

**NYS DIVISION OF HOUSING AND COMMUNITY RENEWAL**  
**Energy Services Bureau**  
**Fiscal Memorandum #1**

**To:** Weatherization Subgrantees

**Date:** January 26, 2004

**From:** Tim Brogan

**Subject:** Revised Audit Threshold

Effective with fiscal years ending after December 31, 2003, the threshold for conducting a single audit will now be \$500,000 or more in Federal financial assistance. As such, the Audit Requirements, as contained in Appendix C 1.01 (1) of your Weatherization contract, are revised as follows:

- (a) Contractors that expend \$500,000 or more in total in a year in Federal financial assistance under two or more Federal Domestic Assistance programs shall have a Financial Audit prepared in accordance with OMB Circular A-133.
- (b) Contractors that expend \$500,000 or more in total in a year in Federal financial assistance but only under one Federal Domestic Assistance program or one cluster of programs may have either a Financial Audit prepared in accordance with A-133 or a program-specific Financial Audit of this Agreement prepared in accordance with ESB Fiscal Memorandum 2003-1.
- (c) Contractors that expend less than \$500,000 in total in a year in Federal financial assistance shall be exempt for such fiscal year from compliance with the Audit requirements of A-133. However such contractor must have an Agency-Wide Financial Audit prepared in accordance with the guidelines issued by the AICPA. Notification of this exemption must be prepared and forwarded to DHCR by the independent Certified Public Accountant hired by the Contractor.

Should you have any questions on this matter, please contact your assigned DHCR fiscal field representative.

TB:db