

Mastering Research Administration

A Complete Guide to the
CRA[®], CPRA[®], and CFRA[®] Exams

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- These multiple-choice questions and the accompanying text were originally developed in 2022 and were reviewed and updated in August 2025. Grant policies, rules, and regulations may change over time. Please consult official sources for the most current information.
- While it is generally considered best practice to avoid negative phrasing and answer choices such as “all of the above” or “none of the above” in standardized multiple-choice questions, these materials were created for training purposes. In some instances, we have intentionally used such formats.

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CHAPTER 10

Single Audit

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10.1. Introduction

Each non-federal entity (NFE) may receive federal assistance (grants or cooperative agreements) or cost-reimbursable contracts from many federal agencies, including the National Institutes of Health (NIH), National Science Foundation (NSF), Department of Defense (DoD), etc. It is difficult for the NFE to be audited by multiple agencies. Therefore, the federal government accepts an annual single audit, with certain specifications.

The Single Audit Act of 1984 established requirements for audits of states, local governments, and Indian tribal governments that administer federal financial assistance programs. These requirements have been modified several times, including by the Single Audit Act Amendments of 1996 (31 USC Chapter 75). The 1996 Amendments extended the statutory audit requirement to non-profit organizations and substantially revised various provisions of the 1984 Act.

10.2. Entities Undergoing Single Audit

According to [§ 200.501 Audit Requirements](#), NFEs that *expend* \$1,000,000 or more in Federal awards during the non-federal entity's fiscal year must have a single audit conducted in accordance with [§ 200.514](#), except when it elects to have a program-specific audit conducted in accordance with [paragraph \(c\)](#) or [\(d\)](#) of this section. For the purpose of single audit, federal awards include grants, cooperative agreements, and cost-reimbursable contracts. However, fixed-cost contracts are not counted towards single audit, as the NFEs are entitled to the entire amount of these contracts, as long as they have delivered the work properly. For single audit, both prime awards and subawards count. Therefore, the auditee must keep records of both.

Single audit applies to universities, non-profit institutions, state governments, local governments, and Indian tribal governments who qualify as stated above (over \$1,000,000 of federal award expenditures) but it does not apply to for-profit institutions.

10.3. The Scope

The scope of a single audit is broad and comprehensive. It must be conducted according to Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government

Auditing Standards (GAGAS), as detailed in the Yellow Book issued by the Government Accountability Office (GAO). The single audit covers the entire operations of the university, not just individual projects, and includes a review of the institution's financial statements. In addition, the single audit evaluates the adequacy of internal controls to ensure they are strong enough to minimize the risk of fraud and errors. It also assesses compliance with federal statutes, regulations, and the specific terms and conditions of federal awards, such as requirements under the Davis-Bacon Act. This comprehensive scope ensures accountability and transparency in the management of federal funds.

10.4. Auditee Responsibilities

Auditees have several important responsibilities in a single audit. Each year, the auditee must arrange for the audit to be conducted and prepare complete financial statements for review. They are also required to prepare the Schedule of Expenditures of Federal Awards (SEFA), which details the federal awards (grants, cooperative agreements, and cost-reimbursable contracts) spent during the year. SEFA must include certain information, such as the name of the award, name of the federal agency or passthrough entity, assistance listings number, etc. The auditee must give auditors full access to all books and records and provide a summary schedule of any previous findings. In addition, they are expected to respond promptly to auditor questions, follow up on audit findings, and develop corrective action plans to address any issues identified. These responsibilities ensure the audit is thorough, accurate, and effective in promoting accountability.

In addition to preparing financial statements and SEFA, auditees have ongoing responsibilities under the single audit. They must disseminate information across the institution to ensure all parties are aware of compliance obligations, and they are required to comply fully with applicable federal statutes and regulations. Auditees must also maintain effective internal controls over federal programs to safeguard funds and minimize risks. At universities, such as Morgan State University, this responsibility spans multiple offices, including the Institutional Review Board (IRB), the Institutional Animal Care and Use Committee (IACUC), and other compliance-related units.

Furthermore, the auditee must continuously evaluate and monitor compliance throughout the life of the award and take prompt corrective action whenever instances of non-

compliance are identified. These responsibilities reinforce accountability and strengthen the institution's stewardship of federal funds.

