

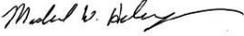
This Compliance Guidance Letter (CGL) is intended as internal guidance for FAA staff. This CGL does not constitute final agency policy or regulation and is not legally binding in its own right. Use of this guidance outside of the Office of Airports is strictly for informational purposes and no FAA decisions will be made based solely upon the guidance itself. Decisions regarding this guidance will only be made by FAA staff and the specific factual situations being assessed using this guidance.



Federal Aviation Administration

Date: March 4, 2026

To: Financial Compliance Division, (ACO-200)
Airport Improvement Program Finance Branch (APP-530)
Regional Airports Division Directors
Regional Compliance Specialists

 Digitally signed by MICHAEL W HELVEY
Date: 2026.03.04 07:50:05 -05'00'

From: Michael Helvey, Director, Office of Airport Compliance, ACO-1

Subject: **Compliance Guidance Letter 2026-01, Single Audit Program**

I. Purpose.

This Compliance Guidance Letter (CGL) clarifies the Airports Financial Compliance Division (ACO-200) and the Office of Airports Airport Improvement Program Finance Branch's (APP-530) responsibilities for the Single Audit Program, including:

- Sponsor notification,¹
- Revenue diversion,
- Audit certification, and
- 2 CFR Part 200, Subpart F, and Appendix XI.

¹ The single audit report's auditee name identified in the Federal Audit Clearinghouse (FAC) site will be referred to as "sponsor" in this document.

The guidance also outlines when ACO-200 and APP-530 will share information and coordinate with the Regional Offices (Region) and Airports District Offices (ADO) on the Single Audit Program.

II. Responsibilities.

a. Airport Financial Compliance Division (ACO-200).

- Administers the Single Audit Program for all funding related to the FAA Office of Airports Grant Programs.^{2,3}
- Provides guidance to the Region/ADOs on 2 CFR Part 200, Subpart F, and Appendix XI.
- Provides the Office of Management and Budget (OMB) annual updates to the compliance supplement and works with OMB to ensure that the compliance supplement focuses the auditor on compliance requirements most likely to cause improper payments, fraud, waste, and abuse, or generate audit findings for which the FAA will take sanctions.
- Monitors the sponsor's compliance with the single audit requirement prescribed in 2 CFR § 200.501. Failure to comply with these requirements can result in the withholding of future FAA grant awards and further payments under existing FAA grants as prescribed in 2 CFR § 200.339.
 - Follows up with sponsors that do not complete a single audit report and/or submit it in the Federal Audit Clearinghouse (FAC).
 - Coordinates with APP-500; FAA Office of the Chief Counsel, Airport Law Branch (AGC-610); and the appropriate Region/ADO if the sponsor is noncompliant with the single audit requirements for enforcement action in accordance with 49 U.S.C. § 47111(d).
- Ensures that the single audit report provides an auditor's opinion concerning the sponsor's use of airport revenue and taxes and indicates whether funds paid or transferred to the airport owner or operator are paid or transferred in a manner consistent with the sponsor's Federal financial assistance obligations under 49 U.S.C. § 47107, FAA Order 5190.6, *Airport Compliance Manual*, and the FAA's *Policy and Procedures Concerning the Use of Airport Revenue* and any other applicable FAA requirements.

² [2 CFR Part 200 Subpart F - Audit Requirements.](#)

³ [2 CFR Part 200, Appendix XI - Compliance Supplement.](#)

- Follows up on audit findings submitted in the FAC to ensure that the sponsor takes appropriate and timely corrective action.
 - As part of an audit follow-up, ACO-200 must:
 - Issue a management decision within 180 days of the single audit report's acceptance in the FAC as prescribed in 2 CFR § 200.521:
 - Use cooperative audit resolution⁴ mechanisms to improve all related FAA funding outcomes through better audit resolution, follow-up, and corrective action.
 - Develop a baseline, metrics, and targets to track, over time, the effectiveness of the Agency's process to follow up on audit findings.
 - As part of an audit follow-up where the sponsor acts as the pass-through entity,⁵ ACO-200 must coordinate with the sponsor to:
 - Ensure audit findings are resolved; and,
 - Obtain a copy of the management decision issued by the sponsor and/or documentation to support the resolution of the findings.
- Maintain and update an internal single audit report tracker.
- Share corrective action plans and management decisions for single audit findings in electronic format with the Region/ADOs. Share management decisions with APP-530 for sponsors that are in noncompliance with the single audit requirements.
- Ensure the sponsor is taking appropriate and timely corrective action, including resolving findings of revenue diversion, and any funds recovered are received within 180 days after acceptance of the single audit report in the FAC.⁶

⁴ Cooperative audit resolution is the use of audit follow-up techniques that promote prompt corrective action by improving communication, fostering collaboration, promoting trust, and developing an understanding between FAA and the sponsor.

