

NOAA's Grants Management Division

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Current

2015

What's New In Financial Assistance

2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
HIGHLIGHTED CHANGES

*ALAN CONWAY, GRANTS OFFICER
GRANTS MANAGEMENT DIVISION*



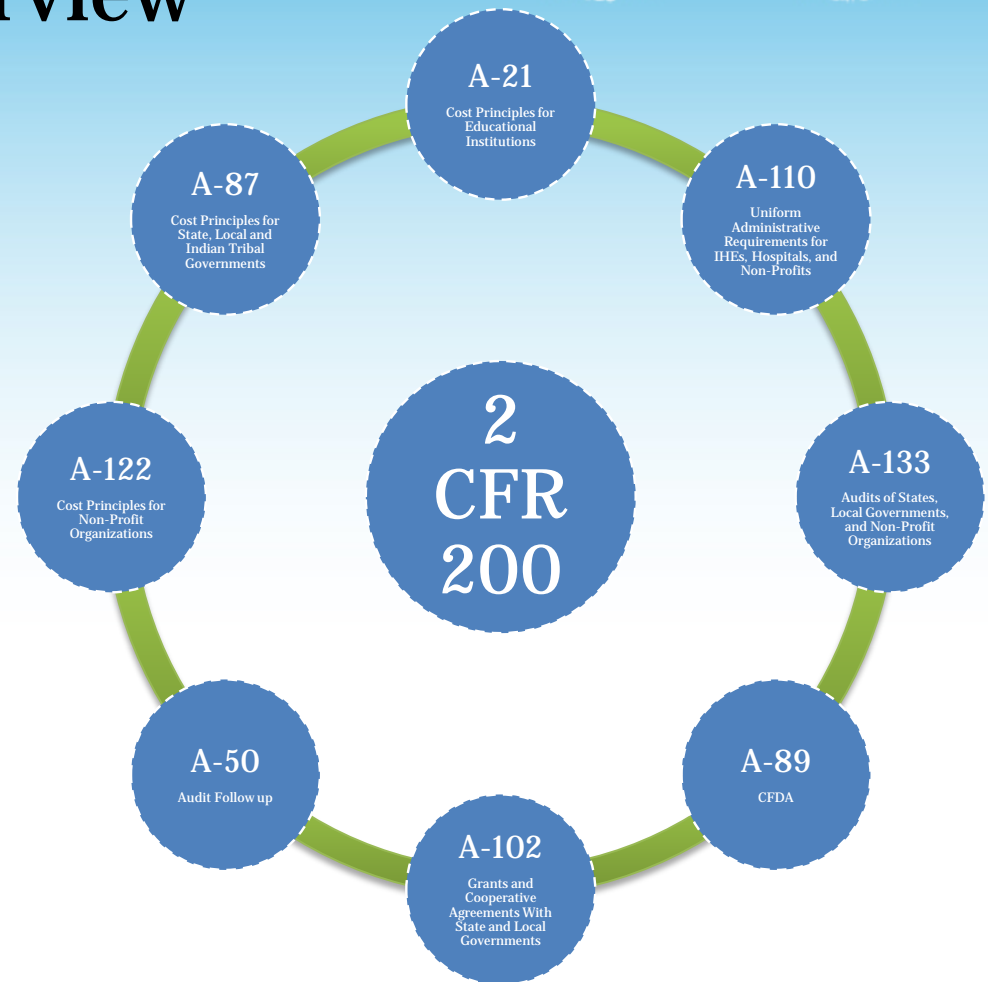


Overview

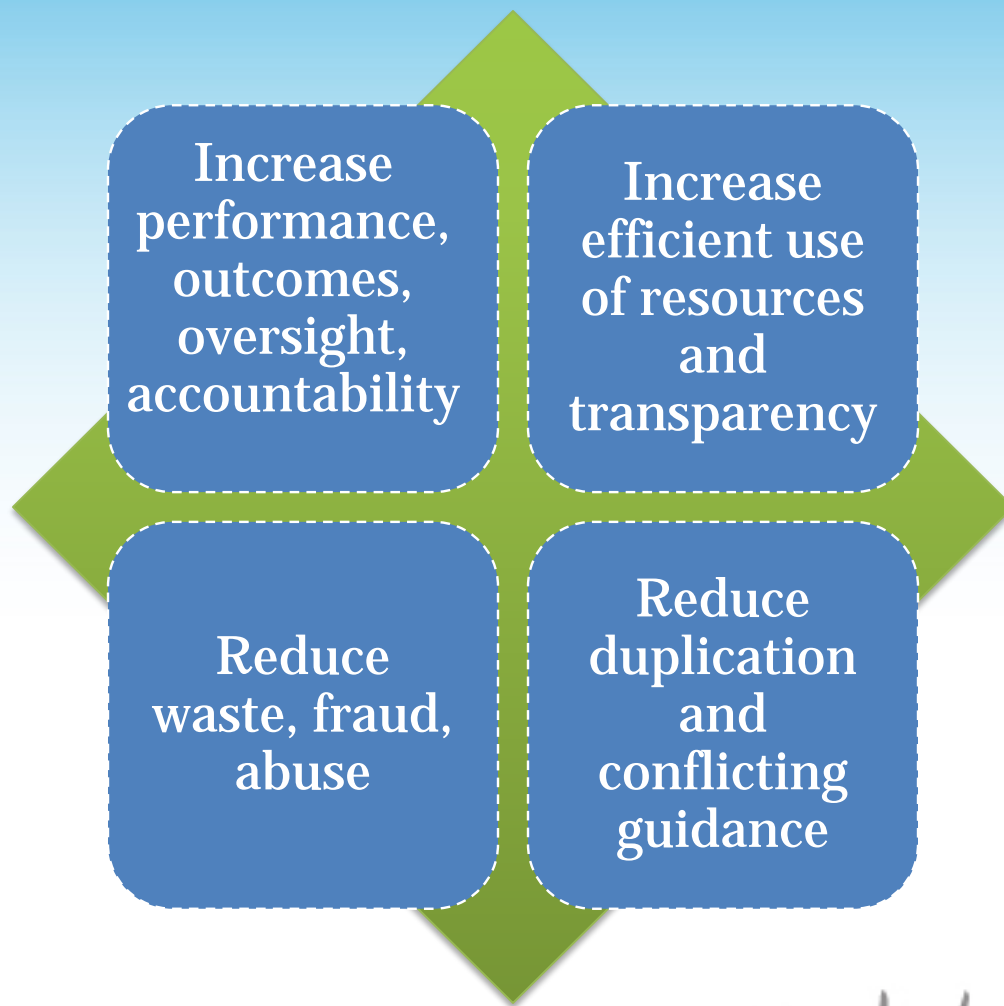
The Uniform Guidance consolidated 8 policies into 1.

Its contents include:

- Subpart A—Acronyms and Definitions
- Subpart B—General Provisions
- Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards
- Subpart D—Post Federal Award Requirements
- Subpart E—Cost Principles
- Subpart F—Audit Requirements



Goals





Timeline

Uniform Guidance
Issued by OMB on
12/26/2013.

Published in
the Federal
Register
12/19/2014.

Audit
Requirements will
be effective for
fiscal years
beginning on or
after 12/26/2014.

Federal agencies
submit draft
implementing
regulations to
OMB by
6/26/2014.

Implementation by
12/26/2014.
Effective for new
awards or some
funding
increments on or
after this date.

Who Does This Apply To?

