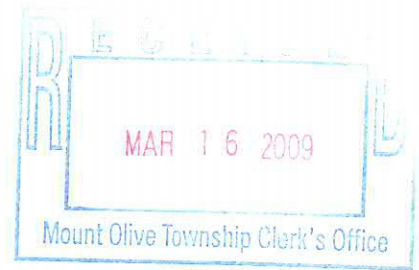




UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460



FEB - 6 2009

OFFICE OF
ADMINISTRATION
AND RESOURCES
MANAGEMENT

cc: Admin
CFO
K. Murphy

Dear EPA Assistance Agreement Recipient:

This letter is a reminder to all EPA assistance award recipients. In accordance with OMB Circular A-133, also known as the Single Audit Act, a recipient organization has certain responsibilities when it expends more than \$500,000 of Federal funds during its fiscal year. This Circular establishes uniform audit requirements for State and Local governments, Tribes, Non Profit Organizations and Institutions of Higher Education. Additionally, the Circular provides specific policy, procedures and criteria which the awarding agencies, assistance recipients and auditors are required to follow. An electronic copy of OMB Circular A-133 can be found at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>.

In the event your organization has or will expend over \$500,000 during your current fiscal year you must arrange for an independent audit firm to perform the audit. When arranging for this audit service, you must follow applicable procurement standards as prescribed in Title 40 of the Code of Federal Regulations (CFR) Part 30 or Part 31, as applicable. Recipients must ensure that the audit firm hired has the professional qualifications and technical ability to perform an A-133 audit and that the firm has a solid understanding of the services required. This requirement can best be accomplished by ensuring that the proposal for audit services clearly addresses Circular A-133 requirements and provides your organization with an engagement letter establishing the terms of the services which details both your and the firm's respective roles and responsibilities. Additionally, the cost of conducting an OMB Circular A-133 is an allowable charge to Federal awards, unless prohibited by law.

For fiscal periods 2002 through 2007 OMB Circular A-133 specifically states that recipients, within nine months after the end of a recipient's fiscal year or 30 days after receiving the report from the auditor, shall submit a hardcopy of the SF-SAC and a hardcopy of their single Audit Report Package to the:

Federal Audit Clearinghouse
1201 East 10th Street
Jeffersonville, IN 47132

For fiscal periods 2008 and beyond recipients ***MUST*** submit a copy of the SF-SAC and a Single Audit Report package, using the Federal Audit Clearinghouse's Internet Data Entry System. To obtain complete information on how to accomplish the 2008 and beyond Single Audit submissions you will need to visit the Federal Audit Clearinghouse Web site:
<http://harvester.census.gov/fac/>

Finally, recipients are responsible for ensuring that their sub recipients comply with A-133 requirements as applicable. If your organization is subject to the OMB Circular A-133 requirements and fails to comply, EPA may impose sanctions, which may include: 1) Temporarily withholding cash payments pending correction of the deficiency(s); 2) Disallowing all or part of the cost of the activity or action(s) not in compliance; 3) Wholly or partly suspending or terminating the current award(s); and 4) Withholding further awards for the program.

Once the Clearinghouse receives your report and supporting data they will forward any reports that have findings related to EPA assistance agreements to EPA's Office of the Inspector General (OIG). Audit reports requiring administrative actions will be forwarded by the EPA OIG to the EPA program office and/or EPA grants office for resolution.

If you have any questions concerning single audit requirements please contact Elizabeth January at January.Elizabeth@epa.gov or (617) 918-1315. In the future, to reduce administrative costs, we would like to send this reminder notice electronically. To receive future reminder notices electronically please provide your email address to us at OGD_AUDITS@epa.gov

Thank you for your attention to this very important manner.



Jeanne Conklin, Acting Division Director
National Policy, Training and Compliance Division