⁵ Pass-through entity means a recipient or subrecipient that provides a subaward to a subrecipient (including lower tier subrecipients) to carry out part of a federal program. The authority of the pass-through entity under this part flows through the subaward agreement between the pass-through entity and subrecipient (see 2 CFR § 200.1). An example of this is the State Block Grant Program.

⁶ See FAA Order 5190.6, Paragraph 2.9(c), the FAA's *Policy and Procedures Concerning the Use of Airport Revenue* and 49 U.S.C. § 47111(e) for information concerning enforcement action pertaining to unlawful revenue diversion.

- For sponsors that are not in compliance with the single audit requirements - have not taken appropriate and timely corrective action or have not resolved findings of revenue diversion - coordinate with APP-530 on enforcement actions in accordance with 49 U.S.C. §§ 47107(m) and 47111(d)(e). This coordination includes reminding sponsors of appropriate actions to take for single audit reports that were submitted late or were not submitted in the FAC.
- Respond to United States Department of Transportation (DOT) Office of Inspector General (OIG) inquiries on single audit findings related to FAA grants.
- Serve as a single audit liaison for the DOT on FAA findings and provide updates on OIG single audit finding inquiries through the DOT-OIG Single Audit Memo (SAM) site.⁷
- When requested, provide single audit training to FAA personnel who work on airport grant programs.
- Maintain all closeout documentation on a mutually accessible shared drive or database. The retention period for OIG inquired single audit findings is three years, per 2 CFR § 200.344.
 - For findings with questioned costs, the three-year period begins when OIG confirms the finding is closed.
 - For findings with no questioned costs, the three-year period begins once the closure package is uploaded in the SAM site and ACO-200 marks the finding as closed.

b. Airport Improvement Program Finance Branch (APP-530).

- Ensure that sponsors who expend \$1,000,000 or more in total federal funds (*i.e.*, FAA grants and/or other federal grants) in a fiscal year complete an annual audit in accordance with the Single Audit Act of 1984 (as amended) and 2 CFR Part 200, Subpart F.⁸ Unless an extension is granted to the sponsor by the cognizant agency or oversight agency, audit submissions are due within the earlier of:
 - 30 calendar days after the sponsor receives the audit report, or
 - Nine months after the end of the sponsor's audit period.

⁷ The DOT-OIG SAM site is accessible to specific users granted access by the DOT.

⁸ If the grant was issued prior to October 1, 2024, the threshold will remain at \$750,000 as per the executed grant agreement.

- Notify and remind sponsors of their single audit requirement as prescribed in 2 CFR §§ 200.508 - 200.512. This reminder should instruct sponsors to notify the auditor to review and provide an opinion concerning the use of airport revenue and taxes in accordance with Grant Assurance 25(b).
- Using the APP sponsor list, verify audits are completed and received in a timely manner in the FAC.
- Provide the Region/ADOs with the status of sponsors' report submissions.
- Provide ACO-200 and the Region/ADOs with a list of sponsors that did not submit a single audit report in the FAC.
- Coordinate with ACO-200 on enforcement actions in accordance with 49 U.S.C. §§ 47107(m) and 47111(d)(e) for sponsors that are not in compliance with the single audit requirements. This coordination includes reminding sponsors of appropriate actions to take for single audit reports that were submitted late or were not submitted in the FAC.
- Maintain and update per section 5-66, *Audit Requirements*, of FAA Order 5100.38, *Airport Improvement Program Handbook*.

III. Single Audit Process.

a. ACO-200 Single Audit Reports.

A. Track.

At least once a month, ACO-200 will download the single audit reports from the FAC that contain findings pertaining to the catalog for federal domestic assistance for all FAA awards, to include, but not limited to the following grant programs: AIP, COVID-19 related airport funding programs, and the Infrastructure Investment and Jobs Act (IIJA). ACO-200 will also obtain the single audit reports and contacts' information from the FAC. ACO-200 will input, at a minimum, the following information in the single audit report tracker:

- Single audit report(s) information: finding(s), proposed corrective action(s), and corrective action due date(s).
- Single audit report sponsor's information: name, e-mail address, and telephone number.
- Internal notes and status(es).

