although HRSA awarded federal funds to NACHC to provide training on topics such as leadership and governance, training to health centers on prohibited activities is conducted by HRSA. The agency oversees NACHC's performance under the cooperative agreement by requiring the association to submit financial and progress reports, among other things.

Background

HRSA administers the Health Center Program and awards grants to eligible health centers under Section 330 of the Public Health Service Act.⁶ As of fiscal year 2017, nearly 1 in 12 people in the United States relied on HRSA-funded health centers for their health care. Patients can seek care at one of the 11,057 service delivery sites operated by the 1,380 health center grantees operating in every state, the District of Columbia, and some U.S. territories. Health centers are required to provide health care to individuals regardless of their ability to pay and to be located in geographic areas or serve populations designated as medically underserved.

Health centers provide a comprehensive set of primary health care services (such as diagnostic laboratory services), preventive health services (such as health education), and emergency medical services. Some health centers provide additional health services, such as behavioral health services. Health centers are usually nonprofit, community-based organizations, or, less commonly, public centers such as public health department clinics. Along with funding from HRSA, health centers receive funding from multiple sources including payments for services

⁶42 U.S.C. § 254b. There are four types of health centers supported under Section 330 of the Public Health Service Act: (1) community health centers, (2) health centers for the homeless, (3) health centers for residents of public housing, and (4) migrant health centers.

(e.g., from self-pay patients, private insurers, and Medicaid) and grants from private entities, state and local government grants, and other federal agencies.

HRSA is responsible for overseeing the activities and services it funds and ensuring health centers have systems in place so that federal funds are not spent on prohibited activities. Any organization or entity that receives federal funding from HRSA must adhere to certain restrictions on the use of federal funds for unallowable costs, which include, among other things, certain lobbying activities, fundraising, and certain prohibited abortions.⁷ Under federal law, health centers receiving grant funds from HRSA are prohibited from using federal funds for abortions, unless the pregnancy is the result of rape or incest, or the life of the pregnant woman would be endangered unless an abortion is performed.

HRSA has also provided federal funds to NACHC under cooperative agreements to provide training and technical assistance to health centers. According to NACHC, the association provides training and technical assistance to potential and existing health centers, regardless of a health center's membership status with NACHC. In addition, NACHC provides member services to health centers that pay membership dues to the association. According to NACHC officials, about 60-70 percent of health centers are members. NACHC does not have oversight responsibilities for health centers.

Until 2016, in addition to receiving funding from HRSA, NACHC received funding from CNCS—the federal agency that oversees the AmeriCorps program—for the placement of AmeriCorps members into health centers to help with patients' care management, help patients find low-cost medications, and address social determinants of health.⁸ Under the CNCS grant, NACHC was responsible for the oversight of AmeriCorps members at 47 health centers around the country. In April 2016, the CNCS Office of Inspector General (OIG) reported that AmeriCorps members, funded under the CNCS grant to NACHC, provided emotional support for women undergoing abortions at one health center. According to the CNCS OIG, providing this support was a violation of the Serve America Act, which prohibits AmeriCorps members from providing abortion services.⁹ Although the CNCS OIG found this violated the Serve America Act, HRSA's subsequent review found that the health center had not used HRSA grant funding in violation of the Hyde Amendment, according to HRSA officials.¹⁰

HRSA Informs Health Center Grantees of Prohibitions on Using Federal Funds for Abortions and Relies on Financial Audits and Reviews to Help Ensure Compliance

Beginning with HRSA's funding opportunity notices, health center grant applicants are made aware of the restrictions on the use of federal funds for prohibited abortions. The funding

⁷Unallowable costs are a cost specified by law or regulation, federal cost principles, or terms and conditions of awards that may not be reimbursed under a grant or cooperative agreement. HHS, Office of the Assistant Secretary for Resources and Technology, Office of Grants, *HHS Grants Policy Statement* (Washington, D.C.: Jan. 1, 2007).

