



Recipient-Initiated Audit Guidance

The following guidance is a general overview of recipient-initiated audits.

What is a recipient-initiated audit and when is it required?

Recipient-initiated audits include **single audits** or **program-specific audits**, and **compliance audits (for-profits)**. These audits are collectively referred to as “recipient-initiated” audits. A recipient or subrecipient that expends \$1,000,000 or more in Federal awards (including Department of Energy (DOE) awards) in the entity’s fiscal year is required to have an audit conducted for that year. Recipients can contact the Office of Clean Energy Demonstrations (OCED) if they do not know if their organization is required to have a recipient-initiated audit.

- ▶ Per [2 CFR Part 200 Subpart F - Audit Requirements](#), if the non-Federal entity is a State or local government, Indian Tribe, Institution of Higher Education, or non-profit organization, it will be a **single or program-specific audit**. A program-specific audit may be elected in accordance with [2 CFR § 200.507](#) if the two conditions described in [2 CFR 200.501\(c\)](#) are met.
- ▶ Per [2 CFR Part 910 Subpart F - Audit Requirements for For-Profit Entities](#) if the non-Federal entity is a for-profit, it will be a **compliance audit**.

A recipient-initiated audit is triggered by expending a certain amount of Federal awards in the form of grants or cooperative agreements. Therefore, Federal funding received through other agreement mechanisms, such as Federal contracts governed by the Federal Acquisition Regulation, are not included in the threshold for recipient-initiated audits.

While a non-Federal entity that expends less than \$1,000,000 in Federal awards during its fiscal year is exempt from Federal audit requirements for that year, except as specified in [2 CFR § 200.503](#), it must still make its records available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office. See [2 CFR § 200.501\(e\)](#) and [2 CFR § 910.501\(d\)](#).

Selectees who have previously received Federal funding as part of a financial assistance award and have met the expenditure requirements to obtain a recipient-initiated audit, will be expected to provide their most recently completed recipient-initiated audit report as part of the post-selection materials. Selectees should submit this information when submitting their required documents, as instructed in the Pre-Award Organization and Financial Management Review Required Documentation, attached to the selection letter, or as otherwise instructed by the OCED.

What are the different types of recipient-initiated audits?

Single Audit: A Single Audit is a financial and compliance audit that assesses whether a non-Federal entity is using Federal funds properly and is intended to provide assurance that a non-Federal entity has adequate internal controls in place and is generally in compliance with program requirements. Not-profit entities that expend \$1,000,000 or more in Federal awards in one fiscal year are required to obtain this audit.

This guidance document does not supersede Federal laws and regulations. This OCED guidance document is for informational purposes only and is not a requirements document. If there are inconsistencies between this OCED guidance document and any specific program or project document, the specific OCED program or project document should be relied upon as it is the controlling document.

This audit is conducted in accordance with [2 CFR § 200.514](#), except when a recipient elects to have a program-specific audit conducted in accordance with [2 CFR § 200.501\(c\)](#). The audit is typically performed by an independent third-party auditor, such as a certified public accountant. The Single Audit is not applicable to for-profit entities. (See Compliance Audit below.)

Program-Specific Audit: When a non-Federal entity has expenditures under only one Federal program (excluding Research & Development) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit, the entity may elect to have a program-specific audit conducted in accordance with [2 CFR § 200.501\(c\)](#) and [2 CFR § 200.507](#). The program-specific audit election is not applicable to for-profit entities.

Compliance Audit: DOE recipients and subrecipients that are for-profit entities and expend at least \$1,000,000 during their fiscal year must obtain a compliance audit for each DOE award. A Compliance Audit is typically performed by an independent third-party auditor, such as a certified public accountant, and is required to be performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). Compliance Audit requirements are outlined in [2 CFR Part 910 Subpart F - Audit Requirements](#) for for-profit entities, including [2 CFR § 910.501](#).

A compliance audit must adhere to the applicable provisions in [2 CFR § 910.514](#). When an auditor is conducting a for-profit compliance audit, the auditor needs to assess whether recipients are following the cost principles contained in [48 CFR Part 31 Subpart 31.2](#), as specified in [2 CFR § 910.352](#).

Who selects the independent third-party auditor?

The independent third-party auditors are selected and procured by the recipient or subrecipient.

Where are recipient-initiated audits submitted?

Single Audits: The Office of Management and Budget (OMB) designated the Federal Audit Clearinghouse (FAC) as the official repository for all Single Audit reports and related forms. All Single Audit submissions required by [2 CFR, Part 200 Subpart F](#) are required to be submitted to the Federal Audit Clearinghouse collection portal at <https://www.fac.gov/>.

Program-Specific Audit: The Program-Specific Audit report must be submitted directly to the Federal Audit Clearinghouse collection portal at <https://www.fac.gov/>.

Compliance Audit: For-profit Compliance Audit reports must be submitted directly to the DOE OCED Grants and Agreements Officer and via email to doe-audit-submission@hq.doe.gov.

Can a recipient-initiated audit be paid for with award funds?

The recipient-initiated audit costs may be generally paid with award funds as direct or indirect costs, so long as the costs meet all applicable cost principles and regulatory requirements. See [2 CFR § 200.425](#).