

## New OMB Requirements Effective in 2015: Single Audit Requirements (Subpart F)

In this final issue on the upcoming implementation of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance) [[Read previous issues here](#)], we would like to bring your attention to **Subpart F**, which includes reforms to the **single audit requirements** which were previously found in Circulars A-133 and A-50.

New requirements will be effective for **fiscal years beginning on or after December 26, 2014**. It means that, if you are subject to a single audit with **December 31, 2015 year-end**, you are required to undergo the first single audit conducted under the Uniform Grant Guidance. Early implementation is **not** permitted.

Highlights of key changes in **Subpart F** are the following:

- Direct and Indirect (F & A) Costs: Increases single audit threshold from \$500,000 to \$750,000
- Increases Type A/B program minimum threshold from \$300,000 to \$750,000
- Decreases the minimum coverage for a non-low-risk auditee from 50% to 40%, and for a low-risk auditee from 25% to 20%
- Increases the threshold for reporting known and likely questioned costs from \$10,000 to \$25,000
- Certain criteria are modified in the areas of low-risk auditee and high-risk Type A and Type B program determination

- Additional and more specific reporting requirements for the Schedule of Expenditures of Federal Awards, audit findings, and corrective action plan

On the side note, as you prepare your report, please be aware of the following new acronyms and definitions listed in **Subpart A (Effective as of December 26, 2014)**:

- **Contractor:** The term "vendor" as used in Circular A-133 (in contrast to a subrecipient) is no longer used. The term "contractor" is defined here and will be used instead of "vendor" going forward.
- **Personally Identifiable Information (PII) and Protected Personally Identifiable Information:** These terms, which were not previously defined, are now defined. These definitions will be important to auditors and auditees as single audit reporting packages submitted under the Uniform Grant Guidance will be publicly available (with exceptions for Indian tribes). The Uniform Grant Guidance states that auditors and auditees must ensure that no protected personally identifiable information is included in their respective parts of the reporting package.
- **Program Income:** A definition of program income, which was not previously defined in Circular A-133, is now defined.



If you have any questions or concerns regarding the new OMB requirements and implementation, please contact: **Charlotte Tay**, Partner at [ctay@lvhj.com](mailto:ctay@lvhj.com) or 415-905-5440.

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