- The 2 CFR Part 200 applies to:
 - **New awards** on or after 12/26/2014
 - **Funding increments** on or after 12/26/2014





General Provisions & Pre-Award Requirements

- **§200.112 Conflict of Interest:** The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.
- **§200.113 Mandatory Disclosures:** Non-Federal entities and applicants must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.
- **§200.203 Notices of Funding Opportunities:** Standardizes information announced for funding opportunity, requires Federal agencies to leave notices open for 60 days generally but at least 30 days



§200.204-200.205 Federal Awarding Agency Review

- **200.204 Federal Awarding Agency Review of Merit of Proposals**
 - For competitive grants and cooperative agreements, unless prohibited by Federal statute, the Federal awarding agency must design and execute a merit review process for applications. Process must be described or incorporated by reference in the funding opportunity.
- **200.205 Federal Awarding Agency Review of Risk Posed by Applicants**
 - In addition to use of the OMB-designated repositories of government wide eligibility information, Federal awarding agencies must have a framework for evaluating the risks posed by applicants prior to receipt of a federal award.
 - Items that may be considered include – financial stability, quality of management systems, history of performance, audit reports and findings, applicant's ability to implement imposed requirements, and debarment, suspension or otherwise excluded from participation in Federal award.
 - Special conditions that correspond to the degree of risk may be applied, if appropriate (See 200.207, Special Conditions.)
 - Federal awarding agencies must continue to comply with the guidelines on government wide suspension and debarment and must require non-federal entities to comply with these provisions



Revised CD450 & CD451

FORM CD-450 (REV. 12-14)		U.S. DEPARTMENT OF COMMERCE		<input type="checkbox"/> GRANT	<input type="checkbox"/> COOPERATIVE AGREEMENT
FINANCIAL ASSISTANCE AWARD				FEDERAL AWARD ID NUMBER	
RECIPIENT NAME		PERIOD OF PERFORMANCE			
STREET ADDRESS		FEDERAL SHARE OF COST \$			
CITY, STATE, ZIP CODE		RECIPIENT SHARE OF COST \$			
AUTHORITY		TOTAL ESTIMATED COST \$			
CFDA NO. AND NAME					
PROJECT TITLE					
<p>This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.</p> <p><input type="checkbox"/> DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS (DECEMBER 2014)</p> <p><input type="checkbox"/> R & D AWARD</p> <p><input type="checkbox"/> FEDERAL-WIDE RESEARCH TERMS AND CONDITIONS, AS ADOPTED BY THE DEPT. OF COMMERCE</p> <p><input type="checkbox"/> SPECIAL AWARD CONDITIONS</p> <p><input type="checkbox"/> LINE ITEM BUDGET</p> <p><input type="checkbox"/> 2 CFR PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS, AS ADOPTED PURSUANT TO 2 CFR § 1327.101</p> <p><input type="checkbox"/> 48 CFR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES</p> <p><input type="checkbox"/> MULTI-YEAR AWARD. PLEASE SEE THE MULTI-YEAR SPECIAL AWARD CONDITION.</p> <p><input type="checkbox"/> OTHER(S): _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>					
SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER				DATE	
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE	

FORM CD-451 (REV. 12-14)		U.S. DEPARTMENT OF COMMERCE		<input type="checkbox"/> GRANT	<input type="checkbox"/> COOPERATIVE AGREEMENT
AMENDMENT TO FINANCIAL ASSISTANCE AWARD				FEDERAL AWARD ID NUMBER	
CFDA NO. AND NAME					
PROJECT TITLE					
RECIPIENT NAME			AMENDMENT NUMBER		
STREET ADDRESS			EFFECTIVE DATE		
CITY, STATE, ZIP CODE			EXTEND PERIOD OF PERFORMANCE TO (IF APPLICABLE)		
COSTS ARE REVISED AS FOLLOWS:	PREVIOUS ESTIMATED COST	ADD	DEDUCT	TOTAL ESTIMATED COST	
FEDERAL SHARE OF COST	\$	\$	\$	\$	
RECIPIENT SHARE OF COST	\$	\$	\$	\$	
TOTAL ESTIMATED COST	\$	\$	\$	\$	
REASON(S) FOR AMENDMENT:					
<p>This Amendment Document (Form CD-451) signed by the Grants Officer constitutes an Amendment of the above-referenced Award, which may include an obligation of Federal funding. By signing this Form CD-451, the Recipient agrees to comply with the Amendment provisions checked below and attached, as well as previous provisions incorporated into the Award. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Amendment offer and de-obligate any associated funds.</p> <p><input type="checkbox"/> SPECIAL AWARD CONDITION(S)</p> <p><input type="checkbox"/> LINE ITEM BUDGET</p> <p><input type="checkbox"/> OTHER(S): _____</p> <p>_____</p> <p>_____</p>					
SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER				DATE	
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE	

