Learning Objectives

• Introduction & Overview of the Guidance Structure
• In-Depth Review of the Uniform Guidance Including Subparts A-F and 11 Appendices
• How To Use the New Appendices
• Changes That May Require New Management Responsibilities & New Policies and Procedures
• How To Address Clarifications and Exceptions
Introduction & Overview of the Guidance Structure
Introduction: Overview of Guidance Structure

• **Uniform Guidance**
  - 2 CFR Chapter 1, Chapter II, Part 200
  - Six Subparts A-F
  - Includes 11 Appendices
Introduction: Overview of Guidance Structure

• **Uniform Guidance**
  
  • Consolidates eight OMB Circulars
  • Follows the grant “life-cycle”
  • Uses consistent terminology
Introduction: Overview of Guidance Structure

• Uniform Guidance Listing of Components

• Subparts A-F
  • Subpart A: 200.0 Acronyms and Definitions
  • Subpart B: 200.100 General Provisions
  • Subpart C: 200.200 Pre-Award Requirements and Content of Federal Award
  • Subpart D: 200.300 Post Federal Award Requirements
  • Subpart E: 200.400 Cost Principles
  • Subpart F: 200.500 Audit Requirements
Introduction: Overview of Guidance Structure

- Uniform Guidance Listing of Components

- Appendices I – XI
  - **Appendix I**: Full Text of Notice of Funding Opportunity
  - **Appendix II**: Contract Provisions for Nonfederal Entity Contracts Under Federal Awards
  - **Appendix III**: Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education
  - **Appendix IV**: Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations
Introduction: Overview of Guidance Structure

• Uniform Guidance Listing of Components

• Appendices I – XI (con’t)
  • **Appendix V**: State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans
  • **Appendix VI**: Public Assistance Cost Allocation Plans
  • **Appendix VII**: States and Local Government and Indian Tribe Indirect Cost Proposals
  • **Appendix VIII**: Nonprofit Organizations Exempted from Subpart E Cost Principles of Part 200
Introduction: Overview of Guidance Structure

• **Uniform Guidance Listing of Components**

  • Appendices I – XI (con’t)
    • **Appendix IX**: Hospital Cost Principles (Follows 45 CFR Part 74 Appendix E; HHS Regulations)
    • **Appendix X**: Data Collection Form SF-SAC for the Auditing Requirements Associated with Subpart F and is available from the Federal Audit Clearinghouse website: [www.harvester.census.gov/sac](http://www.harvester.census.gov/sac)
    • **Appendix XI**: Compliance Supplement (issued annually by OMB)
In-Depth Review of the Uniform Guidance Including Subparts A-F and 11 Appendices
Review of Guidance

- **Subpart A**: Acronyms and Definitions—Highlighted Terms
  - Cognizant Agency for Audit (200.18) vs. Oversight Agency for Audit (200.73)
  - Cognizant Agency for Indirect Costs (200.19)
  - Contractor (200.23) replaces “vendor”
  - Indian Tribe (200.54); Federally Recognized Indian Tribe)
  - Supplies (200.94)—computing devices
  - Equipment (200.33)—threshold remains $5,000
• Subpart A: Acronyms and Definitions—Highlighted Terms

  • Contract (200.22)—legal instrument used for type of transaction or relationship/not term used for document
  • Grant Agreement (200.51)—a value transfer to a non-federal entity to carry out public purposed authorized by law (review federal award, federal financial assistance)
• **Subpart B**: General Provisions

  • Applicability (200.101)—defines what sections of the uniform guidance applies to different types of awards
    • Chart identifies what sections apply (revised in 12/2014 Interim Rule—(FR Vol. 79, 12/19/2014; pg. 76881)
    • Terms and conditions flow down from recipient to subrecipient unless terms and conditions of award stipulate otherwise
• **Subpart B**: General Provisions—Applicability (200.101) (Con’t.)

