



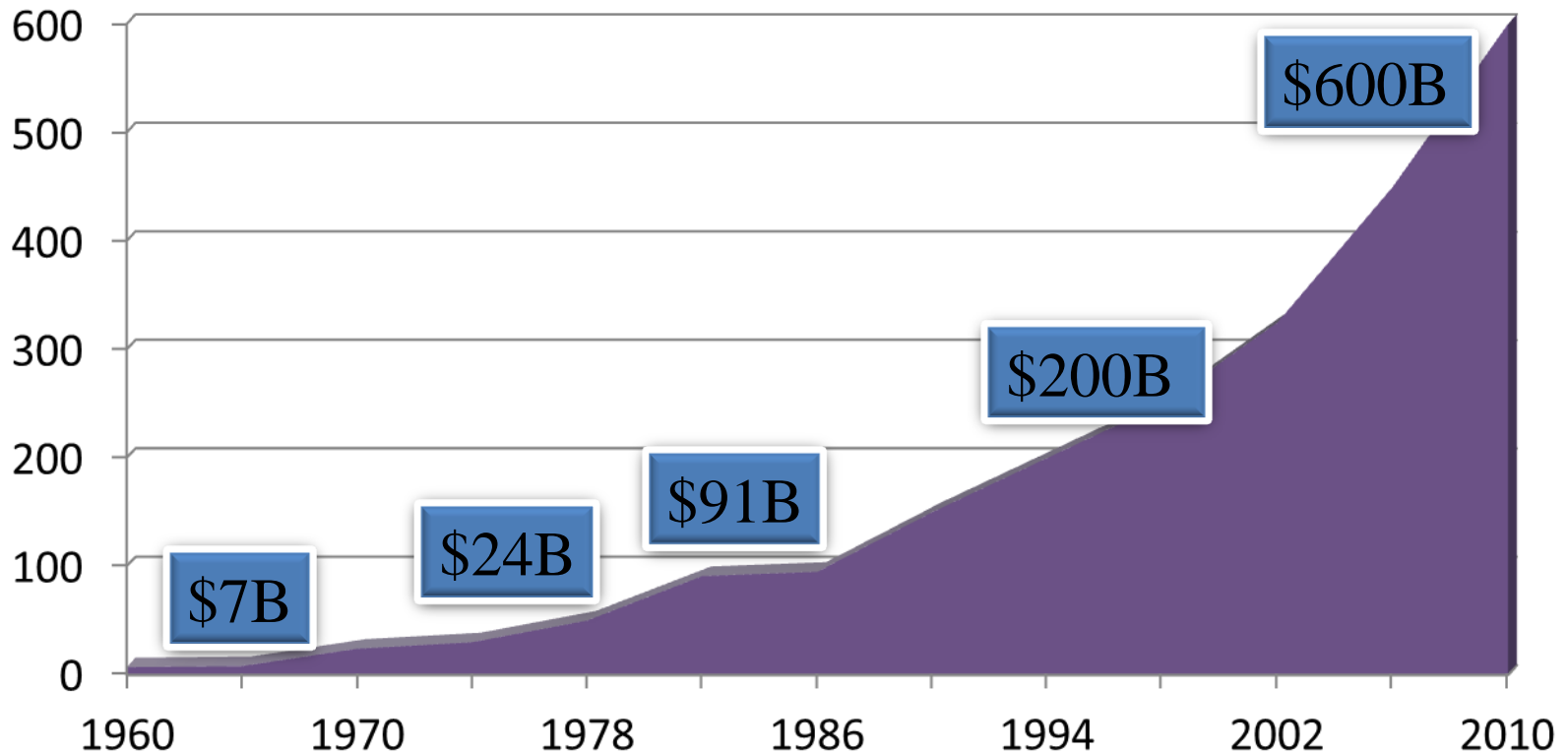
♪ *Are You Ready for This ?*

The New Uniform Grant Guidance

2 CFR 200

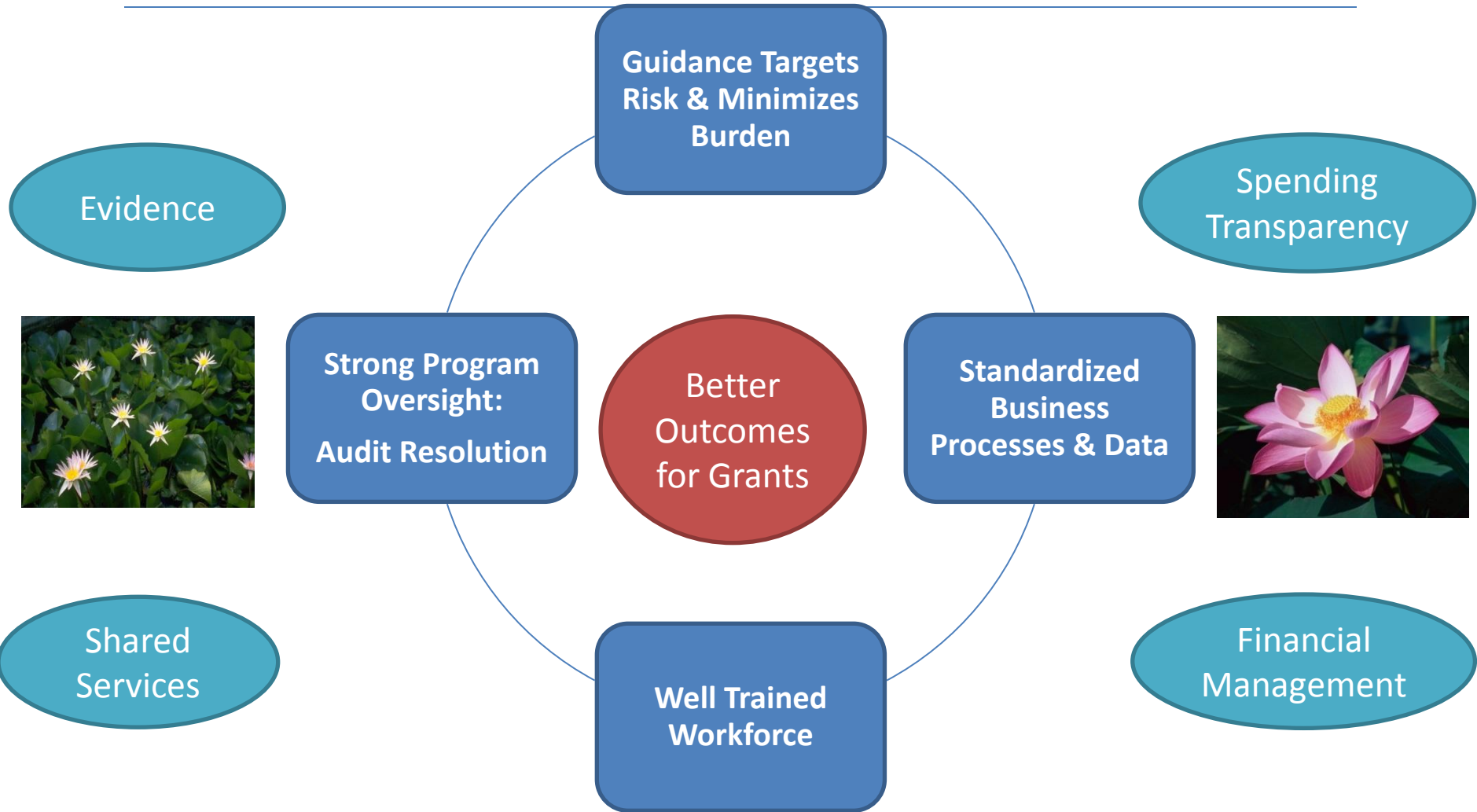
Increase in Federal Grants Activity

The Catalog of Federal Domestic Assistance lists over 2,000 Federal grant programs



The Garden of Grants

Council On Financial Assistance Reform Priorities



Guidance Reform History

Nov. 2009:
Executive
Order:
Reduce
Improper
Payments

Feb 2012:
Advance
Notice of
Proposed
Guidance
(public
comments)