After the above information is inputted into the tracker, maintained on a mutually accessible shared drive or database, ACO-200 sends an initial notification email to the sponsor, copying the applicable Region/ADO. The email will inform the sponsor of the findings and corrective action plans associated with any FAA related funding on a grant

and request an update on the implementation status of the corrective action plan and supporting documentation (see Appendix A for Initial Notification Template).

ACO-200 will update the tracker with internal notes and statuses based on responses received from the sponsor.

B. Resolve.

ACO-200 will examine and assess the corrective action plans implemented by the sponsor to ensure they address the findings highlighted in the single audit report. ACO-200 will coordinate with and assist the applicable Region/ADO with sponsors that are not compliant with single audit requirements on an as-needed basis. ACO-200 will provide technical advice and assistance to sponsors and auditors, collaborate with the sponsor to ensure all necessary supporting documentation is received in order to issue a management decision,⁹ and copy the Region/ADO in these communications. For findings where costs are being questioned, the sponsor must provide ACO-200 with proof of repayment to FAA or cash investment in the airport, airport owned facility, or another eligible grant project within 180 days after acceptance of the single audit report in the FAC.

If the sponsor is unresponsive to emails or does not resolve or attempt to remedy its questioned costs, ACO-200 will coordinate with APP-500 and AGC-610 for consideration of enforcement action. ACO-200 will keep the applicable Region/ADO informed of any proposed or actual enforcement action.

C. Closeout.

Prepare a closeout package once all findings related to all related grants are resolved and corrective action plans have been fully implemented, with supporting documentation provided to ACO-200. The closeout package should contain the following documents:

- Written update on the corrective action plan implementation,
- Documents supporting the corrective action plan implementation,
- Documents supporting repayment or reinvestment of questioned costs (if applicable), and
- Management decision.

⁹ Management decisions are issued by ACO-200 if the FAA is the awarding federal agency. Sponsors that act as pass-through entities are responsible for issuing management decisions, and ACO-200 will coordinate with the sponsor to obtain supporting documentation that the audit finding has been resolved.

ACO-200 will issue the management decision(s) to the sponsor within 180 days of the single audit report's acceptance in the FAC and copy the applicable Region/ADO. The management decision (see Appendix B for Management Decision template) must clearly state whether the audit finding is sustained, the reasons for the decision, and the expected sponsor action to repay disallowed costs, make financial adjustments, or take other action. There are situations where the sponsor can request more than six months to resolve and close out a finding. If the corrective action cannot be completed in six months, the management decision will provide a timetable to establish a follow-up plan with the sponsor.

Prior to issuing the management decision, ACO-200 may request additional information or documentation from the sponsor, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs. The management decision should describe any appeal process available to the sponsor.

D. Monitor.

ACO-200 will monitor closed audit findings for reoccurrence, such as identifying new findings in the single audit report that were the same as the prior year's findings.

E. Maintain Documentation.

ACO-200 will save the closeout package in individual single audit report folders on a mutually accessible shared drive or database or system [e.g., the System of Airport Reporting (SOAR)]. The initial notification and management decision letters will be saved in an electronic format for APP and the Region/ADO to access.

b. DOT-OIG Inquiry of Single Audit Report Finding.

A. Track.

Upon receipt of a DOT-OIG inquiry finding, ACO-200 will download the relevant single audit report and the sponsor's contact information from the FAC. ACO-200 will monitor single audit findings related to FAA grants and maintain documentation of evidence that proves the implementation of corrective action plans corresponding to these findings.

B. Resolve.

ACO-200 will coordinate with the sponsor to ensure the corrective action plan has been implemented to resolve and close the findings highlighted in the summary report and copy the applicable Region/ADO. ACO-200 will update the status of each audit finding by the 25th of each month and provide justification for the revised Target Action Date (TAD) in the notes field in the SAM site.

C. Closeout.

ACO-200 will prepare a closeout package once all findings related to FAA grants are resolved and corrective action plans have been fully implemented, with supporting documentation provided to ACO-200. The singular PDF closeout package request per finding for cases inquired by OIG should contain the following:

- Completed “OST- SAM Closeout Form” that briefly describes what corrective actions were taken to resolve the finding (see Appendix C for OST - SAM Closeout Form template).
- DOT corrective action plan and copy of related SAM summary report pages.
- Copy of the management decision letter.
- Copy of relevant pages from the single audit report outlining the corrective action plan.
- Copies of supporting documentation showing that corrective actions were taken to address the findings.
- For question cost findings, a copy of checks or screenshots of the financial system confirming received funds.

ACO-200 will input closeout forms and supporting documents into the SAM tracking system upon completion of the review.

D. Monitor.

ACO-200 will monitor the closed audit findings for reoccurrence.

