

OJP Quick Guide: The Part 200 Uniform Requirements

Audit Requirements for OJP Awards

November 2016

Developed by the Department of Justice
Office of Justice Programs
Office of Audit, Assessment, and Management



Audit Requirements for OJP Awards under the Part 200 Uniform Requirements

In December 2014, the Department of Justice (DOJ) adopted a regulation that, for the most part, applies the administrative requirements, cost principles, and audit requirements set out at 2 C.F.R. Part 200 to many OJP grants and cooperative agreements, starting with awards (including supplements) made by OJP during calendar year 2015.

Background information and numerous resources related to this new DOJ regulation, referred to as “the Part 200 Uniform Requirements,” are available on the OJP website at ojp.gov/funding/Part200UniformRequirements.htm.

This particular OJP resource supplements the information included in OJP’s Introduction to the Part 200 Uniform Requirements (available at the webpage above). OJP expects every OJP recipient who uses this OJP resource already to be fully familiar with the information in the Introduction to the Part 200 Uniform Requirements.

If and when the Part 200 Uniform Requirements apply to (or affect) a particular OJP award, the numerous provisions that pertain to audits of (non-federal) entities that expend federal award funds become pertinent. This OJP “Quick Guide” summarizes some of the important rules in the Part 200 Uniform Requirements that relate to audit requirements.

OJP expects to update and expand this resource as needed during the coming months. If you did not recently download this document, please check the OJP Part 200 Uniform Requirements webpage to verify that this is the most recent version of the guide.

Background and Guidelines – Audit Requirements under the Part 200 Uniform Requirements

OMB Circular A-133 and the ongoing transition to Subpart F of the Part 200 Uniform Requirements

For many years, OMB Circular A-133 (entitled “Audits of States, Local Governments, and Non-Profit Organizations”) has been the core document regarding federally-required audits of entities that expend federal award funds, such as funds awarded through (or under) federal grants and cooperative agreements. Historically, most entities that have received OJP grant funds – whether as recipients or subrecipients – have been types of entities that fell within the scope of OMB Circular A-133.

Subpart F of 2 C.F.R. Part 200 can be viewed as essentially an updated and modified version of OMB Circular A-133. Subpart F, entitled “Audit Requirements,” contains many provisions that will seem familiar to those who have experience with OMB Circular A-133, even though the specific provisions in Subpart F may differ from those in OMB Circular A-133.

DOJ’s adoption in late 2014 of the Part 200 Uniform Requirements (including Subpart F of 2 C.F.R. Part 200) had the effect of initiating an ongoing period of transition from audits grounded in the requirements of OMB Circular A-133 to audits grounded (in most cases) on the requirements and other provisions set out in Subpart F.

When the transition takes place

For OJP recipients and subrecipients within the scope of OMB Circular A-133 and Subpart F of the Part 200 Uniform Requirements, the transition should proceed as follows:

- (A) OMB Circular A-133 audit requirements will apply for recipient (and subrecipient) fiscal years that started before December 26, 2014.
- (B) Subpart F audit requirements will apply to recipient (and subrecipient) fiscal years that start (or started) on or after December 26, 2014.

Types of entities that fall within the scope of Subpart F

By their terms, the audit requirements set out in Subpart F (as adopted by the Part 200 Uniform Requirements) apply to “non-Federal entities” as defined at 2 C.F.R. 200.69. Generally speaking, for purposes of the Part 200 Uniform Requirements, “non-Federal entity” refers to–

- States (see 2 C.F.R. 200.90)
- Local governments (2 C.F.R. 200.64)
- Federally-recognized Indian tribes (2 C.F.R. 200.54)
- Public or non-profit institutions of higher education (2 C.F.R. 200.55)
- Non-profit organizations, other than institutions of higher education (2 C.F.R. 200.70)

In general, the term “non-Federal entity” as used in the DOJ regulation does not encompass either for-profit organizations or individuals who receive award funds directly from a federal grant-making agency. With respect to awards to for-profit organizations (or to individuals), the terms and conditions of each OJP award determine the pertinent audit requirements.

Two different “thresholds” for audits

One significant difference between OMB Circular A-133 and Subpart F of the Part 200 Uniform Requirements is that the audit “threshold” set by Subpart F is \$750,000. Under OMB Circular A-133, the threshold is set at \$500,000.

Subpart F describes in considerable detail how to determine whether the expenditure “threshold” has been reached for any particular recipient (or subrecipient) fiscal year. Critical terms and phrases used in Subpart F are specifically defined in Subpart A. These definitions must be used to make a correct determination concerning whether the “threshold” has been reached.

Some provisions of the Part 200 Uniform Requirements pertinent to audit requirements

Subpart A (Acronyms and Definitions) of 2 C.F.R. Part 200, including–

- 200.24 “Cooperative agreement”
- 200.34 “Expenditures”
- 200.38 “Federal award”
- 200.51 “Grant agreement”
- 200.69 “Non-Federal entity”
- 200.74 “Pass-through entity”
- 200.86 “Recipient”
- 200.92 “Subaward”
- 200.93 “Subrecipient”

Subpart B (General Provisions) of 2 C.F.R. Part 200, including–

- 200.104 Supersession
- 200.110 Effective/applicability date

Subpart F (Audit Requirements) of 2 C.F.R. Part 200, including–

- 200.501 Audit requirements
- 200.502 Basis for determining Federal awards expended