† April 2013

Dec 2013:
Final
Uniform
Guidance

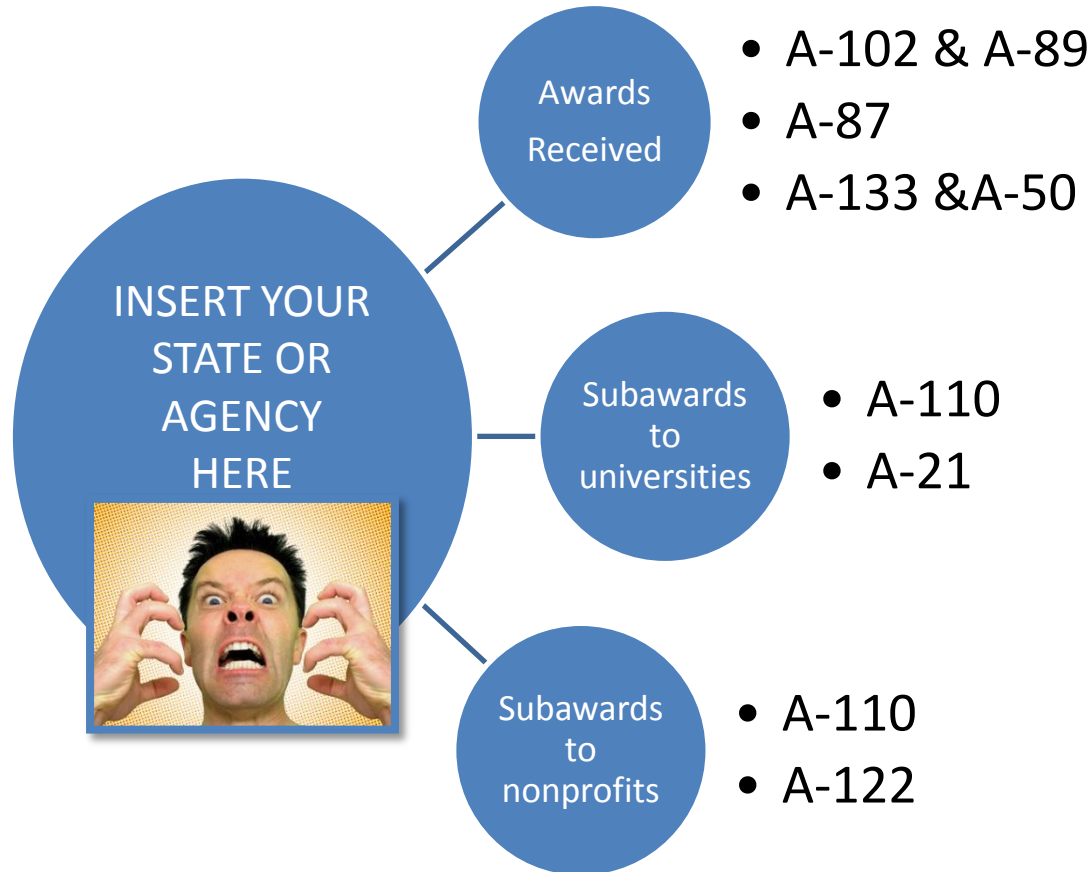
Feb 2011:
Presidential
Memo:
Reduce
Administrative
Burden

Feb 2013:
Notice of
Proposed
Guidance
(public
comments)



Eliminating Duplicative and Conflicting Guidance

Then:



Now: All OMB guidance streamlined in 2 CFR 200.