10.5. Auditor Responsibilities

Auditors have several key responsibilities under the single audit. They must audit the institution's financial statements in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS).

As part of their review, auditors determine whether the Schedule of Expenditures of Federal Awards (SEFA) is presented fairly in relation to the overall financial statements.

They are also required to develop an understanding of internal controls over major federal programs and assess whether the auditee has complied with applicable federal statutes, regulations, and award terms and conditions, particularly those with direct and material effects on major programs. To do this, auditors conduct compliance and transaction testing and follow up on any findings from previous audits. In addition, they must complete designated sections of the Data Collection Form (DCF), which is submitted to the Federal Audit Clearinghouse (FAC). These responsibilities ensure a comprehensive evaluation of both financial reporting and compliance with federal requirements.

10.6. The Process

10.6.1. General Process

The single audit process begins with the auditors reviewing the Schedule of Expenditures of Federal Awards (SEFA), which lists all federal award expenditures for the year. From there, they categorize awards into programs and clusters, grouping together those that are similar in nature and subject to the same audit requirements.

Next, auditors classify programs as either Type A or Type B, based primarily on the size of expenditures, with Type A programs being larger and Type B programs smaller. Within these categories, auditors further determine whether a program is low-risk or high-risk.

The auditors focus their attention on the larger and higher-risk programs and clusters, as these represent the greatest potential exposure for non-compliance. By rule, Type A

programs must be audited unless they are considered low-risk, while Type B programs may be selected for audit if they are high-risk.

If the auditee is determined to be a low-risk entity, typically at least 20% of the dollar amount of their awards are audited. If they are considered to be a high-risk entity, the auditors expand their review to cover a larger percentage of the total dollar amount, typically at least 40%.

In short, what is audited depends on the entity itself (high-risk vs. low-risk), how much in awards they receive, Type A and Type B programs, and whether the programs are considered high-risk or low-risk. This structured approach balances oversight with efficiency, focusing resources where compliance risks are greatest.

10.6.2. SEFA

The Schedule of Expenditures of Federal Awards (SEFA) must be complete and include all federal awards received by the institution, whether as a prime recipient or as a subrecipient. Each entry should identify the federal agency name and, when applicable, the pass-through agency name, as well. The SEFA must also include the Assistance Listings Number (formerly CFDA, such as 84.063), the name of any applicable cluster such as Student Financial Aid (SFA) or Research and Development (R&D), and the total expenditures for each cluster. In addition, the schedule should account for facilities and administrative (F&A) costs associated with the federal awards. A properly prepared SEFA ensures transparency and forms the foundation for the single audit process.

10.6.3. Programs and Clusters

The process of identifying programs and clusters in a single audit begins with the SEFA. Auditors first determine “federal programs,” which are primarily based on awards that share the same Assistance Listings Number (ALN), previously known as CFDA numbers. In some cases, auditors may group together similar programs to create “clusters.” Clusters consist of programs that serve the same purpose and share similar compliance and audit requirements. This grouping allows the audit to be conducted more efficiently while ensuring that related programs are reviewed in a comprehensive and consistent manner.

10.6.4. Type A and Type B Programs

After identifying federal programs or clusters, auditors determine the amount of funding each program has received to classify programs as Type A or Type B. The classification follows a formula based on the institution's total federal fund expenditures. For institutions expending less than \$25 million, the threshold for Type A is \$1 million. For institutions with total federal expenditures between \$25 million and \$100 million, the threshold for Type A versus Type B programs is 3 percent of total expenditures. For example, if an institution expends \$80 million in federal funds per year, any program with expenditures of \$2.4 million or more would be classified as Type A, while programs with expenditures below \$2.4 million would be considered Type B, and so on. This classification helps auditors prioritize which programs require more detailed audit attention.

All Type A programs are generally audited unless they are considered low-risk. A Type A program may be classified as low-risk if it was audited in one of the two previous years, received an unmodified audit opinion, and has had no major changes in program leadership or other significant factors. When a certain number of Type A programs are not audited due to their low-risk status, auditors must select at least 25 percent of that number of Type B programs for audit. These Type B programs are primarily chosen from those with expenditures exceeding 25 percent of the Type A/B threshold.