⁸AmeriCorps is a network of national service programs designed to address community needs; NACHC branded the program as its Community HealthCorps Program.

⁹Members of AmeriCorps are required to adhere to provisions in the Serve America Act, which prohibits the use of national service positions, including AmeriCorps members, to provide abortion services or referrals for receipt of such services. 42 U.S.C § 12584a(a)(9); 45 C.F.R. § 2520.65(a)(10)(2017).

¹⁰While the Hyde Amendment, which applies to federally funded health centers, prohibits the use of federal funds to perform certain abortions, the Serve America Act more broadly prohibits AmeriCorps members from providing abortion services or referrals for receipt of such services.

opportunity notices include language stating that, pursuant to existing law and consistent with the 2010 executive order, health centers are prohibited from using federal funds to provide abortion services, except in cases of rape or incest, or when the life of a woman would be endangered. Beginning for fiscal year 2018, HRSA added a statement in its health center funding opportunity notice reminding applicants that they are required to have the necessary policies, procedures, and financial controls in place to ensure compliance with all legal requirements and restrictions applicable to the receipt of federal funding, including restrictions on the use of federal funds for prohibited abortions. The statement notes that the effectiveness of these policies, procedures, and controls is subject to audit. According to HRSA officials, the statement was included in the funding opportunity notice because HRSA wanted to elevate applicants' awareness of the requirements, though the requirements were not new. Additionally, as part of the application process, health center applicants are required to complete an Assurances Form, where an authorized representative of the health center certifies that the center will adhere to applicable requirements of federal laws, executive orders, regulations, and policies governing the program for which they are applying. Applications cannot be submitted without completing this mandatory form.

HRSA reiterates the restrictions on the use of federal funds for prohibited abortions in its Health Center Program award notices. Health Center Program award notices include as a program term—to which all funding recipients are subject—the restrictions on the use of federal funds for prohibited abortions. Health Center Program award recipients are also required to maintain written procedures to manage HHS grant funding and to determine the allowability of costs.¹¹ HRSA has also taken additional steps to make information and resources on unallowable costs available to grantees. These include providing a link to information on the legislative mandates applicable to grants on HRSA's website and holding an April 2017 grantee technical assistance call, during which HRSA officials reviewed unallowable costs, including prohibited abortions.¹² According to HRSA, the agency also makes grant management specialists and project officers available to health centers should they have questions about unallowable costs or activities, including prohibited abortions.

HRSA's monitoring and compliance activities are also intended to help ensure that recipients of HRSA funds abide by the abortion funding prohibitions and other applicable requirements. After the 2016 CNCS OIG report on the AmeriCorps violations, HRSA officials stated that they reviewed findings from the health center single audit reports for a 10-year period but did not identify any health centers with a finding related to the improper use of federal funds for prohibited abortions. However, HRSA officials indicated that, following the CNCS OIG report, the agency took steps to strengthen its oversight. For example, HRSA officials indicated that the language in the OMB compliance supplements for fiscal years 2017 and 2018, which are used during a single audit, was strengthened, specifically highlighting that independent auditors conducting health centers' single audits are required to review expenditures and policies and procedures to ensure compliance with applicable federal laws, including the Hyde Amendment.¹³ The steps outlined in the OMB compliance supplement are applicable when the

¹¹45 C.F.R. §§ 75.302(b)(6-7), 75.305 (2017). Using federal funds used for any prohibited abortion would be considered an unallowable cost.

¹²See the HRSA policy bulletin entitled "Legislative Mandates in Grants Management for FY 2017," accessed March 30, 2018, <https://www.hrsa.gov/grants/manage/index.html>.

