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Introduction

A. Commemorative Coin Programs

Commemorative coin programs are created by enabling legislation enacted by Congress to honor a person, place or event. The enabling legislation ordinarily mandates the coin specifications, maximum mintage levels, cost considerations, and surcharge amount to be collected. A surcharge is a set amount per coin that the United States Mint must collect and distribute to the qualifying designated recipient organization which must use the proceeds for the purposes specified in the enabling legislation. Prior to the reforms enacted by the Commemorative Coin Reform Act of 1996 (CCRA), Public Law 104-208, the United States Mint was required to pay surcharges to recipients organizations, regardless of whether or not all of the Mint's program costs were recovered and without any accountability requirements for the recipient organization. The CCRA changed the United States Mint's requirement to pay surcharges, and the American 5-Cent Coin Design Continuity Act of 2003 (2003 Act), Public Law 108-15, made additional changes to the criterion the Mint must employ to ascertain whether a recipient organization qualifies to receive program surcharges.

B. Commemorative Coin Program Restrictions Provision of Public Law 104-208

Congress and the Administration recognized the weaknesses inherent in mandating the payment of surcharges even when the United States Mint's program costs were not recovered. Accordingly, Congress developed a cost/revenue sharing and reporting requirement to ensure that the recipient organizations responsible are viable entities and accountable for the funds raised by these programs. As a result, the CCRA contained a provision that modified payments of surcharges. The 2003 Act made further refinements to this provision.

The CCRA, as amended, imposes four broad prerequisites to the payment of surcharges to recipient organizations.

1. The designated recipient must raise funds from private sources "in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.
2. The qualifying funds raised from private sources must be for the purposes specified by the enabling legislation.
3. The United States Mint must recover "all numismatic operation and program costs allocable to the program."
4. The designated recipient organization must submit an audited financial statement and submit the results of annual audits to demonstrate, to the satisfaction of the Secretary of the Treasury, that it has qualified for surcharge proceeds and is properly expending them.

The United States Mint has issued these procedures as a guide for carrying out its responsibility under the CCRA and as a means to communicate standards to recipient organizations and their auditors.

C. *Purpose of This Document*

This document is intended for use by United States Mint personnel and recipient organizations subject to the CCRA. It follows the sequential steps that occur in the life of a commemorative coin program, and describes requirements and specific compliance actions.

These procedures are described in the following sections:

- Private Fund Raising
- Determining Program Cost Recovery
- Surcharge Payments
- Annual Audits of Surcharge Funds Received and Expended

Sample letters, reports, schedules, recipient organization's assertion statement, and auditor's report are located in the Appendices. Also, the Appendices include a glossary and a recipient organization compliance checklist to assist in complying with the CCRA and United States Mint policy.

II. Private Fund Raising

A. Legislative Requirements

Commemorative coin programs are subject to the CCRA beginning in 1997. Pursuant to the CCRA, all recipient organizations must demonstrate, to the satisfaction of the Secretary of the Treasury, that they have raised private funds for the purposes stated in the specific commemorative coin enabling legislation. The private funds raised must be in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.

B. Compliance Requirements

The following subsections provide specific compliance actions required of the recipient organization. Appendix A contains a compliance checklist the recipient organization's management may use to assist in complying with requirements of the CCRA and United States Mint policy.

1. Private Fund Raising

The CCRA requires the designated recipient organization to demonstrate that it has raised funds from private sources for the purpose or project designated by enabling legislation to be supported by coin surcharges. The total of qualifying private funds raised must be greater than or equal to the total amount of the proceeds of such surcharge derived from the sale of such numismatic item. Private funds are funds raised from non-Governmental sources. Such funds must consist of cash contributions. They also may include other assets as long as they are readily converted to cash (e.g., donations of common stock or marketable real estate). In-kind contributions (e.g., volunteer time, gratuitous professional services, donated products not intended to be converted to cash) are not "funds" and, therefore, are not deemed suitable for eligibility purposes.