10.6.5. Items That May Be Reviewed

The single audit reviews various items as outlined in the Compliance Supplement. These include whether activities and expenses are allowed or unallowed, cash management practices, and eligibility of participants or recipients. Auditors also assess the management of equipment and real property, compliance with matching, level of effort, and earmarking requirements, and adherence to the authorized period of performance. Other areas of review include procurement practices and compliance with suspension and debarment rules, treatment of program income, reporting requirements, and monitoring of subrecipients. Additionally, auditors examine special tests and provisions specific to certain programs. This comprehensive review ensures that federal funds are used appropriately and in compliance with applicable regulations.

10.7. Official Reference Material

Subpart F (Audit Requirements) of 2 CFR 200 (Uniform Guidance), especially in [§ 200.500](#) – [§ 200.521](#), delineates the rules for single audit.

Appendix XI (Compliance Supplement) to Uniform Guidance gives detailed audit procedures, compliance requirements, and program-specific guidance used by auditors and auditees. It includes requirements for internal controls, compliance testing, audit objectives, major program determination, program-specific requirements, cluster audits (e.g., R&D, SFA, COVID programs), allowable costs, reporting, procurement, subrecipient monitoring, etc.

The Yellow Book, published by the Government Accountability Office (GAO), provides the details of government auditing standards.

The Green Book is the U.S. Government Accountability Office (GAO) Standards for Internal Controls in the Federal Government. It provides a framework for designing, implementing, and evaluating internal controls in federal agencies and organizations receiving federal funds.

10.8. Summary

The single audit is an annual, organization-wide audit of non-federal entities (NFEs) that expend federal awards over a certain threshold. Its objective is to assess compliance with federal statutes, regulations, and award terms, and to evaluate the adequacy of Internal Controls. Auditees must prepare financial statements, the SEFA, and maintain internal controls, while auditors review the SEFA, classify programs into clusters, determine Type A and Type B programs, and test compliance and controls. Auditors focus on larger and higher-risk programs, ensuring accountability and proper use of federal funds. Key areas reviewed include allowed activities and expenses, cash management, eligibility, procurement, reporting, and subrecipient monitoring.

10.9. Practice Questions

1. Single audit of a university is for its _____ awards.
 - a. Federal
 - b. State-funded
 - c. Federal and state-funded
 - d. Federal, state-funded, and foundation-funded

2. Single audit applies to all of the following EXCEPT:
 - a. For-profit organizations
 - b. State governments
 - c. Local governments
 - d. Universities and non-profit organizations

3. Single audit includes federal awards received _____.
 - a. As prime or from a passthrough entity
 - b. As the prime institution.
 - c. From passthrough entity.
 - d. As fixed-cost contracts.

4. In 2025, the threshold for single audit was _____ at least _____ of federal funds by an institution in their fiscal year.
 - a. Receiving, \$500,000
 - b. Expending, \$500,000
 - c. Receiving, \$1,000,000
 - d. Expending, \$1,000,000

5. The fiscal year for Single Audit is:
 - a. January 1 to December 31
 - b. July 1 to June 30
 - c. October 1 to September 30 (government fiscal year)
 - d. Whatever fiscal year the recipient institution utilizes

6. The accounting basis for the \$1,000,000 threshold of single audit is:
- a. Cash
 - b. Modified cash
 - c. Accrual
 - d. The accounting basis the non-federal entity follows
7. Which of the following is NOT subject to single audit?
- a. Direct federal financial assistance (grants and cooperative agreements)
 - b. Federal cost reimbursable contracts
 - c. Federal financial assistance received via a passthrough entity
 - d. Federal fixed-price contracts for a certain service
8. Which of the following is the least likely to be subject to single audit, if the recipient passes the threshold of \$1,000,000? The US government pays a non-federal entity to:
- a. Offer a training program to 50 students, for a total amount of \$800K.
 - b. Deliver 25 cars to the government for a fixed price of \$1M, as a result of a sealed bid.
 - c. Design a missile for the DoD, with a price of up to \$100M, as part of a cost-reimbursable contract.
 - d. Identify the causes of opioid overdose epidemic, using a competitive R01 NIH grant with a total cost of \$4M.
9. In a fiscal year, a non-federal entity (NFE) receives two grants, one for \$250,000 and one for \$950,000. This NFE spends 80% of its grant funds in that year, leaving 20% unspent. In addition, this NFE also receives a fixed-price contract of \$800,000 to conduct certain genetic analyses on 8000 samples for the federal government. This NFE:
- a. Is not subject to single audit.
 - b. Is subject to single audit but only for the two grants.
 - c. Is subject to single audit, for the larger grant only.
 - d. Is subject to single audit, for both grants and the contract.