KEEP CALM AND UNDERSTAND THE RULES

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2 CFR 200 -Basic Layout

- 6 Subparts A through F
 - Subpart A, 200.XX – Acronyms & Definitions
 - Subpart B, 200.1XX – General
 - Subpart C, 200.2XX – Pre Award - *Federal*
 - Subpart D, 200.3XX – Post Award – *Recipients*
 - Subpart E, 200.4XX – Cost Principles
 - Subpart F, 200.5XX – Audit
- 11 Appendices - I through XI



Sec. 200.XX, Acronyms & Definitions

- 200.0, Acronyms
- 200.1 through 200-99, Definitions
 - 99 separate sections and indexes
 - Applicable to all requirements (administrative, cost and audit) and all types of grantees
- Use of “should” and “must”
 - Should = best practices or recommended approach
 - Must = required



Sec. 200. 1XX, General

- 200.101, Applicability
 - **New** table for applicability by types of award
 - T&C flow down to subrecipients
- 200.110 Effective Date
 - Agency implementation effective 12/26/14
 - Apply to awards and award increments issued after 12/26/14
 - Apply to audits for FY beginning after 12/26/14
- 200.112, Conflict of interest - **NEW**
 - Federal agencies must establish COI policies
 - Grantees must disclose in writing any potential COI



Sec. 200.2XX, Pre-Award- **Federal**

- 200.201, Grant agreements
 - Fixed amount awards are allowed - **NEW**
- 200.203, Notice of funding opportunities - **NEW**
- 200.204, Merit review of proposals – **New**
 - Must have a merit review process
 - Process must be transparent in funding opportunities
- 200.205, Review of risk of applicants
 - Must have framework for evaluating risks
 - May consider financial stability, performance history, audit reports



Sec. 200.3XX, Post- Award- Grantees

- 200.301, Performance Management –
 - Use standard forms (e.g., RPPR for research awards)
 - Must relate financial data to performance
 - Feds are to provide clear performance goals, indicators and milestones
- 200.303, Internal Controls
 - **Should** follow GAO's Green Book and COSO standards
- 200.309, Period of performance
 - No-cost extension may be allowed – agency's option

