

Implementing the Uniform Guidance



U.S. Department of Education

2 CFR § 200

- ❑ Federal Register 12/19/14 (79 Fed. Reg. 75871)
- ❑ Effective for new & continuation awards issued on or after **12/26/14**
- ❑ 2 CFR § 200 - Uniform Guidance found in **Title 2** (*Grants & Agreements*), **Subtitle A** (*OMB Guidance for Grants & Agreements*), **Chapter II** (*OMB Guidance*), **Part 200** *Uniform Administrative Requirements, Cost Principles, & Audit Requirements for Federal Awards*, **Chapter 34 part 3474**.
- ❑ Dept. of Education's agency-specific regulations **2 CFR 3474.10**

Goals & Key Take-Aways

- ❑ Streamline & consolidate 8 existing OMB Circulars
- ❑ Goals - reduce administrative burden, increase flexibility, improve outcomes
- ❑ Key Policy Reforms
 - ❑ Emphasis on performance
 - ❑ Efficient use of technology & shared services
 - ❑ Consistent, transparent treatment of costs
- ❑ Key Policy Reforms (cont.)
 - ❑ Setting standard business processes & data definitions
 - ❑ Encouraging family-friendly policies
 - ❑ Strengthening oversight
 - ❑ Targeting waste, fraud, & abuse
 - ❑ Increased flexibility for & accountability by grantees



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Organization

- ❑ Subpart A – Acronyms and Definitions
- ❑ Subpart B – General Provisions
- ❑ Subpart C – Pre-Award Requirements
- ❑ Subpart D – Post-Award Requirements

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Organization

(continued)

- ❑ Subpart E – Cost Principles
- ❑ Subpart F – Audit Requirements
- ❑ Appendices III-V and VII – Indirect Cost/Cost Allocation Plans
- ❑ Appendix XI – Compliance Supplement

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From Circulars to the Uniform Guidance

Grants made <u>prior to</u> 12/26/2014	Grants made <u>on or after</u> 12/26/2014
Circulars A-89, A-102, A-110	Uniform Guidance Subparts B, C and D
Circulars A-21, A-87, A-122	Uniform Guidance Subpart E
Circulars A-133, A-50	Uniform Guidance Subpart F
EDGAR Parts 75 to 99	EDGAR Parts 75-79 and 81-99
EDGAR Parts 74 and 80	Become part of the Uniform Guidance

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Key Changes

Subpart C - Pre-Award

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DOE Implementation

- ❑ Updated the GAN & forms:
 - ❑ Includes updated citations
 - ❑ Includes indirect cost rate
- ❑ Updated EDGAR Part 77:
 - ❑ EDGAR 77 “grant” & “award” definitions now reflect 2 CFR Part 200 defs. so program regs can keep using these terms to cover both grants & cooperative agreements.
 - ❑ A Grant by any other name is still a Grant

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Risk Assessment

- ❑ All Federal agencies must conduct a risk assessment prior to making awards.
- ❑ DOE will continue to use the high risk designation (2 CFR 3474.10(b))
- ❑ DOE will use the standards in **Uniform Guidance** to impose specific or high-risk conditions on grants.

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Key Changes

Subpart D - Post-Award

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Post-Award Activities

- Greater emphasis on **internal controls** to ensure compliance & fiscal responsibility
 - ▣ EX: Subpart A. Definitions - *internal controls* (200.61) & *internal control over compliance requirements for Federal awards* (200.62)
 - ▣ EX: Subpart D. Post-Award - *financial management* (200.302), *internal controls* (200.303), & *cost sharing or matching* (200.306)
- Enhanced oversight requirements of sub-recipients (includes **risk assessment** to develop an appropriate monitoring plan & tools);
- Enhanced **oversight of contracts**
- Greater focus on **performance expectations** & results

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Post-Award Activities (con't)

- Longstanding grantee flexibilities known as the “Expanded Authorities” still there, just moved to *2 CFR 200.308*:
 - ▣ Pre-award costs allowable up to 90 days before award
 - ▣ Extension one time, up to 12 months
 - ▣ “Carry forward” of unobligated balances
 - ▣ Budget transfers (as, the 10% rule)

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Procurement

- ❑ NEW for non-profits - must follow procurement requirements in *200.318 - 200.326*.
- ❑ Includes:
 - ❑ The entity must make available, on request from the Dept. or a pass-through entity, technical specs on proposed procurements to ensure the item or service is for an item that was in the approved grant application.
 - ❑ The entity must make pre-procurement process documents available if certain conditions exist.