10. Department of Health and Human Services (DHHS) gives a grant to a state government, which in turn gives some of the funds to a local government. The local government distributes the funds to three non-profits, each of which has a program to assist individuals. These non-profits can make programmatic decisions. Which of them are passthrough entities (PTEs)?
- The federal government, state government
 - State government, local governments
 - Local government, non-profits
 - Non-profits, individual beneficiaries
11. In the scenario above, all of the following are subject to single audit EXCEPT:
- State government
 - Local governments
 - Non-profit entities
 - Individual beneficiaries
12. A passthrough entity must:
- Make it clear to fund recipients that they are considered subrecipients.
 - Provide assistance listings number, federal award date, and other information regarding the award
 - Provide indirect cost information
 - All of the above
13. Single audit includes:
- Financial audit
 - Regulatory compliance
 - Financial audit, regulatory compliance
 - Financial audit, regulatory compliance, and review of bond rating elements
14. Single audit is usually done every ____.
- Six months
 - Year
 - Three years
 - Four years

15. Single audit was first established by the Single Audit Act of ____ and was amended in ____.
- a. 1958, 1990
 - b. 1963, 1982
 - c. 1984, 1996
 - d. 1996, 2000
16. Current regulations for single audit are described in Uniform Guidance, Subpart:
- a. C
 - b. D
 - c. E
 - d. F
17. Which of the following in 2 CFR 200 is about single audit?
- a. §200.201
 - b. §200.301
 - c. §200.401
 - d. §200.501
18. Which of the following is responsible for issuing single audit regulations?
- a. Office of Management and Budget (OMB)
 - b. Department of Health and Human Services (DHHS)
 - c. Government Accountability Office (GAO)
 - d. Federal Audit Clearinghouse (FAC)
19. The Office of Management and Budget publishes its single audit regulations in the:
- a. Annual Compliance Supplement
 - b. Yellow Book
 - c. Green Book
 - d. Brown Book

20. "The Compliance Supplement" is Appendix_____ of 2 CFR 200.
- a. IV
 - b. VI
 - c. IX
 - d. XI
21. The Compliance Supplement is updated every _____.
- a. Year
 - b. 3 years
 - c. 5 years
 - d. 10 years
22. The Compliance Supplement identifies _____ areas of compliance.
- a. 3
 - b. 6
 - c. 12
 - d. 24
23. Agencies need to pick _____ areas of compliance for review for each Assistance Listings Number.
- a. 3
 - b. 6
 - c. 9
 - d. 12
24. Which of the following determines government audit standards?
- a. OMB
 - b. DHHS
 - c. GAO
 - d. FAC
25. Which of the following posts the results of single audits?
- a. OMB
 - b. DHHS

- c. GAO
- d. FAC

26. GAO stands for:

- a. Government Accountability Office
- b. Governing body of Accounting Officers
- c. Goddard Accounting Office
- d. Government Audit Office

27. GAGAS stands for:

- a. Government and Attorney General Authorities and Standards
- b. Generally Accepted Government Auditing Standards
- c. Globally Accepted Government Accounting Standards
- d. Guiding Announcements for Government Audit Standards

28. The government accounting standards, by the Government Accountability Office (GAO), is published in what is known as the _____ Book.

- a. Green
- b. Yellow
- c. Red
- d. Black

29. Whose responsibility is it to arrange for single audit of an institution?

- a. The institution itself
- b. The federal cognizant agency
- c. The Government Accountability Office
- d. The Office of Management and Budget

30. Which of the following are considered responsibilities of the auditee for single audits?

- a. Arranging for single audits
- b. Providing financial statements, schedule of expenditures of federal awards (SEFA), and access to all financial documents
- c. Writing a corrective action plan for audit findings
- d. All of the above