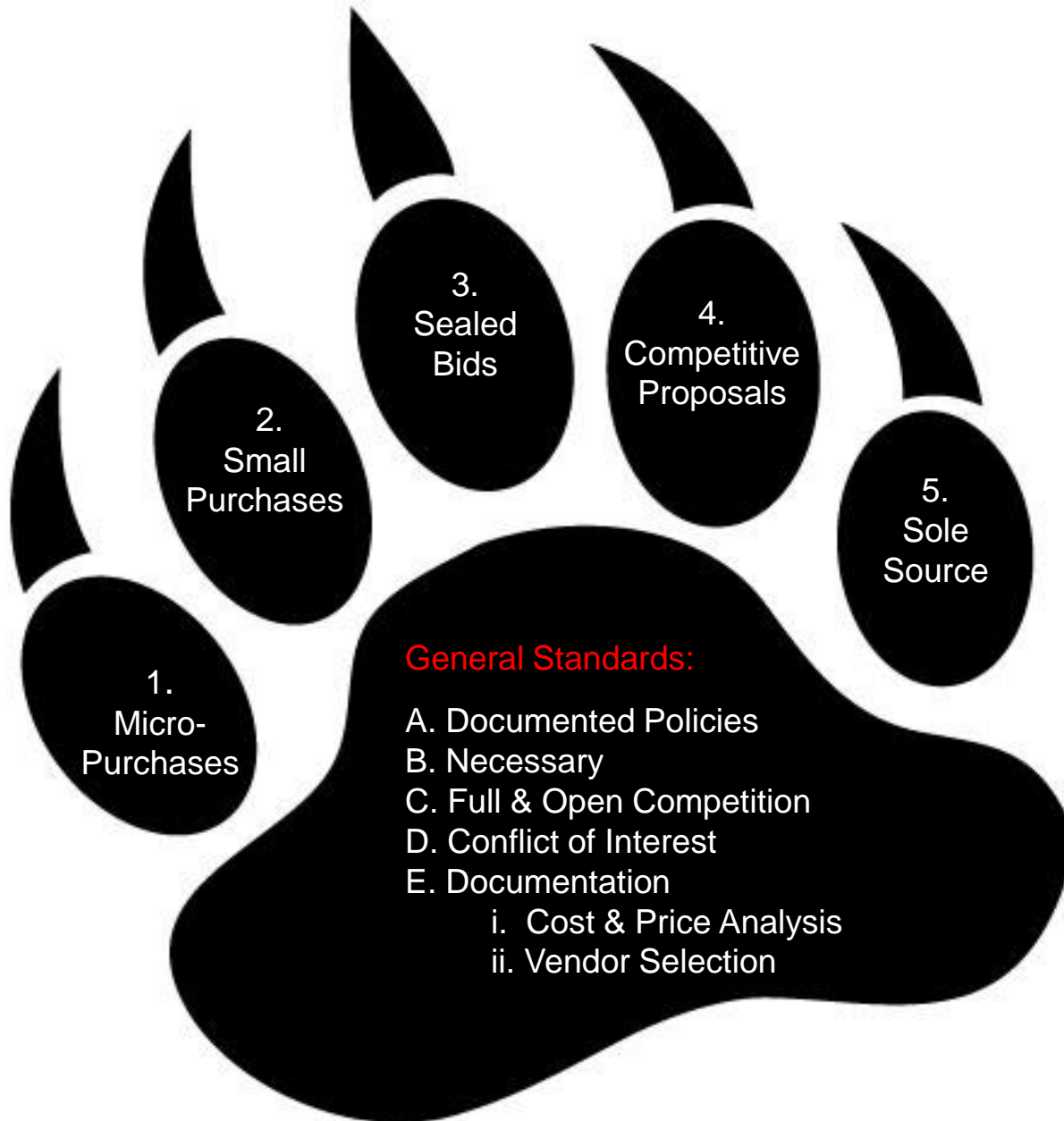


Sec. 200.3XX, Post- Award- Grantees

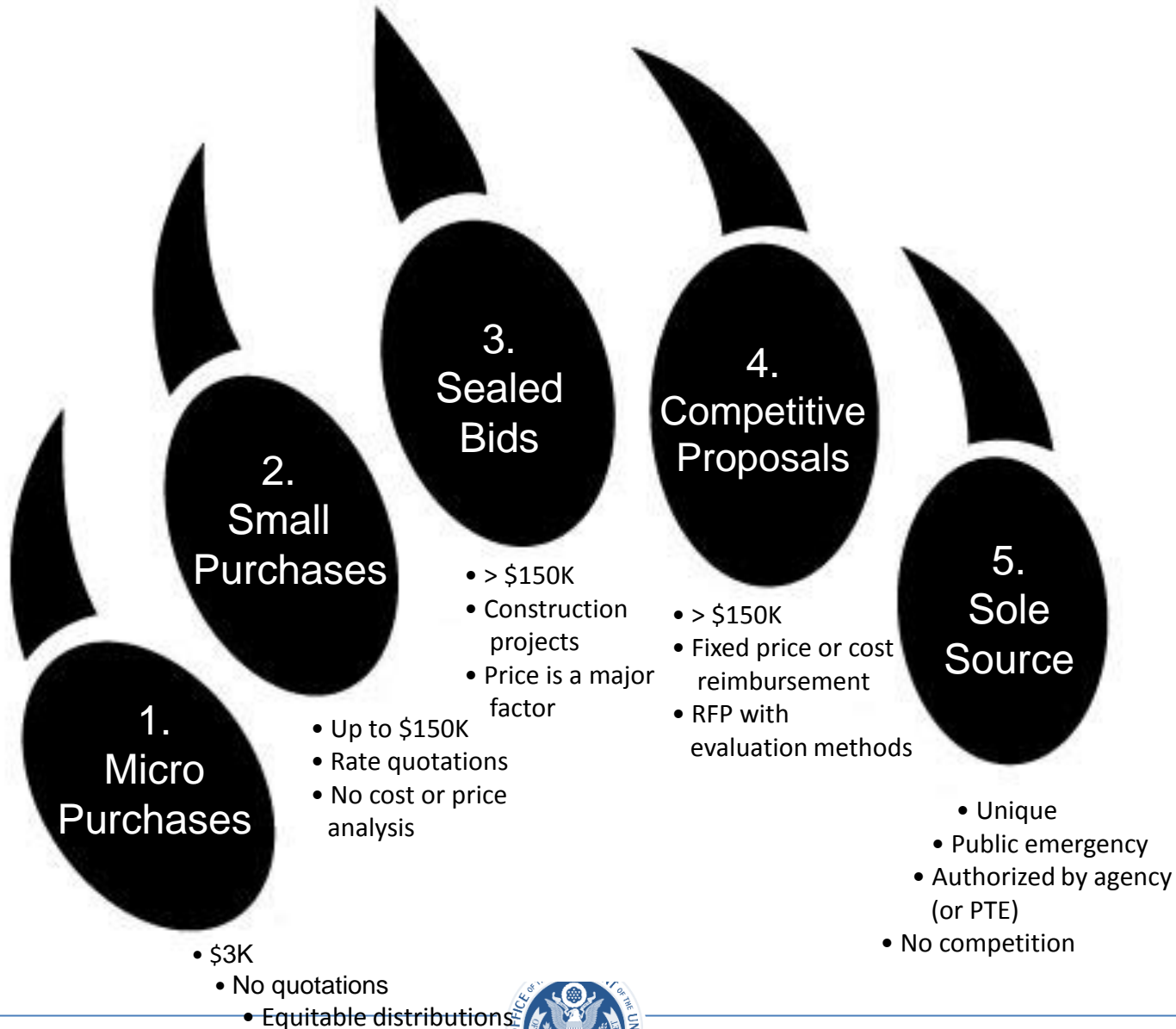
- 200.313, Equipment
 - Property standards (States versus other grantees)
- 200.314, Supplies
 - Computing devices (<\$5K) are included as “supplies”
 - **NEW**
- 200.320, Procurement Standards – **NEW for universities and Non Profits**
 - Modeled after A-102: State uses own policies, Others uses procurement standards in sections 200.317 -326
 - **The Procurement “Bear Claw”**



