



#24-04: Single Audit Report Submission Update

Purpose

Office Bulletin #24-04 identifies two policy changes that impact the Local Assistance Procedures Manual (LAPM) due to changes implemented by the United States Department of Transportation (USDOT) final rule making.

Policy Update 1: Single Audit Report Threshold Increase

Effective October 1, 2024, the Single Audit Report (SAR) package submission threshold has been increased from equal to or greater than \$750,000 to equal to or greater than \$1,000,000 in total federal grant expenditures in a subrecipient's fiscal year. This updated regulation impacts subrecipients (Local Public Agencies, federally-recognized tribes, and nonprofits) of federal funding passed-through Caltrans whose fiscal year ends on or after October 1, 2024.

For example, if a subrecipient has a fiscal year end of June 30, 2025, and it expends \$900,000 in total federal funds, it will be exempt from submitting a SAR package. However, if the subrecipient expends \$1,000,000 or more in total federal funds for the fiscal year ending June 30, 2025, the subrecipient will be responsible to submit a SAR package.

Submission is required to CaltransFederalFundAward@dot.ca.gov, the Federal Audit Clearinghouse (FAC), and the State Controller's Office (SCO). The FAC and SCO have replaced their website locations for uploading the SAR packages effective immediately. These new locations are:

- FAC: <https://secure.login.gov/>
- SCO: <https://dep.sco.ca.gov/>

Effective October 1, 2024, if the subrecipient expends less than \$1,000,000 for any fiscal year ending after October 1, 2024, the LPA will need to submit an exemption letter to singleaudits@sco.ca.gov and CaltransFederalFundAward@dot.ca.gov. The email must be a PDF on letterhead that identifies the exempt Fiscal Year, certifies exemption reason, and contain a fiscal manager/officer signature.

Policy Update 2: De Minimis Rate Increase

Effective October 1, 2024, the USDOT finalized a rule making to increase the de minimis rate from 10% to 15%. LPAs that request a de minimis rate on or after October 1, 2024, for periods covering on or after October 1, 2024, may receive an accepted de minimis rate of 15%.



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For example, if the LPA submits an Indirect Cost Allocation Plan requesting a de minimis indirect cost rate on December 1, 2024, for the period covering January 1, 2025, to December 31, 2025, they will be eligible to receive an accepted de minimis rate of 15%.

Publication Changes

Office Bulletin #24-04 supersedes Sections 5.3 & 5.8 in LAPM Chapter 5 and Section 20.2 in LAPM Chapter 20; however, due to potential differences in fiscal years this Office Bulletin will remain active until incorporated into the January 2026 publication.

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Daniel Burke, Staff Services Manager II
Seree "Mack" Yenjai, Acting Chief, OGO