31. For entities spending over _____ million dollars per year, there will be a cognizant federal agency for audit.
- a. 10
 - b. 25
 - c. 50
 - d. 100
32. Which is NOT correct about the cognizant federal agency for audit?
- a. It is the same as the cognizant agency for F&A rate determination.
 - b. A list of cognizant agencies is available on the Federal Audit Clearinghouse (FAC) website.
 - c. If an entity spends over \$50 million, there will be a cognizant agency.
 - d. If the entity spends below \$50 million, there will be an oversight agency.
33. Oversight agency for audit is typically the federal agency that:
- a. Is in geographical proximity to the auditee.
 - b. Provides the largest amount of funds directly to the auditee (as prime).
 - c. Is designated by GAO to supervise the audit.
 - d. Has hired the independent auditor company to conduct single audit.
34. Results of single audit must be submitted to the Federal Audit Clearinghouse (FAC) within _____ of the receipt of the audit report.
- a. 10 working days
 - b. 30 days
 - c. 3 months
 - d. 1 year
35. Schedule of expenditures of federal awards (SEFA) is prepared by the:
- a. Auditee management
 - b. Auditee internal audit
 - c. Cognizant federal agency
 - d. Auditor

36. SEFA must include all of the below EXCEPT:
- a. Individual federal programs
 - b. Assistance listing numbers (ALN, formerly CFDA)
 - c. Name of the passthrough agency (when applicable)
 - d. Funding opportunity announcement (FOA) number
37. Which of the following is NOT included in the single audit reporting package?
- a. Entity's financial statement and auditor's report on financial statement
 - b. Entity's SEFA and auditor's in-relation-to report on SEFA
 - c. Auditor's report on the bond rating and creditworthiness of the entity
 - d. Auditor's report on internal controls over financial reporting
38. Single audit reporting package and copy of the data collection form (DCF) is submitted to the Federal Audit Clearinghouse (FAC). Preparing DCF is the responsibility of the:
- a. Auditee
 - b. Auditor
 - c. Auditor and the auditee, jointly
 - d. Auditor, auditee, and the federal cognizant agency, collaboratively.
39. For an entity to be low risk, it must:
- a. Have gone under single audit in the two preceding years.
 - b. Submitted single audit report in a timely manner.
 - c. Have no questioned costs over 5% in Type A programs.
 - d. All of the above.
40. In single audit of low-risk and high-risk non-federal entities, respectively, a minimum of ____ and ____ of the dollar amount of federal funds need to be audited.
- a. 5%, 10%
 - b. 10%, 20%
 - c. 20%, 40%
 - d. 25%, 50%

41. For the purpose of single audit, a federal program is:
- a. A program administered by the NFE, funded by a federal grant
 - b. All federal awards under the same CFDA (assistance listing) number given to the NFE
 - c. A program within the federal government that distributes funds to many NFEs
 - d. A collection of auditing standards used to train auditors to prepare for single audit
42. "Cluster of Programs" means a group of federal programs that:
- a. Have similar audit requirements.
 - b. Are issued by the same federal agency.
 - c. Are categorized similarly by the non-federal agency.
 - d. Are clustered because they are not distinguishable from each other.
43. For the purpose of single audit, a federal program may mean:
- a. All federal awards under the same Assistance Listings Number (ALN)
 - b. All Federal awards from the same agency made for the same purpose, when no ALN is available
 - c. A cluster of programs
 - d. Any of the above
44. Which of the following is NOT considered a cluster?
- a. Student Financial Aid (SFA)
 - b. Research and Development (R&D)
 - c. Child Nutrition
 - d. College Education
45. Student Financial Aid (SFA) includes which of the following?
- a. NIH K01
 - b. NIH T32
 - c. NIH F32
 - d. Title IV of Higher Education

46. For the purpose of single audit, federal programs are divided into:
- a. Type A, Type B
 - b. Type A, Type B, Type C
 - c. Type 1, Type 2
 - d. Type 1, Type 2, Type 3
47. In 2025, a university spends \$24 million of federal awards. Assume no large loan programs. The threshold for Type A program for single audit is:
- a. \$750,000
 - b. \$1,000,000
 - c. \$1,500,000
 - d. \$3,000,000
48. In 2025, a university spends \$50 million of federal awards each year. Assume no large loan programs. The threshold for Type A program for single audit is:
- a. \$750,000
 - b. \$1,000,000
 - c. \$1,500,000
 - d. \$3,000,000
49. In 2025, a non-federal entity expends \$2 billion dollars per year. Which of the following programs is considered Type B? Dollar amounts correspond to spending per year. Assume no large loan programs.
- a. \$5 million
 - b. \$10 million
 - c. \$20 million
 - d. \$60 million
50. A non-federal entity receives \$800,000 of federal awards per year and expends \$720,000 of it. The threshold for Type A program for this federal entity is:
- a. \$180,000
 - b. \$200,000
 - c. \$500,000
 - d. Not applicable. This program is not subject to single audit.