2. Period of Fund Raising

In meeting the private fund raising requirement, recipient organizations must demonstrate they have received funds intended for the purpose stated in the enabling legislation during the period between the inception of the recipient organization and the date two years after the last day any coin in the respective program is issued by the Secretary. The private funds raised for one coin program may not be applied to qualify for disbursement of surcharge proceeds for another commemorative coin program. The recipient organization may continue to receive private funds during the course of the applicable commemorative coin program. However, the United States Mint will make no surcharge payment until the recipient organization has completely met all of the private fund raising criteria.

3. Documentation

The recipient organization must complete and submit a schedule documenting the amount of funds raised from private sources and the period of fund raising. The Schedule of Funds Raised From Private Sources is presented in Appendix B. This schedule must be audited. See subsection below titled Audit of Private Fund Raising.

The recipient organization must also provide a written assertion by its Chief Executive Officer (CEO) or Chief Financial Officer (CFO) that it has met the compliance requirements of the CCRA and specific enabling legislation.

The recipient organization must assert that:

- 1) The amount of qualifying funds received from private sources and the period covered are correct as stated in the accompanying Schedule of Funds Raised from Private Sources.
- 2) The private funds raised are for the purposes described in the enabling legislation. The purpose shall be stated.
- 3) None of the qualifying funds raised from private sources have been used to compensate, directly or indirectly, any agent or attorney for services rendered to support or influence in any way legislative actions of Congress relating to numismatic coin activity as required by Public Law 104-208 Section 529(f)(3), codified as 31 U.S.C. § 5134(f)(3).

A sample Recipient Assertion is shown in Appendix C.

4. Audit of Funds Raised From Private Sources

Selecting An Auditor

Federal auditors may perform all or part of the work required for eligibility determination for Federal entities, if the auditor complies fully with the United States Mint's stated scope and procedures. An independent public accountant may also be engaged by a Federal recipient. For all non-Federal Recipients, an independent public accountant is required.

Audit Requirements

A compliance attestation engagement providing the basis for a report on the fairness of the eligibility assertions made by the recipient organization's management is required. The compliance attestation engagement must be performed in compliance with the Statements on Standards for Attestation Engagements (SSAE) of the American Institute of Certified Public Accountants (AICPA). SSAE include general, fieldwork, and reporting standards for attestation engagements and also specific standards for compliance attestation engagements. The auditor should apply examination procedures when conducting the compliance attestation engagement.

The scope of the compliance attestation engagement must be sufficient to provide a basis for the auditor's report on the assertion of the recipient organization's management. The assertions are as follows:

- 1) The amount and period received of qualifying funds raised from private sources are correct as stated in the accompanying Schedule of Funds Raised from Private Sources.
- 2) The private funds raised are for the purposes described in the enabling legislation.
- 3) None of the qualifying funds raised from private sources has been used to compensate, directly or indirectly, any agent or attorney for services rendered to support or influence in any way legislative actions of Congress relating to numismatic coin activity as required by 31 U.S.C. § 5134(f)(3).

Audit Report

The scope, conduct, and report of the auditor shall be consistent with AICPA SSAE for compliance attestation engagements. Also, the report should indicate the procedures performed during the attestation engagement.

Sample report language, consistent with AICPA compliance attestation standards, is presented in Appendix D.

The auditor's report shall cover the period necessary to demonstrate that required funds from private sources have been raised by the recipient organization. The period reported should be by fiscal year of the recipient organization and must correspond with the period covered by the recipient organization's assertion. The auditor should submit its report promptly to the recipient organization upon completion.

Audit Findings

If the compliance attestation engagement of the auditor does not satisfy the United States Mint that the recipient organization is in compliance with the CCRA, the applicable enabling legislation, and the Mint's own procedures, the Mint may decline to grant initial eligibility to the recipient. In this instance, the recipient organization may cure the deficiencies noted in the auditor's report, reassert compliance with all requirements for private fund raising eligibility, and provide the United States Mint with a new report from the auditor to establish eligibility.