Procurement “Claw” (Sections 200.317-326)



Procurement “Claw” (Section 200.320)



Sec. 200.3XX, Post-Award- Grantees

- 200.331, Requirements for pass-through entities – **NEW**
 - Includes audit responsibilities (formerly in A-133)
 - Pass-through entities responsibilities:
 - Provide subaward information
 - Provide indirect cost rate
 - Perform risk assessment for subrecipient monitoring
 - Verify compliance to audit requirements
 - Report in accordance to FFATA



Sec. 200.4XX, Cost principles

- 200.407, Prior Written Approval – 22 items of cost
- 200.413, Direct costs
 - Paragraph (c) - Administrative SW can be direct costs - NEW
- 200.414, Indirect (F&A) Costs
 - Must accept approved negotiated rates, except
 - Allowed by Federal statute or regulation
 - Approved by agency head or delegate, OMB notified of deviations
 - 10% of MTDC de minimis IDC
 - First timers and new grantees only
 - Can be used indefinitely
 - One time four-year extension of current approved rate (final and pre-determined rates only)



Sec. 200.4XX, Cost principles

- 200.430, Compensation – personal services – **New Language**
 - Removed A-21 examples
 - Internal controls are KEY
 - 200.430(i) – 9 standards for documenting personnel
 - E.g., supported by system of IC, budget estimates may be used
 - Substitute systems are allowed (430 (i) (5))
 - Blended and braided funds allowed, with Fed approval (430 (i) (7))
 - Use of institutional base salary for IHE



Sec. 200.4XX, Cost principles

- 200.431, Compensation – Fringe Benefits
 - Family friendly leave - **NEW**
- 200.432, Conferences
 - Costs are appropriate, necessary and minimized to the Federal award
 - Allow costs for finding local dependent care
- 200.446, Idle Facilities and Capacity
 - Necessary due to fluctuations in workload, e.g., shared services arrangements



Sec. 200.4XX, Cost principles

- 200.449, Interest
 - Section (b)(2), allow financing costs associated with patents and computer software – effective January 1, 2016
- 200.453, Materials and Supplies
 - Section (c) – may be charged as direct costs
 - Include computing devices (defined in 200.20)



Sec. 200.5XX, Audit Requirements

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The final guidance **right-sizes the footprint** of oversight and Single Audit requirements to strengthen oversight and focus audits where there is greatest risk of waste, fraud, and abuse of taxpayer dollars.