51. For single audit, _____ are audited as major programs.
- a. All Type A programs
 - b. All Type A programs, plus some high-risk Type B programs
 - c. All high-risk Type A programs, plus some high-risk Type B programs
 - d. All federally funded programs
52. Audit findings means:
- a. Auditor's description of the status of expenditures of the auditee.
 - b. Deficiencies which the auditor is required to report per § 200.516 (a).
 - c. Strengths, deficiencies, and recommendations of the auditee's internal controls.
 - d. Questioned costs of \$5,000 or above.
53. An audit finding where the same issue or underlying condition affects all federal awards is termed _____ audit finding.
- a. Cross-cutting
 - b. Federal
 - c. General
 - d. Universal
54. Which of the following is NOT a requirement to show for procurement systems in single audit? That purchases:
- a. Are necessary and reasonable.
 - b. Are open to competition, to the extent possible.
 - c. Adhere to conflict of interest policies.
 - d. Are the items with the lowest price.
55. The non-federal entity will have a federal cognizant agency for single audit if the non-federal entity expends at least _____ of federal grants per year.
- a. \$10 million
 - b. \$20 million
 - c. \$40 million
 - d. \$50 million

56. During an audit, there are several Yellow Book findings. The elements needed to report for this finding include "the criteria, the condition, the cause, and the effect." Here, the condition means the _____ from the viewpoint of the _____.
- Existing status, auditor
 - Existing status, auditee
 - Ideal situation, auditor
 - Ideal situation, auditee
57. For the Uniform Guidance part of single audit, the threshold for reporting known or questionable expenses is:
- \$5,000
 - \$10,000
 - \$25,000
 - \$100,000
58. According to Uniform Guidance, the sample chosen by the auditor should be one that:
- The auditor chooses per his/her perception of risk.
 - The management chooses because of their familiarity with the subject.
 - The auditor and management agree upon.
 - Is a valid statistical sample.
59. According to Uniform Guidance, "Corrective Action" means:
- Correcting identified deficiencies
 - Improvements the system based on audit findings
 - Showing that audit findings are invalid
 - Any of the above
60. In Uniform Guidance, "Management Decision" means:
- Decisions that the NFE management make to properly run federal awards.
 - Decisions that the NFE management make in response to the audit by the federal government.
 - Federal awarding agency's written determination of the adequacy of the NFE's proposed corrective actions.
 - Any of the above.

10.10. Answers to Practice Questions

1. A
2. A The Single Audit applies to state and local governments, universities, and non-profit organizations that receive federal awards, but it does not apply to for-profit organizations.
3. A A federal award is subject to single audit if the award is received directly from a government agency or via a passthrough agency.
4. D What is “spent” is important, not the amount of notices of award received. In 2024, the threshold changed from \$750,000 to \$1,000,000.
5. D The fiscal year for a single audit follows whatever fiscal year the recipient institution has. This allows the audit to align with the institution’s financial reporting period, ensuring that all federal award expenditures and related financial statements are captured accurately.
6. D The threshold for a single audit is based on the accounting basis the non-federal entity follows. This means the total federal expenditures are calculated using the institution’s own accounting method, whether cash, modified cash, or accrual, as long as it is consistent with their financial reporting.
7. D Federal fixed-price contracts for a certain service are not subject to single audit because the single audit applies only to federal financial assistance, such as grants, cooperative agreements, and passthrough awards. For fixed-price contracts, as long as the milestones are delivered to specifications and in a timely manner, there is no reason to audit the costs.
8. B The least likely to be subject to a single audit is the fixed-price contract to deliver 25 cars for \$1 million. Single audit applies to federal awards, such as grants and cooperative agreements, including cost-reimbursable contracts for research or program activities. Fixed-price contracts for goods or services, even if they exceed the threshold, are considered procurement and not federal assistance, so they are not generally audited under the single audit requirements.