Transmittal of the Audit Report

The recipient organization must submit the auditor's report to the United States Mint to be received no later than 30 days prior to any surcharge payment. A letter of transmittal must accompany the submission of the auditor's report. This letter, addressed to the Mint's CFO, must be signed by the recipient organization's CEO or CFO and state whether the recipient organization has complied with eligibility requirements, as reported by the auditor. A sample transmittal letter is presented in Appendix E.

C. *United States Mint Acceptance*

1. Determination

Based upon the documentation provided by the recipient organization, the United States Mint will determine if the eligibility requirements have been satisfied. Documentation provided must include the:

- Schedule of Funds Raised From Private Sources,
- recipient organization's management assertions letter, and
- the auditor's compliance attestation report.

The recipient organization must make available to the United States Mint or its agent any additional information the Mint may deem necessary to determine eligibility.

The United States Mint will make the eligibility determination by performing the following steps:

- 1) calculating the total amount of the proceeds of such surcharge derived from the sale of such numismatic item,
- 2) reviewing documentation provided by the recipient organization, and
- 3) comparing the amount calculated in Step 1 to the amount of funds raised from private sources, per documentation provided by the recipient organization.

The United States Mint will grant eligibility to the recipient organization if the documentation provided demonstrates to the Mint's satisfaction that all eligibility requirements have been met. This eligibility will be granted by the Director of the United States Mint, based upon the Chief Financial Officer's recommendation.

2. Notification

If the United States Mint determines that the recipient organization has met the private fund raising eligibility requirements, the CFO will sign the Schedule of Funds Raised From Private Sources to document the Mint's approval. The United States Mint will forward a copy of the approved schedule to the recipient organization. Also, the United States Mint will file this document in the applicable commemorative coin program file to document that the recipient organization qualifies for any subsequent surcharge payments.

If the auditor's report does not satisfy the United States Mint that the recipient organization is in compliance with the CCRA, the applicable enabling legislation, and the Mint's procedures, the CFO shall notify the recipient organization of this determination and that surcharge funds cannot be paid unless the recipient organization submits to the United States Mint evidence that it has raised sufficient funds from private sources and a satisfactory auditor's report. The recipient organization may cure the deficiencies noted in the auditor's report, reassert compliance with all requirements for private fund raising eligibility, and provide the United States Mint with a new report from the auditor.

D. Waiver of Requirements

The CCRA does not afford the United States Mint the authority to waive the private funds raising requirement.

III. Determining Program Cost Recovery

A. Legislative Requirements

Commemorative coin programs are subject to the CCRA beginning in 1997. The CCRA requires the United States Mint to recover “all numismatic operation and program costs allocable to the program under which such numismatic item is produced and sold...” before releasing surcharge funds to the recipient organization.

B. Computation of Program Cost Recovery

The United States Mint determines program cost recovery quarterly. The cost recovery of a commemorative coin program is equal to total revenue less the following cost components:

- cost of goods sold,
- selling, general, and administrative cost,
- advertising cost, and
- program close-out cost.

The following subsections provide a description of the revenue and cost components used in the cost recovery computation.

1. Revenue

Total Revenue

Total revenue is equal to the product of the number of commemorative coins sold multiplied by the sales price. The number of commemorative coins includes coins in all configurations, including jewelry items. Total revenue also includes surcharge funds collected by the Mint.

2. Cost Components

Cost of Goods Sold

Cost of goods sold includes the cost of metals, manufacturing, and packaging. Metal costs include the cost of gold, silver, other metals, and fabrication. The Mint uses standard cost to determine the manufacturing and assembling costs for a program during the life of the program. The Mint uses actual costs instead of standard cost when computing the final cost recovery upon the program’s termination.

Selling, General and Administrative Costs

Selling, general and administrative costs include promotion costs, shipping, marketing, travel, and general and administrative costs. General and administrative cost will be allocated to the commemorative program based upon the Mint's standard allocation policy.

