

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Dear [Contact Name],

In connection with our audit of the financial statements of [Entity Name] for the year ended [Year End Date], we are writing to communicate our determination of major programs to be audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Based on our risk assessment and the threshold calculated from the Schedule of Expenditures of Federal Awards (SEFA), the following programs have been identified as major programs for the current audit cycle:

Federal Program Name AL Number (formerly CFDA)

[Program Name 1] [00.000]

[Program Name 2] [00.000]

Our determination was based on the following criteria as prescribed by the Uniform Guidance:

- The Type A/Type B program threshold was established at \$[Dollar Amount].
- Identification of Type A programs (programs exceeding the threshold).
- Risk assessment of Type A programs (determination of Low Risk vs. High Risk).
- Risk assessment of Type B programs, where applicable.
- Compliance with the percentage of coverage rule (minimum 40% of total federal expenditures, or 20% for low-risk auditees).

Please ensure that all records, including underlying documentation for compliance requirements (Activities Allowed, Allowable Costs, Cash Management, Eligibility, etc.), are available for these specific programs.

If there are any changes to the SEFA or additional federal funding received before the conclusion of our fieldwork, these determinations may be subject to change.

Sincerely,

[Engagement Partner Name]

[Audit Firm Name]