

USDA – Single Audit

Implementation of 2 CFR Part 200
Uniform Administrative Requirements, Cost
Principles and Audit Requirements for
Federal Awards

Overview

- Implementation of 2 CFR Part 200
- Food and Nutrition Service (FNS) programs
- Rural Development (RD) Programs
- Single Audit – Audit Resolution Process

United States Department of Agriculture

Changes to existing Program Regulations

- The following USDA agencies have adopted 2 CFR Part 200 through publication of 2 CFR Part 400.
 - Farm Service Agency (FSA)
 - Commodity Credit Conservation (CCC)
 - National Institute of Food and Agriculture (NIFA)
Previously CSREES (Cooperative State Research, Education, and Extension Service)
 - Rural Housing Service (RHS)
 - Rural Business – Cooperative Service (RBS or RBCS)
 - Rural Utility Service (RUS)

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Changes to Program Regulations

- To address the conflict of interest requirement in 2 CFR 200.112, USDA published 2 CFR 400.2
- 2 CFR 400.2 requires that non-Federal entities must disclose in writing any potential conflicts of interest to the USDA awarding agency or pass-through entity.
 - The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees in the selection, award and administration of Federal awards.
 - If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest.

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Changes to Program Regulations

- 2 CFR 415.2 requires⁺ that recipients have an acknowledgement of USDA awarding agency support placed on any publication written or published with grant support.* Similarly, it requires that recipients have an acknowledgement of USDA awarding agency support on any audiovisual which is produced with grant support and had a direct production cost to the recipient of over \$5,000.**

+ USDA may waive this requirement.

* There are additional requirements, please refer to regulation for specifics

** There are additional limitations as to when this applies, please refer to regulations for specifics.

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Changes to Program Regulations

- 2 CFR 416.1 seeks to ensure objective contractor performance and eliminate unfair competitive advantage, by excluding a prospective contractor that develops or drafts specifications, requirements, statements of work, invitations for bids, request for proposals, contract term and conditions or other documents for use by a State in conducting a procurement under the USDA entitlement programs specified in 2 CFR 200.101(e)(4) through (6) from competing for such procurements. Such prospective contractors are ineligible for contract awards resulting from such procurements regardless of the procurement method used.

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Changes to Program Regulations

- New Restrictions on Lobbying previously in 7 CFR Part 3018 was moved to 2 CFR Part 418
- Research Institutions Conducting USDA-Funded Extramural Research; Research Misconduct previously in 7 CFR 3022 was moved to 2 CFR Part 422

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Changes to Program Regulations

- The implementation of 2 CFR Part 400 resulted in the removal of the following regulations
 - 7 CFR 3015 Uniform Federal Assistance Regulations
 - 7 CFR 3016 Uniform Administrative Requirements for Grants & Cooperative Agreements to State & Local Gov'ts
 - 7 CFR 3019 Uniform Administrative Requirements for Grants & Agreements with Institutions of Higher Education, Hospitals, & other Non-Profit Organizations
 - 7 CFR 3052 Audits of States, Local Gov'ts, and Non-Profit Organizations

As noted earlier 7 CFR 3018 and 7 CFR 3022 were also removed and replaced by other regulations.

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Additional resources for recipients/auditors of NIFA awards

- <http://nifa.usda.gov/policy-guide>
- <http://nifa.usda.gov/acknowledgment-usda-support-nifa>
- <http://nifa.usda.gov/federal-regulations>
- <http://nifa.usda.gov/ogfm-issued-correspondence>
- <http://nifa.usda.gov/terms-and-conditions>
- <http://nifa.usda.gov/indirect-costs>

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- The following agencies* have not yet revised their regulations to adopt the new Uniform Guidance – as such, program requirements/audit requirements will be addressed on a case-by-case basis
 - Agricultural Research Service (ARS)
 - Food and Nutrition Service (FNS)
 - Natural Resources Conservation Service (NRCS)

* There are other agencies that have not yet updated their regulations/policies/procedures . These too will need to be addressed on a case by case basis.