Advertising Costs

Advertising costs include those direct advertising costs incurred to promote the commemorative coin program.

Program Close-Out Costs

Program close-out costs include those costs the Mint would incur if the commemorative coin program were to cease to exist as of the end of the quarter that the Mint is determining the program's cost recovery. Program close-out costs include:

- inventory on-hand,
- disposition cost,
- packaging materials on-hand, and
- unused dies.

The cost of inventory on-hand includes the value of work-in-progress and unsold finished goods, less cost of precious metals. Costs that are inventoried include fabrication, manufacturing, and assembly. Disposition costs include the costs to melt down inventory on-hand, including finished goods, work-in-progress, and condemned coins. Packaging materials on-hand includes only those packaging materials ordered specifically for the commemorative coin program that can not be utilized by other commemorative coin programs. Unused dies are those dies created specifically for the commemorative coin program that have not been used during the manufacturing of the commemorative coins.

3. Profit Before Surcharges Calculation

The Mint will calculate the profit before surcharges to be paid to the recipient organization to determine if the commemorative coin program is eligible for surcharge payments to commence. Profit before surcharges equals total revenue less applicable costs as defined above in Section III subsections B1 and B2.

IV. Surcharge Payments

A. Legislative Requirements

Commemorative coin programs are subject to the CCRA beginning in 1997. Section 529(f)(1) of the CCRA, Conditions on Payment of Surcharges to Recipient Organization, as amended by Public Law 108-15, Title II, section 201(a)(1)(A), states that “ no amount derived from the proceeds of any surcharge imposed on the sale of any numismatic item shall be paid from the fund to any designated recipient organization unless -

- A) all numismatic operation and program costs allocable to the program, under which such numismatic item is produced and sold have been recovered; and
- B) the designated recipient organization submits an audited financial statement that demonstrates...that, with respect to all projects or purposes for which the proceeds of such surcharge may be used, the organization has raised funds from private sources for such projects and purposes in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.”

Sections II and III outline the above requirements.

B. Surcharge Payments

1. Prerequisites

The United States Mint will pay surcharges only if the recipient organization has been granted eligibility based upon the requirements outlined Section II, Private Fund Raising, and the Mint has recovered all numismatic and operational costs allocable to the commemorative coin program as outlined in Section III, Determining Program Cost Recovery.

If the recipient organization has not been granted eligibility by the United States Mint or the Mint has not recovered all allocable commemorative program costs, the Mint will evaluate the recipient’s eligibility or the program’s cost recovery performance at the next evaluation date.

2. Surcharge Payments

The CCRA requires the United States Mint to recover all allocable program and operational costs before releasing surcharge funds. If the recipient organization satisfactorily demonstrates that it has raised from private sources qualifying funds in an amount equal to or greater than the maximum amount the organization may receive from the proceeds of surcharges under the respective program, the United States Mint will consider accommodating the recipient organization by making interim surcharge payments at the Mint's discretion. Any interim surcharge payment will depend on the financial performance of the program and the risk of loss the United States Mint may be exposed to by releasing surcharge funds before the termination of the coin program. Complying with the provision of the law that requires the United States Mint to recover all costs allocable to the program is paramount. To the extent it can, the United States Mint will accommodate recipient organizations by making interim surcharge payments when, at the Mint's discretion, doing so will not jeopardize its ability to comply with the provisions of the CCRA.

The following table illustrates the general time frames when the United States Mint will evaluate whether to make surcharge payments, and, if so, the maximum amount of the payments.

Interim Surcharge Payments

Time Period	Amount of Payment
6 Months After Start of Program	50 % of surcharges earned by the recipient organization
9 Months After Start of Program	Additional 25% of total surcharges earned by the recipient organization less prior payments
Program Close-Out	Remaining balance of surcharges earned by the recipient organization

The United States Mint may adjust the above surcharge payment guidelines at its discretion without prior notice.