It improves **transparency and accountability** by making single audit reports available to the public online, and encourages Federal agencies to take a **more cooperative approach** to audit resolution in order to more conclusively resolve underlying weaknesses in internal controls.



Sec. 200.5XX, Audit Requirements

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- Revisions Focus Audit On Risk
 - Increases audit threshold.
 - Strengthens risk-based approach to determine Major Programs.
 - Provides for greater transparency of audit results.
 - Strengthens agency use of the single audit process.
 - Provides for public outreach to focus Compliance Supplement on requirements of highest risk.



Sec. 200.5XX, Audit Requirements

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Basic Structure of Single Audit Process Unchanged

- Audit threshold (200.501).
- Subrecipient vs. Contractor (200.501(f) & 200.330).
- Biennial (200.504) & Program-specific (200.507) audits.
- Non-Federal entity selects auditor (200.509).
- Auditee prepares financial statements & SEFA(200.510).
- Audit follow-up & corrective action(200.511 & 200.521).
- 9 month due date (set in law) (200.512(a)).
- Reporting to Federal Audit Clearinghouse (200.512).
- Major programs determined based on risk (200.518).
- Compliance Supplement overall format (Appendix XI).



Appendix XI- Compliance Supplement

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- Supplement is published as separate process so the final changes are not included in the Guidance.
- Future changes will be based on available evidence of past audit findings & potential impact of non-compliance.
- Further public outreach will be conducted prior to making structural changes to Supplement format.
 - 2014 Supplement previews the implementation of changes.
 - Changes will not be effective until the 2015 Supplement.



Guidance Reform Future

December 2013:
Uniform
Guidance
Published

June 2014:
Agencies Submit
Draft Rules to
OMB, Continued
Outreach on
Implementation


December 2014:
Final Guidance
Effective, Baseline
Metrics Collected,
Case Studies of
Best Practices
Published

January-April 2014: Training
Webcasts, Single
Audit & Other
Metrics, Publish
2014 Single Audit
Compliance
Supplement

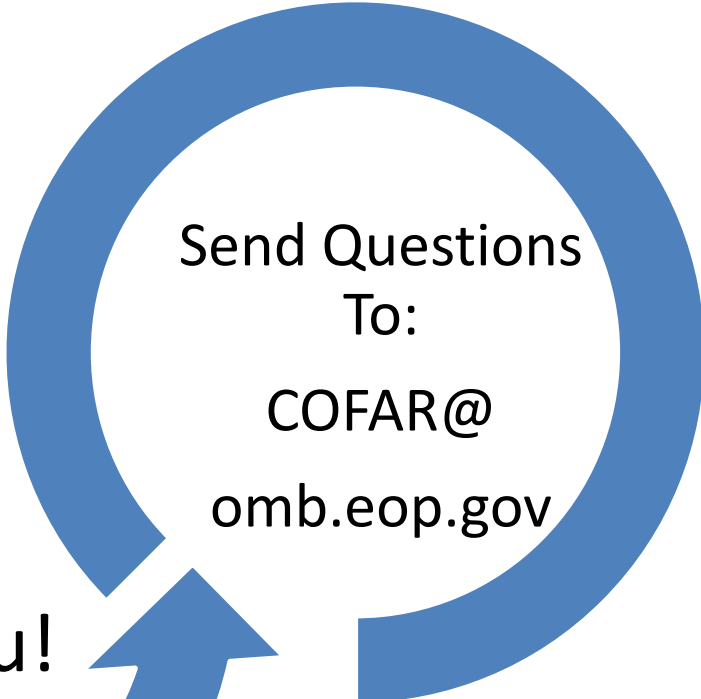
Fall 2014: Workforce
Development efforts;
Additional FAQs and
Webcast



Engage With COFAR



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Information Visit:
[CFO.gov/COFAR](https://cfo.gov/COFAR)