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Food and Nutrition Service

- For fiscal year 2015 – the new Uniform Guidance will not apply to FNS' entitlement, mandatory, and repeating discretionary grants.
- For fiscal year 2015 – the new Uniform Guidance rules do apply to new, non-repeating FNS' discretionary grants.
- When in doubt – contact the National Single Auditor Coordinator for USDA (who will put you in contact with the appropriate FNS official).

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Food and Nutrition Service

New Uniform Guidance DOES NOT apply for FY 2015

- FNS Entitlement and Mandatory Grants
 - 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
 - 10.578 WIC Grants To States (WGS)
 - 10.551/10.561 SNAP Cluster
 - 10.555/10.553/10.556 /10.559 Child Nutrition Cluster
 - 10.558 Child and Adult Care Food Program

United States Department of Agriculture Food and Nutrition Service

New Uniform Guidance DOES NOT apply for FY 2015

- FNS Repeating Discretionary Grants
 - 10.579 Administrative Review and Training Grants and Direct Certification Improvement Grants
 - 10.580 SNAP Process and Technology Improvement Grants

United States Department of Agriculture Food and Nutrition Service

New Uniform Guidance DOES apply for FY 2015

- Non-Repeating Discretionary Grants
 - 10.547 Professional Standards Training Grants
 - 10.546 SNAP Recipient Integrity Information Technology Grants
 - 10.545 Farmer's Market SNAP Support Grant

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Food and Nutrition Service

- Differences between FNS Regulations and Uniform Grant Guidance
 - 7 CFR Appendix A to Part 277 Principles for Determining Costs Applicable to Administration of the Food Stamp Program by State Agencies has not been updated
 - For grants where this guidance is applicable, the new Uniform Guidance takes precedence over the Appendix.*

*Although most 10.561 (SNAP ADMIN) awards were made by FNS on October 1, 2014, and therefore will NOT be subject to the new Uniform Guidance, some States will have already implemented the New Uniform Guidance for cost allocation plans., so the new Uniform Guidance will apply FNS may issue additional guidance to clarify the transition from old guidance to new Uniform Guidance.

United States Department of Agriculture Food and Nutrition Service

FNS and Subrecipient Monitoring

- No specific guidance has yet been provided
- New grant agreement terms and conditions include the following. The RECIPIENT will ensure that subrecipients are in compliance with applicable Federal administrative requirement and cost principles. No funds shall be provided to an eligible collaborator or contractor before such an agreement is signed by all parties.

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Rural Development

- Rural Development (RD) which is comprised of Rural Housing Service (RHS), Rural Business-Cooperative Service (RBS or RBCS) and Rural Utilities Service (RUS) implemented the Uniform Grant Guidance through 2 CFR Part 400.

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Rural Development

- There are no known discrepancies between the new Uniform Guidance and RD program regulations.
 - If you identify differences, please notify the National Single Audit Coordinator.
- RD has not published anything specific regarding subrecipient monitoring.

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Single Audit Process

- USDA's single audit process is decentralized.
 - USDA OIG has a National Single Auditor Coordinator who is responsible for
 - Conducting desk reviews and quality control reviews of single audits submitted to the Federal Audit Clearinghouse
 - Providing technical assistance to auditees and auditors
 - USDA Program Officials
 - Each agency (FNS, RD, NRCS, FSA, etc) is responsible for the resolution of audit findings affecting their programs

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Single Audit Process - FNS

- Audit Resolution occurs at the State or Regional Office.
- Common Issues
 - Federal Awarding Agency has not issued management decisions on findings that affect multiple agencies.

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Single Audit Process - RD

- Audit is retrieved by Financial Management Division (FMD)
- FMD reviews the report to determine whether there findings related to RD programs and refers findings to the appropriate Program Office (usually at the State level)
- Program Office works with auditee to resolve finding
- Program Office notifies FMD of resolution.

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That's all Folks!