

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND
REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION
WASHINGTON, D.C. 20202

INFORMATION MEMORANDUM
RSA-IM-91-30
RSM-1050 1/
DATE: August 13, 1991

ADDRESSEES: STATE VOCATIONAL REHABILITATION AGENCIES (GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
CLIENT ASSISTANCE PROGRAMS
RSA DISCRETIONARY GRANTEES
RSA SENIOR MANAGEMENT TEAM

SUBJECT : OMB CIRCULAR NO. A-133, AUDITS OF INSTITUTIONS OF
HIGHER EDUCATION AND OTHER NONPROFIT INSTITUTIONS:
AUDIT COVERAGE OF RSA PROGRAMS

Circular A-133 establishes a single audit requirement for institutions of higher education and other nonprofit institutions which are recipients or sub-recipients of Federal awards. Consistent with the Rehabilitation Act of 1973, as amended, and pertinent to the audit coverage of nonprofit institutions receiving vocational rehabilitation program funds, the definitions of recipient and sub-recipient are as follows:

- 1) **RSA Recipient**: Under Circular A-133, a recipient is a nonprofit institution that receives an award of financial assistance directly from a Federal agency. Rehabilitation Act recipients under Circular A-133 would include nonprofit institutions that receive Client Assistance Program funds and nonprofit institutions that are RSA discretionary grantees.
- 2) **RSA Sub-recipient**: Under Circular A-133, a sub-recipient is a nonprofit institution that receives an award of financial assistance indirectly through a recipient. Rehabilitation Act sub-recipients include nonprofit institutions that receive a Section 705(a)(9) grant from a State vocational rehabilitation agency to provide independent living services under the State plan approved under Section 705 of the Act and nonprofit institutions that receive funds from a State vocational rehabilitation agency in accordance with Section 103(b)(2) to construct or establish rehabilitation facilities.

1/ Under Development

The specific requirements and responsibilities for nonprofit institutions that are recipients and sub-recipients are contained in the Attachment to the Circular (See attached).

The provisions of Circular A-133 apply to audits of institutions of higher education and other nonprofit institutions for fiscal years that begin on or after January 1, 1990.

The Circular does not apply to a nonprofit institution in its capacity as a provider of services for individual clients or groups of clients pursuant to procurement contracts made by a State vocational rehabilitation agency. In this instance, audit coverage is under OMB Circular No. A-128, Audits of State and Local Governments.

INQUIRIES: Regional Commissioners

Commissioner
Rehabilitation Services
Administration

Attachment