## POLICY ALERT

**Date:** April 27, 2004  
**Reference:** # TEXCAP 2004-3  
**To:** Texas Commodity Assistance Program (TEXCAP) 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>
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</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. |

### Who Is Subject to the Single Audit Requirements

- You are subject to the single audit requirements **IF**…
  - Your organization expends $500,000 or more in federal financial assistance during any one of its fiscal years that ends after December 31, 2003 (*see Example 1 above*); **OR**
  - 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 (*see Example 2 above*).  

- 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.