§200.301 Performance Measurement



- Provides more robust guidance to Federal agencies to measure performance in a way that will help the Federal awarding agency and other non-Federal entities to improve program outcomes, share lessons learned, and spread the adoption of promising practices.
- The Federal awarding agency is required to provide recipients with clear performance goals, indicators, and milestones.

§200.306 Cost Sharing Or Matching



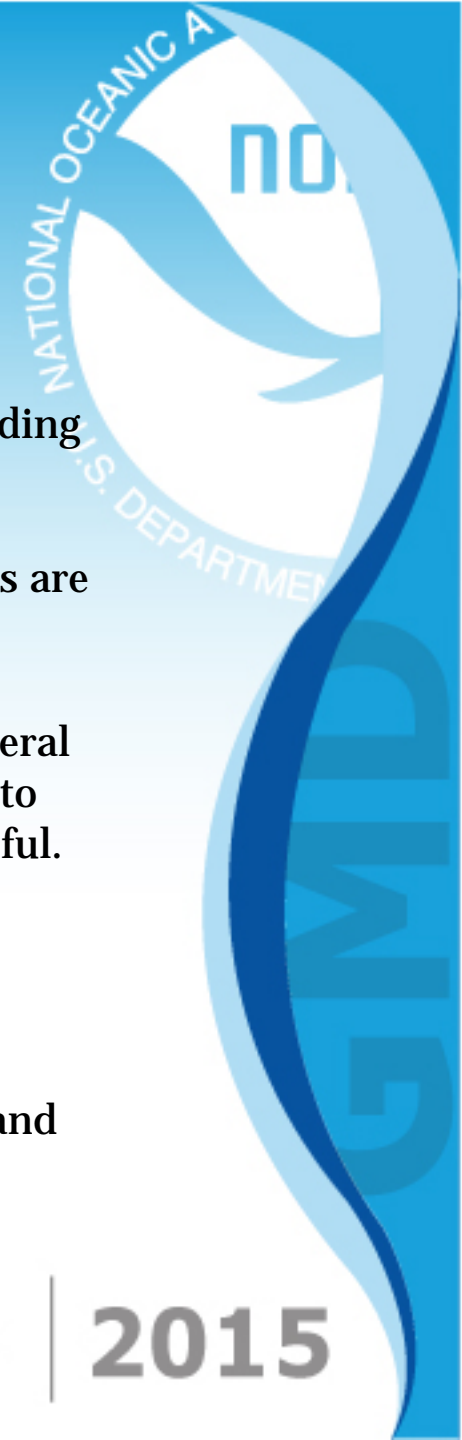
- Clarifies policies on voluntary committed cost sharing to ensure that such cost sharing is only solicited for research proposals when required by regulation and transparent in the notice of funding opportunity.
- For research proposals it cannot be considered during the merit review.
- Only mandatory cost sharing or cost sharing specifically committed in the project budget must be included in the organized research base for computing the indirect (F&A) cost rate or reflected in any allocation of indirect costs.



Monitoring and Pass-Through Requirements

- **§200.331 Requirements For Pass-Through Entities:**
Requires pass-through entities to honor the indirect cost rates negotiated at the Federal level, negotiate a rate in accordance with Federal guidelines, or provide the minimum flat rate.
- **§200.328 Monitoring and Report Program Performance:**
The non-Federal entity must submit performance reports using OMB-approved government wide standard information collections when providing performance information.