¹³OMB annually publishes the compliance supplement, which identifies the compliance requirements that could have a direct and material effect on major programs. The supplement provides a source of information for auditors to understand the federal program's objectives, procedures, and compliance requirements relevant to the audit, as well

Health Center Program has been deemed a major program. According to HRSA officials, for approximately 90 percent of health centers, the Health Center Program is deemed a major program.¹⁴

HRSA officials indicated that, beginning in April 2018, agency officials are responsible for reviewing the approximately 10 percent of health centers for which the Health Center Program is not deemed to be a major program for the purpose of its single audit. These reviews will use a modified financial management review protocol, which will evaluate health centers' policies and procedures for compliance with legislative mandates, including those related to prohibited abortions. According to HRSA, these reviews will occur annually, after the single audit reports are available in the Federal Audit Clearinghouse, and HRSA expects they will take approximately 4 months to complete.¹⁵ HRSA plans to identify health centers for the modified financial management review protocol through its monthly review of data from the Federal Audit Clearinghouse, which, as of March 2018, indicates whether the Health Center Program was deemed to be a major program by the independent auditor.¹⁶ The financial management review protocol is also used for health center grantees not subject to a single audit because they did not meet the audit threshold—about 2 percent of all health centers, according to HRSA officials. For these health centers, HRSA staff are responsible for annually reviewing the health centers' policies and procedures to help ensure compliance with all federal requirements, including those pertaining to unallowable costs.

Health center grantees are also subject to operational site visits, during which reviewers assess and verify compliance with the statutory and regulatory requirements of the Health Center Program. As part of HRSA's site visit protocols, reviewers are expected to check whether health centers have written policies and procedures in place to ensure that all expenditures of federal funds are allowable in accordance with the terms and conditions of the grant award, including those that limit the use of federal award funds. These site visits typically occur in the middle of a health center's 3-year project period, according to HRSA officials, and in fiscal years 2015 through 2017, HRSA reported that it conducted 1,372 operational site visits.¹⁷

HRSA Provides Funding to NACHC for Training and Technical Assistance to Health Centers and Oversees These Activities by Reviewing Financial and Progress Reports

HRSA is the largest federal funder of NACHC, having obligated over \$51.3 million from fiscal years 2010 through 2017, through cooperative agreements for training and technical assistance

as audit objectives and suggested audit procedures for determining compliance with these requirements. Federal agencies are responsible for annually informing OMB of any needed updates to the supplement. See "2018 Compliance Supplement" and "2017 Compliance Supplement," accessed June 7, 2018, <https://www.whitehouse.gov/omb/management/office-federal-financial-management/>.

¹⁴Independent auditors are required to use a risk-based approach to determine which federal programs are major programs. 45 C.F.R. § 75.518(a) (2017).

¹⁵The Federal Audit Clearinghouse is the repository for single audits, as designated by OMB.

¹⁶The new policy was announced within HRSA on April 4, 2018, and HRSA sent written notices to health centers affected by the new policy via email beginning in April 2018.

¹⁷According to HRSA, over 94 percent of health centers awarded a grant in fiscal years 2016 or 2017 had a 3-year project period, which is the period of time approved for a given health center grant.

to health centers.¹⁸ NACHC's training and technical assistance activities that are funded by the agency focus on topics that align with HRSA's priorities, such as financial and operational management, leadership development, and governance. Although HRSA awarded federal funds to NACHC to provide training, training to health centers on prohibited activities is conducted by HRSA. According to NACHC, any training the association conducts on prohibited activities is supplemental and not conducted under any agreement with HRSA. While HRSA is the largest federal funder of NACHC, from fiscal years 2010 through 2017, four other federal agencies obligated funds to the association. In total, the five federal agencies obligated about \$100.8 million to NACHC. See enclosure 1 for an overview of federal obligations to the association from fiscal years 2010 through 2017.¹⁹

HRSA oversees NACHC's performance of training and technical assistance to health centers by reviewing required financial and progress reports. Specifically, NACHC is required to submit a single audit report.²⁰ Additionally, under the current cooperative agreement between HRSA and NACHC, the agency is required to review and approve NACHC's annual work and publication plans to ensure NACHC produces work that aligns with HRSA's priorities. The current agreement states that the plans must include specific information such as the publication's purpose, target audience, summary description, and the expected benefit. According to HRSA officials, the agency also holds monthly monitoring calls to track NACHC's progress on completing work plan items; the monitoring calls allow NACHC officials to raise questions or concerns, update work plans, and adjust the cooperative agreement, if necessary.