In the event the surcharge payment does result in the United States Mint incurring a loss, the Mint will reduce the surcharge payment to recover any allocable costs incurred. The United States Mint will forward the adjusted surcharge payment to the recipient organization. If the allocable costs of the program exceed the surcharge payment, the United States Mint will suspend the surcharge payment and reevaluate the financial performance of the commemorative coin program on the next evaluation payment date.

The United States Mint will forward to the eligible recipient organization any remaining surcharge fund balance after performing the final accounting for the program. The final surcharge payment may not result in the United States Mint incurring a loss.

The final accounting of the commemorative coin program is performed after the “close of a program.” The “close of a program” is determined by the enabling legislation. The enabling legislation will indicate a specific date that the United States Mint may no longer mint or issue the commemorative coins included in the program. If the specified date is the date the United States Mint can no longer issue the commemorative coins, the Mint will cease selling the commemorative coins on that date regardless of whether commemorative coins remain in inventory. If the specified date is the date on which the United States Mint may no longer produce the commemorative coins, the Mint will cease production, but may continue to sell the commemorative coins remaining in inventory. The United States Mint may continue selling the commemorative coins until the inventory is depleted or the Mint decides to end the program based upon marketing or other business reasons, based on the best interests of the United States Mint and the United States Government.

V. Annual Audits of Surcharge Funds Received and Expended

A. Legislative Requirements

Commemorative coin programs are subject to the CCRA beginning in 1997. The CCRA specifies several requirements for designated recipient organizations that are receiving and expending coin surcharge funds:

- Designated recipient organizations are required to have annual audits of surcharge funds received from the United States Mint. The objective is to verify that all coin surcharge funds paid by the Mint to the recipient organization have been used for the purpose specified in that program's enabling legislation.
- The organization's accounts must be kept in a manner that supports accountability, examination, and reporting. Each non-Federal designated recipient organization shall ensure that the receipt and expenditure of surcharge funds in each fiscal year of the organization is accounted for separately from all other revenues and expenditures of the organization.
- Each non-Federal designated recipient organization and its auditors must also retain their applicable records and working papers and make them available to the Mint and certain other Federal entities upon request.

B. Compliance Requirements

The following subsections provide specific compliance actions required of the recipient organization. Appendix A contains a compliance checklist the recipient organization's management may use to assist in complying with requirements of the CCRA and United States Mint policy.

1. Applicability of Annual Audits

The recipient organization must have the surcharge funds audited annually beginning with the first fiscal year in which the recipient organization receives surcharge funds. This annual audit requirement remains in effect for each fiscal year that surcharge funds are received, expended or until the surcharge funds are placed into a trust. The trust must support the purpose specified in the program's enabling legislation.

2. Documentation

The recipient organization must complete and submit a schedule of surcharge funds received and expended during the recipient organization's fiscal year. The Schedule of Surcharge Funds Received and Expended is presented in Appendix F. This schedule must be audited. (See subsection 3 below). The recipient organization should present expenditures on the schedule in categories consistent with the recipient organization's income statement.

The recipient organization must also provide a written assertion by its Chief Executive Officer (CEO) or Chief Financial Officer (CFO) that it has met the compliance requirements of the CCRA and specific enabling legislation. By letter, the recipient organization shall assert that:

- 1) The period covered and the amount of receipts and expenditures of surcharge funds identified in the Schedule of Surcharge Funds Received and Expended are correct.
- 2) The surcharge funds received and expended are in compliance with Section 529, Commemorative Coin Program Restrictions, of Public Law 104-208, Omnibus Consolidated Appropriations For Fiscal Year 1997, and the purpose(s) described in the enabling legislation. The purpose shall be stated.
- 3) No surcharge funds have been used to compensate, directly or indirectly, any agent or attorney for services rendered to support or influence in any way legislative actions of Congress relating to numismatic coin activity.
- 4) Surcharge revenues and expenditures are accounted for separately from other revenues and expenditures of the organization.