E. Maintain Documentation.

ACO-200 will maintain all resolution and closeout forms and supporting documentation in the shared drive.

Appendix A: Initial Notification Template

Auditee Name - Initial Notification Letter

Dear Auditee Contact Name, Auditee Email

RESPONSE DUE WITHIN 30 DAYS

As you are aware, the Auditee Name, Auditee City, Auditee State, Single Audit Report period ending Fiscal Year End Date identified a (material finding or significant deficiency) under the review of "Schedule of Findings and Questioned Costs".

Auditor finding reference number:

Finding Reference Number XX:

Finding text

Questioned Costs: XX

Corrective Action Plan:

Finding Reference Number XX:

Corrective Action Plan text

Anticipated Completion Date: MM DD, YYYY

At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.

Please confirm what steps, along with supporting documentation and written statements that corrective action for the aforementioned finding(s) have been fully implemented. In order for the finding to be closed, it must adequately address the finding and be fully implemented.

The FAA will evaluate your response to the findings and determine whether we consider the matter closed. If the corrective measure has not been implemented, please provide an anticipated date of completion. The Failure to respond to this request may result in actions against your Airport Improvement Program Grants under Remedies for Non-Compliance (§ 200.339), Specific Conditions (§ 200.208), or a Notice of Investigation by the Office of Airport Compliance and Management Analysis.

We request a status update on the corrective action measures within 30 days.

cc: Applicable Region/ADO Manager(s)

Appendix B: Management Decision Template

Auditee Name - Management Decision

MM DD, YYYY

Dear Auditee Contact Name, Auditee Email

Re: FAA Management Decision on the Auditee Name, Auditee City, Auditee State, Single Audit Report period ending Fiscal Year End Date

This email is in response to the receipt of your corrective action plan for the Auditee Name, Auditee State Single Audit. The findings identified in the report are as follows:

Auditor finding reference number:

Finding Reference Number XX:

Finding text

Questioned Costs: XX

Corrective Action Plan:

Finding Reference Number XX:

Corrective Action Plan text

Anticipated Completion Date: MM DD, YYYY

Corrective Action Plan Update:

Finding Reference Number XX:

Corrective Action Plan update text

A copy of XXX was provided to the FAA.

FAA Conclusion:

We have reviewed the responses along with supporting documents from the Auditee Name, Auditee State. We determined these supporting documents are adequate to address the CPA's finding. No further action is needed.

The close out package will be submitted to the Office of Inspector General (OIG). The corrective action plan is subject to audit by the OIG every three (3) years, at which time additional documentation may be requested.

If you have any questions regarding this determination, please contact our office at (XXX) XXX-XXX.

Sincerely,

Division Manager Name

Division Manager, Financial Compliance

Office of Airports Compliance and Management Analysis

Federal Aviation Administration

cc: Applicable Region/ADO Manager(s)

Appendix C: OST- SAM Closeout Form Template

CERTIFIED MANAGEMENT CLOSURE FORM

OIG Single Audit Memo (SAM) Findings

One PDF closure package request per finding

SAM Date: <i>Insert Date</i>	SAM Number: <i>Insert #</i>	OA:	SAL Contact:
Non-Federal Entity, Audited FY End Date:			Total # of Findings: <i>Insert #</i>
*Designated Official:		Title/Office:	

*The Designated Official must not be the Single Audit Liaison. Digital signatures are permitted.

I have reviewed the contents of this closure package and certify that all actions are complete and consider the finding closed.

Designated Official's Signature

Signature Date

SUPPORTING DOCUMENTATION ENCLOSED: *(in order)*

- Finding exhibit page from the SAM summary report.
- OA Management Decision Letter.
- Applicable pages from original single audit report outlining corrective action plan and/or stating findings are addressed.
- Supporting documentation showing that corrective actions were taken to address the findings.
 - For questioned cost findings, include copy of check(s) of financial system confirming received funds.

SAM Finding	Management Decision	Questioned Costs <i>Amount indicated in SAM Report</i>	Amount and Date Recovered	Brief Description of Action Taken
	<input type="checkbox"/> Concur with the finding. <input type="checkbox"/> Non-concur with the finding.	\$ N/A (N/A if procedural)	\$ N/A (N/A if procedural) Date: <i>Insert Date</i>	

Final action should be completed within six months from the date of SAM report issuance, and delays should be justified and documented in the SAM Tracker. Maintenance of written documentation of corrective action taken or supporting rationale why no corrective action is necessary is required. There may be cases where grantees initiate payment plans beyond the 6-month timeframe. In such cases, update notes should be maintained in the SAM Tracker.

Revised November 2024