

Materiality Threshold Determination Worksheet

Entity Name:

Enter entity name

Period:

e.g. FY2024

Date Prepared:

YYYY-MM-DD

Prepared By:

Name/Title

1. Relevant Financial Data

Description	Current Year Amount	Basis for Selection
Total Assets		Yes
Total Revenue		Yes
Net Income		Yes
Other (specify)		Yes

2. Basis of Materiality Determination

Select basis and provide justification for choice:

E.g. 1% of total revenue selected due to operational scale and industry practice...

3. Calculation of Materiality Threshold

Selected Basis	Percentage/Rule Applied	Materiality Threshold
e.g. Total Revenue	e.g. 1%	

4. Qualitative Considerations

Describe any qualitative factors considered (e.g. regulatory, stakeholder sensitivity, fraud risk):

5. Conclusion and Approvals

Final materiality threshold and rationale:

Prepared By

Date

Reviewed/Approved By

Date

	YYYY-MM-DD		YYYY-MM-DD
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Important Notes

- This worksheet should be updated annually or whenever significant changes in operations occur.
- Materiality thresholds must consider both quantitative and qualitative factors.
- Documenting justification for basis selection is critical for defensibility in audits.
- Final determination should be reviewed and approved by authorized personnel.