  • Pass-through entities must follow the section under Subpart D—Subrecipient Monitoring and Management; 200.330-332 (Subrecipient and contractor determinations-Fixed amount subawards)

**Subpart D—is Post Award Requirement Standards for Financial and Program Management**
Review of Guidance

• **Subpart B**: General Provisions—Applicability (200.101) (Con’t.)

  • Cost-reimbursable contracts awarded under FAR follow Subpart D 200.330-332; Subpart E and F; and any FAR related requirements for subaward monitoring
Review of Guidance

• **Subpart B**: General Provisions—Applicability (200.101) (Con’t.)

  - Subpart A – E can be applied to:
    - For-profit entities
    - Foreign public entities and foreign organizations; unless inconsistent with U.S. international obligations or statute or foreign government regulations
  - Award programs exceptions are listed under 200.101(d-e)—must be read carefully
    - Some block grants
    - Some food programs
Review of Guidance

• **Subpart B**: General Provisions
  - Authorities (200.103)
  - Conflict of Interest (200.112)
  - Mandatory Disclosures (200.113)
Review of Guidance

- **Subpart C**: Pre-Federal Award Requirements and Contents of Federal Awards
  - Focuses instructions to federal awarding agencies and pass-through entities
  - Broadly explains use of types of awards, payment requirements, reporting, and prior approval
  - Focuses on what federal awarding agency must do in making public funding notices
  - Clearly identifies the requirement for performance measures (200.202 (b)(1)) be included in funding announcement
Review of Guidance

• **Subpart C:** Pre-Federal Award Requirements and Contents of Federal Awards (Con’t.)
  
  • Provides format and content outline for funding notices
  • Requires federal agency merit review process
  • Establishes agency risk review of applicants (200.205)*
  • Establishes guidelines for special award conditions (200.207)*
Review of Guidance

**Subpart C:** Pre-Federal Award Requirements and Contents of Federal Awards (Con’t.)

- Provides authorization to obtain certifications or representations required
- Outlines information to be contained in federal award (200.210)*
  - Requires agency to provide performance expectations and timing
  - Requires reporting requirements be clearly established for performance
Review of Guidance

• **Subpart D:** Post Federal Award Requirements
  Standards for Financial and Program
  Management

• Guidance for recipients and pass-through entities on how to manage federal awards:
  • Linking performance to financial reports (200.301)*
  • Expending and reporting of federal funds
  • Identifying federal awards in accounts (200.302)
  • Maintaining/establishing written procedures for payment and allowability of costs (200.302)*
Review of Guidance

- **Subpart D:** Post Federal Award Requirements
  Standards for Financial and Program Management

  - Establish and maintain internal controls (200.303)
  - Maintain written procedures minimizing time between payment requests (200.305)*
  - Defines payment options; withholding payments; maintaining funds (bank accounts); interest retention
Review of Guidance

- **Subpart D**: Post Federal Award Requirements
  Standards for Financial and Program Management
  - Cost-sharing and program income (200.306-307)*
  - Budget Revisions (200.308)*; prior approvals
  - Property Standards
    - Equipment use, vesting and management
    - Supplies (200.314)* see also (200.543)
Review of Guidance

- **Subpart D:** Post Federal Award Requirements Standards for Financial and Program Management

  - Procurement Standards for
    - States (200.317)—use procedures it uses for non-federal fund procurements
    - Non-federal entities (200.318) must maintain own documented procedures; standards of conduct; conflict of interest
    - Maintain records to detail procurement history
    - Settle all contract disputes
Review of Guidance

**Subpart D:** Post Federal Award Requirements Standards for Financial and Program Management

- **Subrecipient Monitoring and Management**
  - Determining type of relationship—subrecipient or contractor (200.330)* references 200.92—subaward characteristics or 200.22—contract characteristics
  - Pass-through entities management requirements (200.331)—award identification to subrecipient; risk assessment
  - Establish or accept a negotiated indirect cost rate for subrecipients; “de minimis” rate
Review of Guidance

• **Subpart D:** Post Federal Award Requirements Standards for Financial and Program Management