A sample assertion letter is presented in Appendix G. The recipient will also provide a list of individual commemorative coin programs for which the schedules are intended to apply.

3. Annual Audit of Surcharge Funds

Selecting An Auditor

Non-Federal recipients must select an independent public accountant to conduct the audit.

Audit Requirements

The minimum scope to satisfy the CCRA's requirements is a compliance attestation engagement. The compliance attestation engagement must be performed in compliance with the Statements on Standards for Attestation Engagements (SSAE) of the American Institute of Certified Public Accountants (AICPA). SSAE include general, fieldwork, and reporting standards for attestation engagements and also specific standards for compliance attestation engagements. The auditor should apply examination procedures when conducting the compliance attestation engagement.

The scope of the attestation engagement must be sufficient to provide a basis for the auditor's report on the assertion of the recipient organization. The assertions are:

- 1) The period covered and the amount of receipts and expenditures of surcharge funds identified in the Schedule of Surcharge Funds Received and Expended are correct.
- 2) The surcharge funds received and expended are in compliance with Section 529, Commemorative Coin Program Restrictions, of Public Law 104-208, Omnibus Consolidated Appropriations For Fiscal Year 1997, and the purpose(s) described in the enabling legislation.
- 3) No surcharge funds have been used to compensate, directly or indirectly, any agent or attorney for services rendered to support or influence in any way legislative actions of Congress relating to numismatic coin activity.
- 4) Surcharge revenues and expenditures are accounted for separately from other revenues and expenditures of the organization.

An audit made for other purposes may be accepted by the United States Mint in lieu of the audit required by these procedures if the other audit meets audit standards specified above.

The determination of when surcharge funds are expended should be based on when the activity related to that commemorative coin program purpose occurs. Generally, the activity pertains to events that require the non-Federal entity to comply with the CCRA and applicable enabling legislation.

The cost of audits made in accordance with the provisions of these procedures may be paid with surcharge funds. A recipient may also use surcharge funds for the cost of limited scope audits to monitor its subrecipients. For purposes of this section, limited scope audits include only agreed-upon procedures engagements conducted in accordance with either the AICPA's generally accepted auditing standards or attestation standards, that are paid for and arranged by a recipient and address only the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost principles; level of effort and reporting.

Audits conducted to comply with this requirement shall be performed annually. A State or local government that is required by constitution or statute to undergo its audits less frequently than annually, shall nonetheless provide annually a program specific audit or a compliance attestation for coin surcharges funds received or expended. An audit must be conducted for a fiscal year of the recipient when surcharge funds are first received and when surcharge funds are last expended or placed in trust. The recipient may apply by letter for a waiver of audit requirements for any fiscal year, other than the first and last, when it believes surcharge funds received or expended are minimal and there are no outstanding audit findings or significant internal control risk or deficiencies.

Audit Report

The scope, conduct, and report of the auditor shall be consistent with AICPA SSAE for compliance attestation engagements. Also, the report should indicate the procedures performed during the attestation engagement.

Sample report language, consistent with the AICPA compliance attestation standards, is presented in Appendix D.

The auditor must submit their report to the recipient organization timely, to allow the recipient organization to forward the report to the United States Mint no later than 90 days subsequent to the fiscal year-end.

Audit Findings

If findings result from the audit, the United States Mint may suspend future surcharge payments or take other necessary steps. The recipient organization must take sufficient corrective action to address the deficiencies to the auditor's satisfaction. If the recipient organization is unable to clear audit findings, the United States Mint may seek reimbursement of surcharge funds paid to the recipient organization.

Transmittal of Audit Report

Not later than 90 days after the end of any fiscal year of a designated recipient organization for which an audit is required, the organization shall submit a copy of the audit report to the United States Mint and make a copy of the report available to the public.

A letter of transmittal must accompany the submission of the auditor's report. This letter, addressed to the Mint's CFO, must be signed by the recipient organization's CEO or CFO and state the results of the compliance attestation engagement performed by the auditor. A sample transmittal letter is presented in Appendix H.

