USDA

United States
Department of
Agriculture

Farm and Foreign
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SUBJECT: OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"

TO: All Program Participants

ISSUE: The purpose of this notice is inform all program participants receiving funds under the Market Access Program, the Foreign Market Development Cooperator Program, the Emerging Markets Program, the Quality Samples Program, or the Technical Assistance for Specialty Crops program of the need to comply with OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

POLICY: OMB Circular A-133 sets forth the standards for obtaining consistency and uniformity among Federal agencies with regard to audits of States, local governments, and non-profit organizations expending Federal awards. Specifically, any non-profit organization expending $500,000 or more of Federal funds (from one or more sources) in a year is required to have an audit conducted in accordance with A-133 for that year. Organizations expending less than $500,000 in Federal awards in a year are exempt from the A-133 requirements.

A-133 audits cover financial statements, internal controls and compliance with laws, regulations and agreement provisions applicable to the Federal award(s). A public accountant or a Federal, State, or local government audit organization may conduct the audit. The costs of audits made in accordance with the circular are generally allowable charges to Federal awards. Additional information may be obtained at: http://www.whitehouse.gov/omb/circulars/a133/a133.pdf

The A-133 audits will supplement but not replace the financial and compliance reviews conducted by FAS' Compliance Review Staff.

This notice is effective immediately and supersedes any previous notice related to this subject matter.

Franklin D. Lee
Deputy Administrator
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