  • Subrecipient Monitoring and Management
    • Record retention; access to records; collection, transmission and storage of information
    • Remedies for Noncompliance references (200.207)*
    • Termination; notification, hearings
    • Closeout (200.343)—managing the process
Review of Guidance

- **Subpart E: Cost Principles**
  - Guidance assumes non-federal entities are responsible for the efficient and effective management of received federal awards.
  - Guidance assumes non-federal entities will use its own management processes to oversee federal awards.
  - Guidance requires non-federal entities accounting practices must be consistent with cost principles.
Review of Guidance

• **Subpart E: Cost Principles**

• Application of cost principles do not apply to:
  - Federal financing in terms of loans, scholarships, fellowships, traineeships or other fixed amounts e.g., education allowances or published tuition rates
  - Fixed amount awards—see 200.45 and 200.101*
  - Federal awards to hospitals
  - Federal contract awarded under Cost Accounting Standards (200.401(b))
  - Exempted non-profit organizations—200.401(c) (see Appendix VIII)
• **Subpart E:** Cost Principles

  • Provides list of items that require prior written approval (200.407)*
  • Identifies direct and indirect costs (200.413-414)
  • Requires certifications (200.415)—expenditures are proper and in accordance with terms and condition of award—in annual and final reports
Review of Guidance

• **Subpart E:** Cost Principles

  • Special Considerations for State, Local Governments and Indian Tribes
    • Cost allocation plans and indirect cost proposals (200.416)—defines central services and indirect costs for individual operating agencies
    • References Appendices IV, V and VI for requirements and submission requirements
Review of Guidance

• **Subpart E**: Cost Principles

• Special Considerations for Institutions of Higher Education
  
  • Costs incurred by states and local government (200.418) on behalf of IHEs—fringe benefits—allowable costs when meet requirements of 200.402; supported by approved allocation plans; and costs not directly or indirectly borne by federal government
  
  • Costs accounting standards and disclosure statement (200.419)
Review of Guidance

• **Subpart E**: Cost Principles

  • General Provisions for Selected Items of Cost
    • Establishes allowability of certain items
    • Apply whether or not properly treated as a direct or indirect cost
    • Criteria for factors of allowability outlined at 200.403
    • Fifty-five items of cost
Review of Guidance

• **Subpart F**: Audit Requirements

  - Requires non-federal entities that expends $750,000 or more of federal funds in an entity’s fiscal year must have a single audit or program audit in accordance with Subpart F (200.501)
  - Single Audit follows 200.514
  - Program Audit is allowed when expenditures are under one federal program (excludes R&D)
• **Subpart F**: Audit Requirements

  • Federal funds expended by recipients and subrecipients are subject to Subpart F; payments received as a contractor are not (200.501(f))
  • Does not apply to for-profit subrecipients or contract awards; pass-through entity responsible for establishing criteria that ensures compliance and responsibility for the receiving for-profit entity (subaward or contract terms and conditions)
Review of Guidance

• **Subpart F: Audit Requirements**
  
  • Auditee responsibilities (200.508)—auditor selection; financial statements; audit follow-up; and report submission
  
  • Federal agencies responsibilities (200.512)—cognizant agency for audit are for non-federal entities expending more than $50 million a year in federal awards
Review of Guidance

• **Subpart F: Audit Requirements**

  • Cognizant agency for audit is federal awarding agency providing predominate amount of direct funding to a non-federal entity (200.513)
  • Federal awarding agency ensures audits complete; reports submitted; follow-up on audit findings; and issue a management decision
Subpart F: Audit Requirements

Auditors

- Determine scope of audit with auditee
- Determine if financial statements are presented fairly
- Determine internal controls are adequate (Compliance Supplement will be used as guide)
- Determine compliance with federal statutes, regulations and terms and conditions of award(s)
- Submit audit reports and audit findings (200.516)
- Maintain audit documentation for minimum of three years
Review of Guidance

• **Subpart F: Audit Requirements**

  • Auditors
    • Determine major federal programs using a risk-based approach (200.518)—Type A programs
    • Determine Type B programs at high-risk
    • Follow criteria for evaluating noncompliance (200.519)
How To Use the New Appendices
Using the Appendices

