**POLICY ALERT**

**Date:** April 27, 2004  
**Reference:** # CSFP 2004-3  
**To:** Commodity Supplemental Food Program (CSFP) Contractors  
**Subject:** Revised Single Audit Threshold  
**Effective Date:** Immediately

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**Revised Single Audit Requirements**

<table>
<thead>
<tr>
<th>Policy Change</th>
<th>The federal financial assistance threshold used to determine if an organization is subject to the requirements of the Single Audit Act has been revised. The new threshold dollar amount is $500,000.</th>
</tr>
</thead>
</table>
| Effective Date | The revised audit threshold applies to contractor fiscal years that end after December 31, 2003.  

*Example 1)*: If a contractor’s fiscal year is February through January, the fiscal year beginning February 1, 2003 and ending January 31, 2004 is subject to the revised audit threshold.  

*Example 2)*: If a contractor’s fiscal year is January through December, the fiscal year beginning January 1, 2003 and ending December 31, 2003 is still subject to the former $300,000 audit threshold. |

<table>
<thead>
<tr>
<th>Who Is Subject to the Single Audit Requirements</th>
<th>You are subject to the single audit requirements IF…</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Your organization expends $500,000 or more in federal financial assistance during any one of its fiscal years that ends after December 31, 2003 <em>(see Example 1 above)</em>; OR</td>
</tr>
<tr>
<td></td>
<td>• Your organization expended $300,000 or more in federal financial assistance during any one of its fiscal years that ended on or before December 31, 2003 <em>(see Example 2)</em> above.</td>
</tr>
</tbody>
</table>

You are not subject to the single audit requirements IF…

• Your organization expends less than $500,000 in federal financial assistance during any one of its fiscal years that ends after December 31, 2003; OR

• Your organization expended less than $300,000 in federal financial assistance during any one of its fiscal years that ended on or before December 31, 2003.|

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This Policy Remains in Effect Until Further Notice