

**20 NCAC 03 .0405 COMMENTS TO FEDERAL AND STATE GRANTOR AGENCIES**

(a) A request from a federal or state agency requesting comment by the Commission on the accounting system and internal controls of a governmental unit which has applied to it for a grant or loan shall be presumed to have been made with the knowledge and consent of the governmental unit.

(b) Comments shall be based on a comparison of the governmental units accounting system and internal controls with the standards set forth in 20 NCAC 3 .0401 with particular attention to the following areas, as applicable:

- (1) the chart of accounts,
- (2) purchasing,
- (3) receipt and disbursement of cash,
- (4) investment policies,
- (5) inventories,
- (6) fixed asset ledgers,
- (7) payrolls,
- (8) billings and accounts receivable,
- (9) degree of currency of posting journals and ledgers,
- (10) policies concerning interim financial statements.

(c) The required data shall be obtained in any way in which the responsible deputy secretary deems appropriate, including, but not limited to:

- (1) review of audit reports and management letters,
- (2) consultation with the independent auditor of the governmental unit,
- (3) personal visits by representatives of the Commission,
- (4) conferences with officials of the governmental unit,
- (5) additional data furnished by and attested to by officials of the governmental unit.

*History Note: Authority G.S. 159-3(f);  
Eff. February 1, 1976;  
Readopted Eff. September 23, 1977;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.*