



Food and  
Nutrition  
Service

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**DATE:** November 29, 2016

**POLICY NO:** FD-037: Food Distribution Program on Indian Reservations (FDPIR), The Emergency Food Assistance Program (TEFAP), Commodity Supplemental Food Program (CSFP)

**SUBJECT:** Office of Management and Budget Uniform Guidance Audit Requirements (Revised)

The purpose of this memorandum is to implement the revised threshold for conducting audits, as established in the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements (Uniform Guidance) at 2 CFR part 200, Subpart F Audit Requirements, and Appendix XI, Compliance Supplement. The Uniform Guidance revised the threshold from \$500,000 to \$750,000. This revised threshold takes effect with the audit of any recipient's or sub-recipient's first fiscal year that begins on or after December 26, 2014.

The \$750,000 revised threshold refers to a recipient's or sub-recipient's expenditure of Federal awards during its fiscal year. In accordance with Subpart F of the OMB's Uniform Guidance, any FDPIR, CSFP or TEFAP program operator (recipient or sub-recipient) that spends \$750,000 or more in Federal awards during its fiscal year is subject to the Uniform Guidance audit requirements for that fiscal year. A program operator is exempt from the audit requirement for any fiscal year in which its level of Federal expenditures falls below the revised threshold. However, that entity must make its records regarding its Federal awards available for review or audit by appropriate officials of its Federal awarding agencies, pass-through entities, and/or the U.S. Government Accountability Office.

In determining whether the total amount of its Federal expenditures necessitate obtaining an audit under Subpart F of the Uniform Guidance, a FDPIR, CSFP, or TEFAP program operator must consider Federal awards received: (i) directly, from one or more Federal agencies; and (ii) indirectly, via pass-through entities. The program operator must also consider both cash and non-cash awards. USDA Foods donated by the Department for distribution through FDPIR, CSFP, or TEFAP are considered a non-cash Federal award. Therefore, program operators must include the value of such donated foods in determining the sum total of their Federal expenditures.

For more information on assigning value to USDA donated foods for audit purposes see Policy Memorandum FD-104, Value of USDA Donated Foods for Audits, available online at the FNS website <http://www.fns.usda.gov/fdd/policy/all>.

Additional information relative to Federal audit requirements for State, local and Tribal governments and non-profit organizations that receive direct (recipient) or indirect (sub-recipient) financial assistance from USDA can be found in OMB's Uniform Guidance, Subpart F – Audit Requirements, and Appendix XI – Compliance Supplement. USDA implemented the OMB Uniform Guidance by publishing regulations at 2 CFR Part 400 on December 19, 2014.

*/s/ Original Signature on File*

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Director

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