



## DEPARTMENT OF EDUCATION

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December 11, 2020

### MEMORANDUM

**TO:** Summer Food Service Program Sponsors

**FROM:** Aimee F. Beam, MS, RD, LDN *AFB*  
Education Associate, Nutrition Programs

**SUBJECT:** **2021 Operational Memo #5**  
**Annual Audit Requirements**

The purpose of this memo is to clarify audit requirements in the Child Nutrition Programs. USDA regulations in 2 CFR 200, Subpart F, require organizations that exceed the threshold of the amount of federal funds expended in a given fiscal year to have an audit completed. Effective January 1, 2015, the audit threshold was raised to \$750,000. This applies to Fiscal Year 2015 and forward.

#### **Non-profit Organizations:**

USDA Regulation requires all non-profit Sponsors and Government Agencies who expend more than \$750,000 in federal funds in any fiscal year to procure a program-specific, organization-wide, or single audit. Audits must be submitted on the Federal Audit Clearinghouse website.

#### **For-profit Organizations:**

The State Agency requires all for-profit organizations that expended more than \$750,000 in federal funds in the last fiscal year to obtain a single audit. A copy of this report must be submitted directly to the State Agency.

All audits will be reviewed by the State Agency (SA). If there are any findings related to Child Nutrition Programs, corrective action is required. In the case of a finding, the School Food Authority (SFA) will receive correspondence from our office. The SA determines if your organization will need an audit by reviewing the total amount of federal funds expended in the last complete fiscal year; SFAs report this on the Annual Audit Status Certification Form in DENARS. SFAs should engage an audit immediately if the \$750,000 threshold was exceeded. The 19 Delaware school districts are part of the annual statewide audit. Therefore, the audit is automatically conducted and no further action is required unless corrective action is required.

Federal funds may include, but are not limited to:

- Federal Reimbursement (NSLP/SBP, SFSP, CACFP)
- Other Federal grants

- Other Federal Program funds

The audit requirement applies to the agency as a whole. If the school or school district expended funds besides what was received in federal reimbursement through the Child Nutrition Programs, those funds are included in the total federal funds expended. If your agency expended less than the threshold in federal funds in the last complete fiscal year, you are not required to submit an audit. However, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity, and General Accounting Office (GAO).

Please contact us with any questions at (302) 857-3356.

cc: Nutrition Team