9. A The non-federal entity is subject to a single audit only for grants, cooperative agreements, and cost-reimbursable contracts. The fixed-price contract is not included in the single audit. In this case, the total federal awards subject to audit is (\$250,000 + \$950,000 = \$1,200,000), but only 80% of that has been “spent”, which makes only \$960,000 (less than the threshold of \$1,000,000). Therefore, the NFE does not need to undergo single audit.
10. B Passthrough entities (PTEs) are organizations that receive federal funds and then pass them on to other entities while retaining responsibility for oversight and compliance. In this scenario, the state government receives the federal grant and passes some funds to the local government, which in turn distributes funds to the non-profits. Both the state and local governments retain oversight responsibilities and therefore are considered passthrough entities. The non-profits, while they manage programs, are subrecipients, not PTEs.
11. D
12. A A passthrough entity must make it clear to subrecipients that they are considered subrecipients, provide key information about the federal award including the Assistance Listings Number (ALN), federal award date, and indirect cost information to enable compliance and monitoring. Providing this information is important, as the subrecipient may be subject to single audit.
13. C Single audit includes both a financial audit and regulatory compliance testing to ensure proper use of federal funds.
14. B Single audit is conducted annually to cover the institution’s fiscal year and ensure timely compliance reporting.
15. C Single audit was first established by the Single Audit Act of 1984 and was amended in 1996 to incorporate broader oversight and updated requirements.
16. D Current regulations for single audit are described in Uniform Guidance, Subpart F, which outlines audit requirements, thresholds, and responsibilities.

17. D Section 200.501 of 2 CFR 200 specifically addresses single audit requirements, including thresholds and audit responsibilities. Please note that § 200.5XX (i.e., the 500 section) denotes subpart F.
18. A The Office of Management and Budget (OMB) is responsible for issuing single audit regulations and the Compliance Supplement.
19. A The OMB publishes single audit regulations in the Annual Compliance Supplement, which is a supplement to the Uniform Guidance. This Supplement discusses audit guidance in much more detail than Subpart F of the Uniform Guidance.
20. D The Compliance Supplement is Appendix XI of 2 CFR 200 and provides detailed guidance on audit objectives and compliance areas.
21. A The Compliance Supplement is updated annually to reflect changes in federal programs, regulations, and compliance requirements.
22. C The Compliance Supplement identifies 12 areas of compliance for auditors to review.
23. B Agencies need to select six areas of compliance to review for each Assistance Listings Number (ALN) to ensure major compliance elements are examined.
24. C The Government Accountability Office (GAO) determines government audit standards through GAGAS.
25. D The Federal Audit Clearinghouse (FAC) posts the results of single audits for public access and federal reporting.
26. A GAO stands for Government Accountability Office, which establishes auditing standards for federal programs.
27. B GAGAS stands for Generally Accepted Government Auditing Standards, issued by GAO for audits of federal programs.

28. B The government auditing standards published by GAO are known as the Yellow Book.
29. A It is the responsibility of the institution itself to arrange for a single audit, including selecting the auditor and preparing documents.
30. D Auditee responsibilities include arranging the audit, providing financial statements and SEFA, access to records, and preparing corrective action plans.
31. C Entities spending over \$ 50 million per year in federal funds will have a cognizant federal agency for audit to oversee single audit coordination.
32. A The cognizant agency for F&A for universities is either the Department of Health and Human Services (DHHS) or the Office of Naval Research (ONR). The cognizant agency for audit may be a different one.
33. B The oversight agency for audit is typically the federal agency that provides the largest amount of funds directly to the auditee as the prime recipient.
34. B Results of a single audit must be submitted to the Federal Audit Clearinghouse (FAC) within 30 days of receipt of the audit report.
35. A The auditee management – typically Finance & Administration or Office of Research – is responsible for preparing the SEFA.
36. D SEFA must include individual federal programs, Assistance Listing Numbers (ALN), and pass-through agency name, but the funding opportunity announcement (FOA) number is not required.
37. C The auditor's report on bond rating and creditworthiness is not part of the single audit reporting package.
38. C The auditor is responsible for preparing the Data Collection Form (DCF) for submission to Federal Audit Clearinghouse (FAC). The Data Collection Form (DCF) is a standardized federal reporting form (OMB Form SF-SAC) that summarizes key information about the auditee (e.g., university, nonprofit, or state/local government), the auditor, the type of audit performed, the findings, and the Schedule of Expenditures of Federal Awards (SEFA).

