Single Audit Readiness Checklist

Do you need one, and are you ready for it

*Reflects the $1,000,000 threshold for fiscal years beginning on or after October 1, 2024. Last verified **August 1, 2026***

Start here: do you even need one

A Single Audit is required when your organization expends $1,000,000 or more in federal awards during a fiscal year. The threshold rose from $750,000, and the change applies to fiscal years beginning on or after October 1, 2024. For most organizations that means the first affected year is the one ending September 30, 2025 or later. If your fiscal year began before that date, the old $750,000 threshold still applies to it.

Step 1. Calculate what you expended

The trigger is what you expended, not what you were awarded. A $2,000,000 three year award does not trigger a Single Audit in year one if you only spent $600,000 of it that year.

Include	Do not include
Federal grants and cooperative agreements you spent during the year	Amounts awarded but not yet spent
Federal funds passed through to you from a state, county, or another nonprofit	State or local funds that did not originate federally
Federal loan and loan guarantee activity, per the rules for each program	Private foundation grants
Noncash federal assistance such as donated commodities, at fair value	Fee for service revenue from private payers
Medicaid payments where the program terms treat them as federal awards	Individual contributions and events

Pass through funding is where organizations most often miscount. If a county contract is funded by a federal block grant, those dollars are federal expenditures for this purpose. Your award letter or subaward agreement should identify the federal program and its Assistance Listing number. If it does not, ask the pass through entity.

Your total federal expenditures for the fiscal year

Step 2. If you are over the threshold, prepare these

Financial records

- Trial balance and general ledger for the full fiscal year, reconciled
- Bank reconciliations for every month
- A Schedule of Expenditures of Federal Awards, listing each program by Assistance Listing number, the pass through entity where applicable, and the amount expended
- Documentation reconciling the Schedule to your financial statements
- Your indirect cost rate agreement, or documentation that you elected the de minimis rate

Award documents

- Executed award or subaward agreement for every federal program, including all amendments
- The notice of award and any terms and conditions incorporated by reference
- Approved budgets and any approved budget revisions
- All financial and performance reports you submitted during the year

Personnel and payroll

- Time and effort documentation supporting salaries charged to federal awards
- Payroll registers reconciling to the general ledger
- A written compensation policy
- Personnel files sufficient to support the qualifications you claimed in your proposals

Procurement

- A written procurement policy that reflects the federal procurement standards
- Documentation of the procurement method used for each significant purchase
- Price or rate quotations and the basis for contractor selection
- A check that no contractor or vendor is suspended or debarred, documented and dated

Written policies your auditor will ask for

- Financial management and internal controls
- Procurement
- Allowability of costs
- Cash management and drawdown
- Conflict of interest
- Record retention
- Subrecipient monitoring, if you pass funds to others
- Travel

Program compliance evidence

- Participant eligibility documentation, where the program requires it
- Performance data supporting the outputs and outcomes you reported
- Matching or cost share documentation, if required
- Evidence you met any program specific requirements named in your award terms

Step 3. Know your deadlines

Item	Timing
Engage an auditor	Several months before fiscal year end. Qualified Single Audit firms book up, and a late start is the most common cause of a late filing.
Submit to the Federal Audit Clearinghouse	The earlier of 30 days after you receive the auditor's report, or 9 months after the end of your fiscal year
Corrective action plan	Prepared by you, not your auditor, for every finding, and submitted with the reporting package
Summary schedule of prior audit findings	Required if you had findings in the prior year

Step 4. The findings that show up most often

- Time and effort documentation that does not support what was charged to the award
- Procurement without documented competition or a documented rationale
- Reported performance data that cannot be traced back to source records
- A Schedule of Expenditures of Federal Awards that does not reconcile to the financial statements
- Subrecipients monitored informally, with no written record of the monitoring
- Costs charged directly that are also inside the indirect cost pool

Notice how many of these are documentation failures rather than spending failures. Most organizations that receive findings did the right thing and could not prove it afterward.

If you are under the threshold

You do not need a Single Audit, but your award terms may still require an audit or a financial review, and your funders may ask for financial statements. Being close to the threshold is a good reason to build these records now, because the year you cross it is a bad year to start.

Sources

- 2 CFR 200.501 for the audit requirement and the threshold
- 2 CFR 200.512 for submission timing and the reporting package
- 2 CFR Part 200 Subpart F for the full audit requirements
- The Federal Audit Clearinghouse at fac.gov for submission
- The OMB Compliance Supplement, issued annually, for program specific requirements

This checklist is general guidance, not accounting, audit, or legal advice. Your auditor and your award terms govern. Verify current regulation text at ecfr.gov.