Agency Comments

We provided a draft of this report to the Secretary of Health and Human Services for comment. HHS provided technical comments that were incorporated as appropriate. We also separately provided CNCS, the Centers for Disease Control and Prevention, the Department of Veterans Affairs, the National Parks Service, and NACHC with excerpts of our draft report. Each federal agency was asked to review our presentation of its respective obligation data, and NACHC was asked to review our presentation of its expenditure data to verify accuracy. We incorporated the technical clarifications they offered, as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to appropriate congressional committees, the Secretary of Health and Human Services, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

¹⁸HRSA has also awarded funding to NACHC to increase access to human immunodeficiency virus screening in primary care settings, particularly in health centers.

¹⁹NACHC reported expenditures of federal funds (using the association's fiscal year of July 1 through June 30) similar to the federal obligations, totaling nearly \$103.7 million for its fiscal years 2010 through 2017. See enclosure 2 for information on NACHC's expenditures of federal funds from fiscal years 2010 through 2017.

²⁰NACHC is also required to submit a Federal Financial Report.

If you or your staffs have any questions about this report, please contact me at (202) 512-7114 or crossem@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Other key contributors to this report included Kim Yamane (Assistant Director), Erin C. Henderson (Analyst-in-Charge), Dee Abasute, Drew Long, Matt Valenta, and Jennifer Whitworth.

A handwritten signature in black ink that reads "Marcia Crosse". The signature is written in a cursive style with a long horizontal line extending to the right.

Marcia Crosse
Director, Health Care

Enclosures – 2

Enclosure 1: Federal Obligations to the National Association of Community Health Centers, Fiscal Years 2010 through 2017

Five federal agencies obligated about \$100.8 million to the National Association of Community Health Centers from fiscal years 2010 through 2017. Table 1 lists the agencies, the purpose of the awards, and the total agency obligations. Table 2 provides agency obligations to NACHC by fiscal year, 2010 through 2017.

Table 1: Total Obligations and Purpose of Awards to the National Association of Community Health Centers, by Federal Agency

Federal agency	Purpose of award	Total agency obligations, fiscal years 2010-2017 (in dollars) ^a
Health Resources and Services Administration	To provide training and technical assistance to potential and existing health centers nationwide on topics such as financial and operations management, leadership development, and governance.	51,349,017
	To increase access to human immunodeficiency virus screening in primary care settings, particularly at health centers.	
Corporation for National and Community Service	To place full-time AmeriCorps members in frontier, rural, and urban communities to help increase access to and knowledge of health care for medically underserved and economically disadvantaged individuals.	34,890,817
	To use AmeriCorps members to combat poverty through activities in local communities designed to improve access to quality preventive and primary health care.	
Centers for Disease Control and Prevention	To help build the capacity of the public health system to improve population health, including implementing organized cancer screening programs in health centers, and increasing the implementation of childhood weight management programs for low-income children with obesity.	13,904,922
Department of Veterans Affairs	To improve collaboration with rural health centers by identifying the veteran patient population at health centers, creating strategies to increase enrollment at the Veterans Health Administration, and improving coordination between health centers and the Veterans Health Administration.	578,362
National Park Service	To design, develop, and implement programs and engage in activities that encourage health, wellness, and outdoor recreation by promoting urban park resources and national parks.	75,418

Source: GAO analysis of federal agencies' obligations and award information. | GAO-18-508R

Note: An obligation refers to a definite commitment by a federal entity that creates a legal liability to make payments immediately or in the future. Federal agencies incur obligations, for example, when they award grants or contracts to nonfederal entities.

^aNot all agencies obligated funds in all fiscal years.

