

## Single Audits – What Is The Single Audit Award Letter?

### Overview

A “pass through entity” (PTE) such as the Texas Water Development Board (TWDB) must meet certain responsibilities as a result of receiving and then disbursing federal funding to other entities.

One of these requirements is for TWDB (by Financial Compliance) to issue a “Single Audit Award Letter.”

This letter is usually provided soon after closing and funding occurs. It is issued for financial awards derived from a federal source.

The Award Letter provides required background information and selected information on federal requirements such as the CFDA number which further identifies the funding program.

### Guidance

Save the Award Letter in a permanent file and share it with your outside CPA.

Entities that receive federal funds may be subject to certain federal requirements including those cited in Uniform Guidance. See <https://ecfr.io/Title-2/Part-200>

The Single Audit Award Letter represents the initial and official notification by the TWDB to the borrower that Federal funds have been awarded, and that the borrower (the “subrecipient”) now has requirements imposed by federal law and regulations under the Office of Management and Budget (OMB) Uniform Guidance to assure federal funds are used for authorized purposes in compliance with all laws and that federal requirements for a Single Audit have been met. Note that federal requirements are also identified in underlying loan and loan forgiveness documents.

### Important

Recipients of federal funding (i.e. subrecipients) should plan for compliance as required.

### Assistance

Your independent outside CPA is a key resource for assistance. You may also contact Financial Compliance for assistance at [fmfinance@twdb.texas.gov](mailto:fmfinance@twdb.texas.gov) or (512) 463-6775.