• Appendix I—Focus federal and pass-through agencies offering assistance agreements
  • Read to gather information on what to expect from federal awarding agency
  • Review to learn what type of requirements an agency might apply to performance metrics
  • Review to learn how agency may define risk and merit review

Appendix I provides insight on what an agency may put into requirements for an award—gives a heads up
Using the Appendices

• Appendix II: Focus federal and pass-through agencies awarding contracts
  • Provides what must be included with contracts made under federal awards
  • Review each section—may want to consider to include in procurement procedures developed
  • Review federal award terms and conditions against Appendix II to determine what requirements may apply
Using the Appendices

• Appendix III—Focus IHE indirect costs
  • Use in computing indirect costs (F&A) and assignment, and rate determination
  • Use in conjunction with Subpart E 200.414
  • Review with 200.418 and 200.419
Using the Appendices

• Appendix IV: Focus nonprofit indirect costs
• Use for allocation of indirect costs and determination of indirect cost rates
  • Review with Subpart E Direct and Indirect Costs (200.412-415)
  • Adjusting previously negotiated costs see 200.411
Using the Appendices

• Appendix V: Focus State/Local Governments & Indian Tribes (cost allocation plans)
  • Central services activity costs identified and assigned to benefitted activities—central service plans
  • Review with Subpart E 200.416-417
  • Identifies agencies that approve plans
  • May consider reviewing with HHS Guide as identified in Appendix V
Using the Appendices

- Appendix VI: Focus state public assistance agencies
  - Extends to all federal agencies providing public assistance
  - Review with HHS requirements at 45 CFR Part 95
Using the Appendices

- Appendix VII: Focus States and Local Governments and Indian Tribes indirect costs
  - Determine indirect costs for indirect cost proposals
  - Defines different methods to use to determine indirect costs and rates
  - Review with Subpart 200.416-417
  - Consider HHS guide referenced in Appendix
Using the Appendices

- Appendix VIII: Focus non-profit organizations
  - Lists exempt non-profit organizations from Subpart E
- Appendix IX: Focus hospital cost principles
  - References HHS requirements 45 CFR Part 74 Appendix E
Using the Appendices

- Appendix X: Focus audit requirements
  - References form SF-SAC for Federal Audit Clearinghouse
- Appendix XI: Focus audit requirements
  - References annually issued compliance supplement
Changes That May Require New Management Responsibilities & New Policies and Procedures
New Responsibilities and Policies

• Uniform Guidance indicates new responsibilities
  • Managing subawards/subrecipients
  • Indirect cost rates
  • Risk management
  • Procurement management
  • Performance reporting
New Responsibilities and Policies

- New responsibilities may require new policies
  - Consider establishing or modifying policies that define subawards and subrecipients
  - Consider policies/procedures for subrecipient indirect cost rates
  - Consider reporting procedures to link performance and financial reports
  - Consider policies/procedures on evaluating risk and special award conditions
  - Ensure subawards/contracts can be identified to a federal award
New Responsibilities and Policies

• New procurement requirement
  • Requires non-federal entities to have a procurement policy/procedure in place
  • Interim final guidance issued Dec. 2014 gives non-federal entities a grace period of one year to implement
How To Address Clarifications and Exceptions
Clarifications and Exceptions

• Example of exception in at 200.101
  • Review for “except for” is a tip that it may specify what to use
  • Cite exception
  • Ask agency for clarification, if unclear
Clarifications and Exceptions

• Clarifications
  • Better defines terminology
  • May provide examples for comparison
  • May require a judgment call or management decision on how to implement
  • If requires a change in procedure/policy or business practice—may require a policy or procedure or modification to documented business practices
  • Flexibility – what it means
Wading Through

You have successfully waded thru the Uniform Guidance!
• To ask a question, please press *1 on your touchtone phone.
• If you are using a speaker phone, please lift the receiver and then press *1.
• If you would like to withdraw your question, press *1.
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