

Nonprofit Notes

NJ Treasury Changes Affecting Recipients of Federal and State Grants

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Not-for-profit organizations with fiscal years ending on or after September 30, 2025, that receive federal and/or New Jersey State funds should be aware of new reporting changes that may impact them.

Summary of Changes for Grant Recipients

There were substantial changes made to the federal Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200) for Federal Financial Assistance ("Single Audit") in April 2024, which applies to grants commencing on or after October 1, 2024. Read more in our previous article, [Update on OMB's Major Revisions to Uniform Guidance](#). One of the more notable changes was the increase in the audit requirement threshold for recipients of federal awards, from \$750,000 to \$1,000,000.

In response to the above, New Jersey issued Circular 25-12-OMB in June 2025, which replaced Circular 15-08-OMB and applies to projects beginning on or after October 1, 2024. The new Circular includes the following revisions:

- The new Single Audit threshold applies to recipients expending either federal funds or New Jersey State (State) funds of \$1,000,000 or more during the fiscal year.
- Additional language which clarifies and outlines State cognizant responsibilities. This is usually a department or agency within New Jersey which has oversight and responsibility to ensure the timeliness and compliance of recipients receiving federal or State funds.
- For those recipients that expend **less** than \$1,000,000 but more than \$350,000 in federal or State funds there are two options available. The financial statement audit may be performed in accordance with *Government Auditing Standards* or, as a second option, the auditor may perform a program-specific audit.

Standards for Federal and State Audits

Auditors still are required to use a risk-based approach when performing federal or State Single Audits. In addition, under State Single Audit guidelines, there is a requirement to present a separate *Schedule of Expenditures of State Financial Assistance* for each State grant. The schedule must include the following:

- State Grantor Department
- Program Title/Name
- State Grant Award Number or Account Number
- Grant Award Period
- Fiscal Year Grant Expenditures
- Total Grant Expenditures to Date

Filing Deadlines Remain the Same

The due date remains the same, with audit reports due nine months after the end of the fiscal period. Accordingly, if an organization has a December 31 year-end, the due date is September 30. If the year-end is June 30, the due date is March 31.

Contact Us

Our [Not-for-Profit Services](#) team can help guide you through the new audit thresholds and reporting. If you have any questions, please contact your PKF O'Connor Davies client service team or:

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