Table 2: Federal Funds Obligated to the National Association of Community Health Centers, by Federal Agency, Fiscal Years 2010 through 2017

Dollars

Fiscal year	Health Resources and Services Administration	Corporation for National and Community Service	Centers for Disease Control and Prevention	Department of Veterans Affairs	National Park Service	Total
2010	6,285,600	6,529,000	0	413,362	0	13,227,962
2011	6,873,081	6,157,000	0	165,000	66,000	13,261,081
2012	6,416,198	5,267,187	0	0	9,418	11,692,803
2013	6,276,110	6,087,000	700,000	0	0	13,063,110
2014	6,373,028	6,413,090	1,848,000	0	0	14,634,118
2015	6,375,000	5,848,274	3,107,839	0	0	15,331,113
2016	6,375,000	0	3,788,583	0	0	10,163,583
2017	6,375,000	-1,410,734 ^a	4,460,500	0	0	9,424,766
Total	51,349,017	34,890,817	13,904,922	578,362	75,418	100,798,536

Source: GAO analysis of federal agencies' obligations and award information. | GAO-18-508R

Note: An obligation refers to a definite commitment by a federal entity that creates a legal liability to make payments immediately or in the future. Federal agencies incur obligations, for example, when they award grants or contracts to nonfederal entities.

^aThe Corporation for National and Community Service reported deobligations to the National Association of Community Health Centers, as part of the grants close out process.

Enclosure 2: Expenditures of Federal Funds by the National Association of Community Health Centers, Fiscal Years 2010 through 2017

The National Association of Community Health Centers (NACHC) reported expending nearly \$103.7 million in federal funds from fiscal years 2010 through 2017.¹ The funds included those provided directly by a federal agency and those provided indirectly; that is, the funds were passed through a nonfederal entity. Table 3 provides NACHC's reported expenditures of federal funds by agency for each fiscal year, 2010 through 2017.²

Table 3: Expenditures of Federal Funds by the National Association of Community Health Centers (NACHC), by Federal Agency, Fiscal Years 2010 through 2017

Dollars

Fiscal year	Health Resources and Services Administration	Corporation for National and Community Service	Centers for Disease Control and Prevention	National Park Service	Other—indirect federal funds ^a	Total
2010	5,986,572	3,974,350	0	0	1,656,442	11,617,364
2011	7,455,622	5,974,622	0	0	205,952	13,636,196
2012	7,056,657	5,570,096	0	35,529	540,053	13,202,335
2013	6,502,984	5,790,362	0	35,076	878,044	13,206,466
2014	6,285,750	5,978,656	432,288	1,018	44,227	12,741,939
2015	6,226,091	5,948,126	1,521,520	136	93,176	13,789,049
2016	7,283,990	6,100,185	2,225,797	0	67,363	15,677,335
2017	5,902,259	475,705	3,274,366	3,660	126,701	9,782,691
Total	52,699,925	39,812,102	7,453,971	75,419	3,611,958	103,653,375

Source: GAO analysis of NACHC's expenditures of federal funds, as reported in annual single audit reports. | GAO-18-508R

Notes: Data are presented for NACHC's fiscal year, which runs from July 1 through June 30 of the subsequent year. NACHC's expenditures of federal funds include cooperative agreements and grants. According to the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards—a set of rules and requirements that provides a framework for grants management—contracts, other than cost reimbursement contracts, are not considered federal awards. Therefore, they are not reflected in single audit report schedule of expenditures.

^aExpenditures include federal funds NACHC received indirectly; that is, a federal agency awarded the funding to another nonfederal entity that in turn made a sub-award to NACHC.

(102184)

¹NACHC's expenditures of federal funds are reported on the association's fiscal year, which runs from July 1 through June 30 of the subsequent year and differs from the federal fiscal year. As such, NACHC's reported federal expenditures do not equal the reported federal obligations.

²The Department of Veterans Affairs is not listed on NACHC's expenditures, because the department awarded NACHC a contract, other than a cost reimbursement contract, which is not considered a federal award under the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

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