Records Retention

Non-Federal recipients shall keep one copy of the report for three years from the date of submission to the Mint. Its auditor shall retain working papers and reports for a minimum of three years after the date of issuance of the auditor's report(s) to the auditee, unless the auditor is notified in writing by the United States Mint, or other applicable Federal oversight agency for audit, to extend the retention period. If the auditor has been requested to extend the records retention period, the auditor shall contact the parties requesting the extension prior to destroying the working papers and reports.

4. Availability of Financial Records

The recipient shall provide the Inspector General of the Department of the Treasury or the Comptroller General of the United States, upon request, all books, records, and working papers belonging to or used by the organization, or by the independent public accountant who audited the organization, which may relate to the receipt or expenditure of any surcharge funds by the organization.

C. Mint Acceptance

1. Determination

Based upon the documentation provided by the recipient organization, the United States Mint will determine if the recipient organization has maintained its eligibility and accountability. Documentation provided must include:

- Schedule of Surcharge Funds Received and Expended,
- recipient organization's management assertions letter, and
- the auditor's compliance attestation report.

The recipient organization must make available to the United States Mint or its agent any additional information the Mint may deem necessary to ensure compliance.

The United States Mint will make this determination by reviewing the audited Schedule of Surcharge Funds Received and Expended, the assertion of the recipient organization's management, and the auditor's report. Acceptance will be determined by the Director of the United States Mint, based upon the Chief Financial Officer's recommendation.

2. Notification

If the United States Mint determines that the recipient has met compliance requirements, the CFO will sign the Schedule of Surcharge Funds Received and Expended to document the Mint's approval. The United States Mint will forward a copy of the approved schedule to the recipient organization. The United States Mint will also file this document in the applicable commemorative coin program file to document that the recipient organization qualifies for any subsequent surcharge payments.

If the auditor's report does not satisfy the United States Mint that the recipient organization is in compliance with the CCRA, applicable enabling legislation, and the Mint's procedures, the CFO shall notify the recipient of this determination and that additional surcharge funds cannot be paid. The recipient organization may cure the deficiencies noted in the auditor's report, reassert compliance with all requirements for surcharge fund expenditures, and provide the United States Mint with a new auditor's report.

3. Sanctions

No audit costs may be charged to surcharge funds when audits required by these procedures have not been made or have been made but not in accordance with these procedures. In cases of continued inability or unwillingness to have an audit conducted in accordance with these procedures, the United States Mint may take appropriate action using sanctions such as:

- (a) Withholding a percentage of surcharge payments until the audit is completed satisfactorily;
- (b) Suspending surcharge payments until the audit is conducted; or
- (c) Terminating the payment of surcharges to the recipient under the commemorative coin program.

D. Waiver of Requirements

Any Federal agency or department of any independent establishment in the Executive Branch of the United States Government is exempted by the CCRA from these requirements for separate accounting, auditing for the receipt and expenditure of surcharge funds, retaining records, and reporting to the United States Mint.

A waiver of any of the requirements for separate accounting and for auditing of the receipt and expenditure of surcharge funds for reporting to the United States Mint, may be granted to a non-Federal recipient for any fiscal year after taking into account the amounts of surcharges received or expended during such year. The waiver provision is contained in Public Law 104-208 Section 529, as codified at 31 U.S.C. § 5134(f)(2)(F). Should this be sought, the CEO or CFO of the recipient organization must apply to the Secretary of the Treasury through the United States Mint stating the request for waiver and justifications for such waiver.

VI. Appendices

- A. *Recipient Organization's Compliance Checklists***
- B. *Schedule of Funds Raised from Private Sources***
- C. *Sample Recipient Assertion for Eligibility***
- D. *Sample Auditor Attestation Statement***
- E. *Sample Transmittal Letter for Eligibility***
- F. *Schedule of Surcharge Funds Received and Expended***
- G. *Sample Recipient Assertion for Annual Audits***
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- I. *Glossary***