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| Sec.  |   |
| 7506. | Monitoring responsibilities of the Comptroller General. |
| 7507. | Effective date.   |

## AMENDMENTS

1996—Pub. L. 104-156, §2, July 5, 1996, 110 Stat. 1396, amended chapter analysis generally, substituting in item 7504 “Federal agency responsibilities and relations with non-Federal entities” for “Cognizant agency responsibilities” and in item 7507 “Effective date” for “Effective date; report”.

## § 7501. Definitions

(a) As used in this chapter, the term—

(1) “Comptroller General” means the Comptroller General of the United States;

(2) “Director” means the Director of the Office of Management and Budget;

(3) “Federal agency” has the same meaning as the term “agency” in section 551(1) of title 5;

(4) “Federal awards” means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities;

(5) “Federal financial assistance” means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance, but does not include amounts received as reimbursement for services rendered to individuals in accordance with guidance issued by the Director;

(6) “Federal program” means all Federal awards to a non-Federal entity assigned a single number in the Catalog of Federal Domestic Assistance or encompassed in a group of numbers or other category as defined by the Director;

(7) “generally accepted government auditing standards” means the government auditing standards issued by the Comptroller General;

(8) “independent auditor” means—

(A) an external State or local government auditor who meets the independence standards included in generally accepted government auditing standards; or

(B) a public accountant who meets such independence standards;

(9) “Indian tribe” means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

(10) “internal controls” means a process, effected by an entity’s management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

(A) Effectiveness and efficiency of operations.<sup>1</sup>

(B) Reliability of financial reporting.<sup>1</sup>

(C) Compliance with applicable laws and regulations;

(11) “local government” means any unit of local government within a State, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, any other instrumentality of local government and, in accordance with guidelines issued by the Director, a group of local governments;

(12) “major program” means a Federal program identified in accordance with risk-based criteria prescribed by the Director under this chapter, subject to the limitations described under subsection (b);

(13) “non-Federal entity” means a State, local government, or nonprofit organization;

(14) “nonprofit organization” means any corporation, trust, association, cooperative, or other organization that—

(A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

(B) is not organized primarily for profit; and

(C) uses net proceeds to maintain, improve, or expand the operations of the organization;

(15) “pass-through entity” means a non-Federal entity that provides Federal awards to a subrecipient to carry out a Federal program;

(16) “program-specific audit” means an audit of one Federal program;

(17) “recipient” means a non-Federal entity that receives awards directly from a Federal agency to carry out a Federal program;

(18) “single audit” means an audit, as described under section 7502(d), of a non-Federal entity that includes the entity’s financial statements and Federal awards;

(19) “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian tribe; and

(20) “subrecipient” means a non-Federal entity that receives Federal awards through another non-Federal entity to carry out a Federal program, but does not include an individual who receives financial assistance through such awards.

(b) In prescribing risk-based program selection criteria for major programs, the Director shall not require more programs to be identified as major for a particular non-Federal entity, except as prescribed under subsection (c) or as provided under subsection (d), than would be identified if the major programs were defined as any program for which total expenditures of Federal awards by the non-Federal entity during the applicable year exceed—

(1) the larger of \$30,000,000 or 0.15 percent of the non-Federal entity’s total Federal expenditures, in the case of a non-Federal entity for

<sup>1</sup> So in original.