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Key Changes

Subpart E - Cost Principles

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Allowability:

- ❑ Basic standards for **allowability** remain the same
- ❑ Costs must be:
 - ❑ Necessary (200.403)
 - ❑ Reasonable (200.404)
 - ❑ Allocable (200.405)
 - ❑ Documented

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Cost Principles:

- ❑ New Requirement
 - ❑ Certifications required for fiscal reports, G-5 payment requests, and indirect cost proposals (200.415)
- ❑ Clarification
 - ❑ Materials & supplies may be charged as Direct Costs
 - ❑ Computer equipment treated as a Supply (200.453 (c))
 - ❑ Supplies defined as <\$5,000 (200.94)

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Prior Written Approval

- **Prior written approval** circumstance did not change (200.407)
- Ask before incurring special or unusual cost
- 22 circumstances are listed, including:
 - 200.308 – revision of budget & program plans (i.e., the 10%)
 - 200.411 – change in previously-negotiated indirect rate
 - 200.439 – equipment (\$5,000 or >)



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Key Changes

Audits & Indirect Costs

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Audit Requirements

- ❑ Threshold for a required Single Audit has increased to \$750,000 in expended funds
- ❑ Required to submit its audit electronically to the **Federal Audit Clearinghouse**

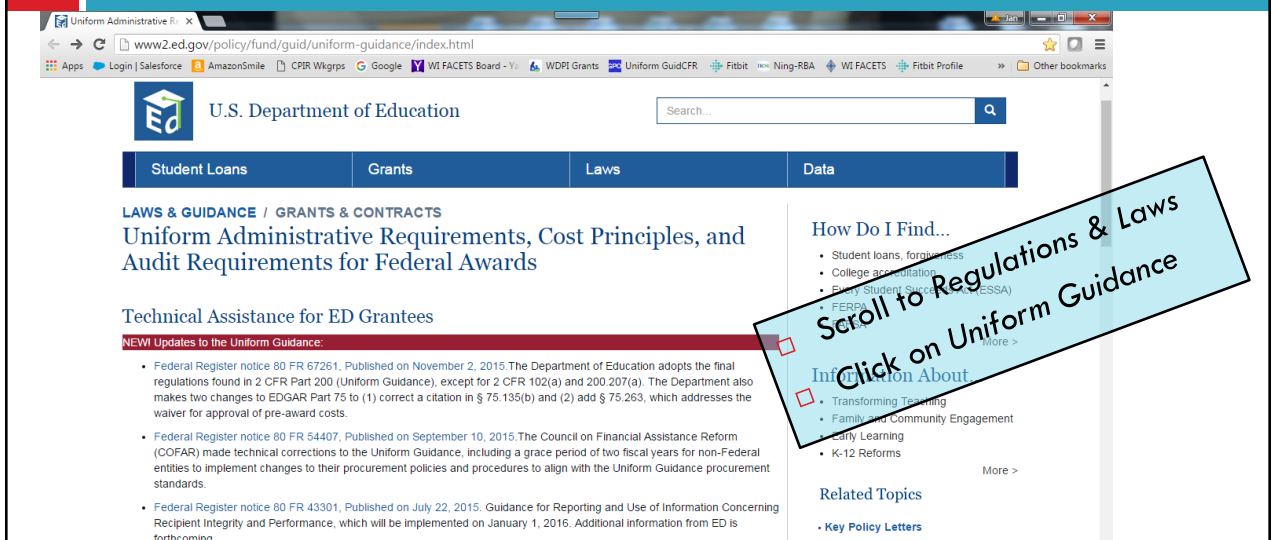
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Indirect Costs

- ❑ Flexibility for grantees that never had a negotiated indirect cost rate:
 - ❑ Can use **de minimis rate of 10%** of Modified Total Direct Costs (MTDC)
 - ❑ May use the temporary rate for 90 days, then submit a proposal for negotiation
- ❑ Flexibility for grantees who have a negotiated rate:
 - ❑ May apply for an extension of up to 4 years
 - ❑ Reduces the requirement to renegotiate annually
 - ❑ Requests for extensions must be submitted 60 days earlier than due date for indirect cost proposals (4 months after the end of the grantee's fiscal year)

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US DOE Site <http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>



U.S. Department of Education

Student Loans Grants Laws Data

LAWS & GUIDANCE / GRANTS & CONTRACTS
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Technical Assistance for ED Grantees

NEW! Updates to the Uniform Guidance:

- Federal Register notice 80 FR 67261, Published on November 2, 2015. The Department of Education adopts the final regulations found in 2 CFR Part 200 (Uniform Guidance), except for 2 CFR 102(a) and 200.207(a). The Department also makes two changes to EDGAR Part 75 to (1) correct a citation in § 75.135(b) and (2) add § 75.263, which addresses the waiver for approval of pre-award costs.
- Federal Register notice 80 FR 54407, Published on September 10, 2015. The Council on Financial Assistance Reform (COFAR) made technical corrections to the Uniform Guidance, including a grace period of two fiscal years for non-Federal entities to implement changes to their procurement policies and procedures to align with the Uniform Guidance procurement standards.
- Federal Register notice 80 FR 43301, Published on July 22, 2015. Guidance for Reporting and Use of Information Concerning Recipient Integrity and Performance, which will be implemented on January 1, 2016. Additional information from ED is forthcoming.

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 • Key Policy Letters

Click on Regulations & Laws
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Digging In



- Issue
- Section
- Key Principles

Resources

- ❑ DOE Site: **Uniform Guidance** TA for ED Grantees
<http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>
- ❑ Region 4 Parent TA Center
- ❑ OSEP Program Officer (David E.)
- ❑ DOE Indirect Cost Group
<http://www2.ed.gov/about/offices/list/ocfo/fipao/icgindex.html>
- ❑ Council On Financial Assistance Reform (COFAR) website
- ❑ Office of Management & Budget (OMB) website

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