39. D To be low-risk, an entity must have undergone a single audit in the prior two years, submitted reports on time, and have no questioned costs over 5% in Type A programs.
40. C For low-risk entities, at least 20% of federal funds must be audited; for high-risk entities, at least 40% must be audited.
41. B For single audit purposes, a federal program is all federal awards under the same Assistance Listing Number (ALN) (formerly CFDA) given to the non-federal entity. These awards often have similar risks and similar points of emphasis for audit purposes.
42. A A cluster of programs is a group of federal programs with similar audit requirements.
43. D A federal program for single audit purposes may be all awards under the same Assistance Listing Number (ALN), all awards from the same agency for the same purpose when no ALN is available, or a cluster of programs.
44. D College Education is not considered a cluster; typical clusters include Student Financial Aid (SFA), Research & Development (R&D), and Child Nutrition.
45. D Student Financial Aid (SFA) includes Title IV of Higher Education programs. NIH awards such as K01, T32, and F32 are not SFA.
46. A Federal programs are divided into Type A and Type B programs for audit purposes. Type A programs are large programs that exceed a certain threshold, while Type B programs are below that threshold. The Type A threshold depends on the total expenditure of the non-federal entity (NFE). For example, for expenditures between \$25 million and \$100 million, the threshold is 3% of the expenditures. Therefore, if an institution expends \$60 million of federal awards per year, the threshold for a Type A award is \$1.8 million.
47. B For a university spending \$24 million per year, the threshold for Type A programs is \$1,000,000.
48. C For a university spending \$50 million per year, the threshold for Type A programs is \$1,500,000 (3% of \$50 million).

49. A For a non-federal entity expending \$2 billion per year, a program of \$5 million is considered Type B because it is below the Type A threshold. For expenditures over \$1 billion, the 2025 threshold is 0.3% of the federal awards expended. Therefore, for \$2 billion, the threshold is \$6 million. Even if one does not know the exact answer, the smallest one – in this case \$5 million – must be the right answer.
50. D A non-federal entity expending \$720,000 in federal awards is not subject to single audit because it does not meet the \$1,000,000 threshold.
51. C Major programs for single audit include all high-risk Type A programs and some high-risk Type B programs. Enough should be audited to reach the threshold of 40% for high-risk entities and 20% for low-risk entities.
52. B Audit findings are deficiencies that the auditor is required to report per §200.516(a).
53. A An audit finding that affects all federal awards is termed a cross-cutting audit finding.
54. D Procurement system requirements do not require purchasing the item with the lowest price, only that purchases are necessary, reasonable, competitive, and free from conflicts of interest. Sometimes the cheapest is not necessarily the best.
55. D A non-federal entity (NFE) will have a federal cognizant agency for single audit if it expends at least \$50 million of federal grants per year.
56. A In Yellow Book reporting, the condition refers to the existing status from the viewpoint of the auditor. Under the Yellow Book (Generally Accepted Government Auditing Standards – GAGAS), every finding must include four key elements: **1) Criteria** – What should be (the ideal standard, law, or policy); **2) Condition** – What is (the existing situation found by the auditor); **3) Cause** – Why the condition occurred; **4) Effect** (or potential effect) – The impact or possible impact of the condition.

57. C As per 2 CFR § 200.516, auditors must report when known or likely questioned costs exceed \$25,000 for a type of compliance requirement for a major program.
58. D The auditor must select a valid statistical sample for testing compliance and Internal Controls, per Uniform Guidance.
59. D Corrective action means action taken by the auditee that corrects identified deficiencies, produces recommended improvements, or demonstrates that audit findings are either invalid or do not warrant auditee action. [2 CFR 200.1 "Corrective Action"](#) definition.
60. C Per 2 CFR § 200.521, management decision means the federal awarding agency's written determination of the adequacy of the non-federal entity's proposed corrective actions in response to audit findings.