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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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July 15, 2003

DEPUTY DIRECTOR
FOR MANAGEMENT

M-03-16

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Clay Johnson III

SUBJECT: OMB Issues Grants Management Policies

The purpose of this memorandum is to announce the issuance of several grants management policies as described below. Each final policy notice is available on OMB's website at www.whitehouse.gov/omb/grants/grants_docs.html.

- Revision to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," was published on June 27, 2003 [68 FR 38401]. The revision increases the threshold for audit from \$300,000 to \$500,000 per year; increases the threshold for cognizant agency for audit from \$25 million to \$50 million; and makes related technical changes.
- New policy requiring agencies to use a standard format for announcing Federal funding opportunities was published on June 23, 2003 [68 FR 37370]. This policy becomes effective on July 23, 2003, thirty days from the publication date. All implementing actions other than regulatory revisions must be completed by Executive departments and agencies within 3 months of the effective date. Regulatory revisions must be completed within 12 months.
- New policy requiring use of a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for Federal grants or cooperative agreements was published on June 27, 2003 [68 FR 38402]. This policy becomes effective on July 27, 2003, thirty days from the publication date, and requires use of a DUNS number on any application for Federal grants or cooperative agreements beginning October 1, 2003.

These policies are the first of many improvements resulting from a government-wide initiative to simplify and streamline the Federal grant-making processes, as mandated by the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107). This effort provides tangible support for the President's Management Agenda, which calls for measurable results that matter in the lives of the American people. These policies reduce audit burden on grantees and make it easier to obtain information about that portion of the Federal budget (nearly one-sixth) provided to American citizens through grants and other cooperative agreements.

Questions regarding these policies should be directed to Joseph L. Kull, Deputy Controller, at 202-395-3993.