These goods or services may be for an organization’s own use or for the use of beneficiaries of the Federal program. Additional guidance on distinguishing between a subrecipient and a vendor is provided in §99.210.

Subpart B—Audits

§ 99.200 Audit requirements.

(a) Audit required. Non-Federal entities that expend $300,000 or more in a year in Federal awards (or $500,000 for fiscal years ending after December 31, 2003) shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. Guidance on determining Federal awards expended is provided in §99.205.

(b) Single audit. Non-Federal entities that expend $300,000 or more in a year in Federal awards (or $500,000 for fiscal years ending after December 31, 2003) shall have a single audit conducted in accordance with §99.500 except when they elect to have a program-specific audit conducted in accordance with paragraph (c) of this section.

(c) Program-specific audit election. When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program’s laws, regulations, or grant agreements do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §99.235. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, in the case of a subrecipient, approves in advance a program-specific audit.

(d) Exemption when Federal awards expended are less than $300,000 (or $500,000 for fiscal years ending after December 31, 2003). Non-Federal entities that expend less than $300,000 a year in Federal awards (or $500,000 for fiscal years ending after December 31, 2003) are exempt from Federal audit requirements for that year, except as noted in §99.215(a), but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

(e) Federally Funded Research and Development Centers (FFRDC). Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity for purposes of this part.

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