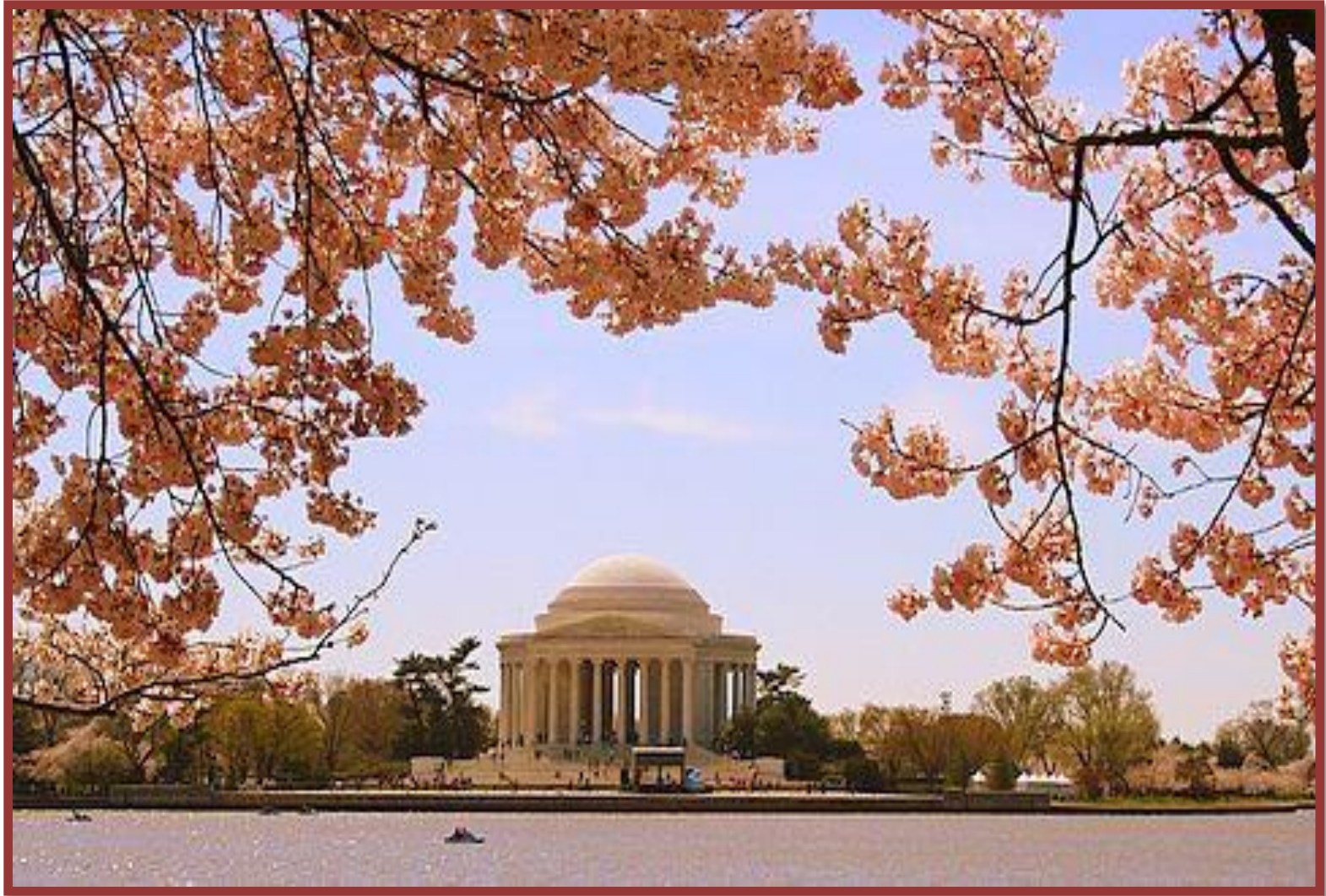


Send Questions
To:
[COFAR@
omb.eop.gov](mailto:COFAR@omb.eop.gov)



Thank you!





“I like the dreams of the future better than the history of the past...” T. Jefferson