§200.328 Monitoring and reporting program performance



- The non-Federal entity must submit performance reports using OMB approved government wide standard information collections when providing performance information. As appropriate in accordance with above mentioned information collections, these reports will contain, for each Federal award, brief information on the following unless other collections are approved by OMB:
- A comparison of actual accomplishments to the objectives of the Federal award established for the period. Where the accomplishments of the Federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful. Where performance trend data and analysis would be informative to the Federal awarding agency program, the Federal awarding agency should include this as a performance reporting requirement.
- The reasons why established goals were not met, if appropriate.
- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.



§200.413 Direct Costs

- Makes consistent the guidance that administrative costs may be treated as direct costs when they meet certain conditions to demonstrate that they are directly allocable to a Federal award.
- Certain conditions include:
 - Administrative or clerical services are integral to a project or activity;
 - Individuals involved can be specifically identified with the project or activity;
 - Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
 - The costs are not also recovered as indirect costs.

§200.414 Indirect (F&A) Costs



- Provide a **de minimis indirect cost rate of 10% of MTDC** to those non-Federal entities who have never had a negotiated indirect cost rate, thereby eliminating a potential administrative barrier to receiving and effectively implementing Federal financial assistance;
- Require Federal agencies to accept negotiated indirect cost rates unless an exception is required by statute or regulation, or approved by a Federal awarding agency head or delegate based on publicly documented justification;
- Allow for a one-time extension without further negotiation of a federally approved negotiated indirect cost rate for a period of up to 4 years.

Policy Guide & Advertising

- **§200.400 Policy Guide:** Expressly prohibits the non-Federal entity from earning or keeping profit resulting from Federal financial assistance unless expressly authorized by the terms and conditions of the Federal award.
- **§200.421 Advertising and Public Relations:** Allows for costs of advertising program outreach and other specific costs necessary to meet the requirements of the federal award.





§200.432 Conferences

- Conferences clarifies allowable conference spending and requires conference hosts/sponsors to exercise discretion and judgment in ensuring that conference costs are appropriate, necessary, and management in a manner that minimizes costs to the federal award.
- The costs of identifying, but not providing, locally available dependent-care resources are allowable.



§200.461 Publication and Printing Costs

- The non-Federal entity may charge the Federal award before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the Federal award.



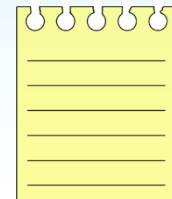
Audits

- **§200.501 Audit Requirements:** Raises the Single Audit threshold from \$500,000 in Federal awards per year to \$750,000 in Federal awards per year.
- **§200.521 Management Decision:** Includes language to require auditees to initiate corrective action as rapidly as possible, and not wait until audit reports are submitted.



Additional Information

- This presentation only highlights some changes as a result of the Uniform Guidance. Please refer to the 2 CFR Part 200 for all changes.
- Be mindful of “must” versus “should”
- DOC Revised Resources:
 - DOC Financial Assistance Standard Terms and Conditions
 - DOC Pre-Award Notification Requirements for Grants and Cooperative Agreements
 - DOC Research Development Award Conditions





Additional Resource

- Refer to <https://cfo.gov/cofar/> for the 2 CFR Part 200, and additional resources posted such as the FAQs, crosswalks, etc.

The screenshot shows the CFO Council website. The main heading is "Council on Financial Assistance Reform 2 C.F.R 200: Uniform Guidance". Below the heading, there is a paragraph of text: "OMB together with Federal awarding agencies is issuing a joint interim final rule to implement the new guidance at 2 C.F.R. 200 titled Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The rule will be available for public inspection December 18th, published in the Federal register December 19th (at www.Federalregister.gov) and effective for new awards or some funding increments on or after December 26, 2014." There are also several questions listed, such as "This is the first I've heard of this. Where can I find a good summary of the Uniform Guidance and policy changes it includes?" and "What happens on December 19th and after?".