

Examples of Audit Threshold Calculations for HHS Commercial (For-Profit) Awardees

Example 1: The threshold is met and an audit is required.

	Expended During FY	Amt. Include in Threshold	Included in Audit Scope?
Example 1:		Calculation	
HHS Grant	\$200,000	\$200,000	yes
HHS Cost-reimbursable contract	225,000	225,000	yes
HHS Fixed Price contract	100,000	0	no
Subcontract under HHS Grant	<u>100,000</u>	<u>100,000</u>	yes
	<u>\$625,000</u>	<u>\$525,000</u>	

Example 2: An audit is not required. No HHS grant or subgrant dollars.

	Expended During FY	Amt. Include in Threshold	Included in Audit Scope?
Example 2:		Calculation	
HHS Cost-reimbursable contract	\$350,000	\$350,000	
HHS Fixed Price contract	100,000	0	
Subcontract under HHS contract	<u>200,000</u>	<u>200,000</u>	
	<u>\$650,000</u>	<u>\$550,000</u>	

Example 3: The threshold is not met. No audit is required.

	Expended During FY	Amt. Include in Threshold	Included in Audit Scope?
Example 3:		Calculation	
HHS Grant	\$125,000	\$125,000	
HHS Fixed Price contract	200,000	0	
HHS Cost-reimbursable contract	<u>250,000</u>	<u>250,000</u>	
	<u>\$575,000</u>	<u>\$375,000</u>	

Example 4: The threshold is met and an audit is required.

	Expended During FY	Amt. Include in Threshold	Included in Audit Scope?
Example 4:		Calculation	
HHS Grant	\$75,000	\$75,000	Yes
HHS Cost-reimbursable contract	450,000	450,000	Yes
	<u>\$525,000</u>	<u>\$525,000</u>	

Example 5: The threshold is met and an audit is required.

	Expended During FY	Amt. Include in Threshold	Included in Audit Scope?
Example 5:		Calculation	
HHS Cost-reimbursable contract	\$400,000	\$400,000	Yes
Subgrant under HHS grant	<u>100,000</u>	<u>100,000</u>	Yes
	<u>\$500,000</u>	<u>\$500,000</u>	

Example 6: The threshold is not met. No audit is required.

	Expended During FY	Amt. Include in Threshold	Included in Audit Scope?
Example 6:		Calculation	
HHS Grant	\$325,000	\$325,000	
HHS Cost-reimbursable contract	100,000	100,000	
DOD Cost-reimbursable contract	<u>100,000</u>	<u>0</u>	
	<u>\$525,000</u>	<u>\$425,000</u>	

Example 7: The threshold is met and an audit is required.

	Expended During FY	Amt. Include in Threshold	Included in Audit Scope?
Example 7:		Calculation	
HHS Cost-reimbursable contract	\$450,000	\$450,000	Yes
DOD Cost-reimbursable contract	100,000	0	No
Subgrant under HHS grant	<u>100,000</u>	<u>100,000</u>	Yes
	<u>\$650,000</u>	<u>\$550,000</u>	

Example 8: An audit is not required. No HHS grant or subgrant dollars.

	Expended During FY	Amt. Include in Threshold	Included in Audit Scope?
Example 8:		Calculation	
HHS Cost-reimbursable contract	\$650,000	\$650,000	
Dept of Education grant	<u>100,000</u>	<u>0</u>	
	<u>\$750,000</u>	<u>\$650,000</u>	