

PROGRESS Act Technical Amendment: Audit Threshold

PROGRESS Act:

§5305. Reporting and audit requirements for recipients of Federal financial assistance

(f) Single-agency audit report; additional information; declination criteria and procedures

(1) For each fiscal year during which an Indian tribal organization receives or expends funds pursuant to a contract entered into, or grant made, under this chapter, the tribal organization that requested such contract or grant shall submit to the appropriate Secretary a single-agency audit report required by chapter 75 of title 31. **if the Indian Tribal organization expends \$500,000 or more in Federal awards during such fiscal year.**

(2) In addition to submitting a single-agency audit report pursuant to paragraph (1), a tribal organization referred to in such paragraph shall submit such additional information concerning the conduct of the program, function, service, or activity carried out pursuant to the contract or grant that is the subject of the report as the tribal organization may negotiate with the Secretary.

(3) Any disagreement over reporting requirements shall be subject to the declination criteria and procedures set forth in section 5321 of this title.

§ 5365. General Provisions (Sec. 405)

(a) **Applicability**—An Indian Tribe and the Secretary shall include in any compact or funding agreement provisions that reflect the requirements of this title.

(b) **Conflicts of Interest**—An Indian Tribe participating in self-governance shall ensure that internal measures are in place to address, pursuant to Tribal law and procedures, conflicts of interest in the administration of programs.

(c) Audits—

(1) **Single Agency Audit Act**—Chapter 75 of title 31, United States Code, shall apply to a funding agreement under this title.

(2) **Cost Principles**—An Indian Tribe shall apply cost principles under the applicable Office of Management and Budget circular, except as modified by—

(A) any provision of law, including section 106; or

(B) any exemptions to applicable Office of Management and Budget circulars subsequently granted by the Office of Management and Budget.

(3) **Federal Claims**—Any claim by the Federal Government against an Indian Tribe relating to funds received under a funding agreement based on any audit under this subsection shall be subject to section 106(f).

Single Audit Act:

§ 200.501 Audit requirements.

(a) **Audit required.** A non-Federal entity that **expends \$750,000 or more** during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

(b) *Single audit.* A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with § 200.514 except when it elects 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 statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with § 200.507. 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, and that Federal agency, or 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 \$750,000.* A non-Federal entity that **expends less than \$750,000** during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in § 200.503, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

Technical Amendment Proposal:

§5305. Reporting and audit requirements for recipients of Federal financial assistance

(f) Single-agency audit report; additional information; declination criteria and procedures

(1) For each fiscal year during which an Indian tribal organization receives or expends funds pursuant to a contract entered into, or grant made, under this chapter, the tribal organization that requested such contract or grant shall submit to the appropriate Secretary a single-agency audit report required by chapter 75 of title 31. ~~if the Indian Tribal organization expends \$500,000 or more in Federal awards during such fiscal year.~~

(2) In addition to submitting a single-agency audit report pursuant to paragraph (1), a tribal organization referred to in such paragraph shall submit such additional information concerning the conduct of the program, function, service, or activity carried out pursuant to the contract or grant that is the subject of the report as the tribal organization may negotiate with the Secretary.

(3) Any disagreement over reporting requirements shall be subject to the declination criteria and procedures set forth in section 5321 of this title.

Vickie Hanvey, MBA, CPA, CFE
PROGRESS Act Neg Reg DFO
Program Policy Analyst
U.S. Department of Interior
Assistant Secretary - Indian Affairs
Office of Self-Governance
1849 C Street NW, MIB 2071
Washington, D.C. 20240
(918) 931-0745