The Uniform Guidance - 2 CFR 200

The Sophomore Year
Increase in Federal Grants Activity

Nearly 2,000 Federal grant programs are listed in the Catalog of Federal Domestic Assistance.
Federal Grants to States

Fiscal Year 1950 Estimated
Includes Proposed Legislation

- Highways: $470 million
- Other: $239 million
- Education: $323 million
- School Lunches: $75 million
- Public Health: $110 million
- Employment & Unemployment Compensation Offices: $135 million

# Bureau of the Budget
“We Bring Good Things to Life”

Grant - We Improve the Quality of Life
Grants Reform Timeline

- **February 2011:** Presidential Memo
- **February 2012:** Notice of Proposed Rulemaking
- **October 2011:** COFAR established
- **December 2013:** Uniform Guidance Published
- **February 2013:** Notice of Proposed Guidance
  - April 2013
Grants Reform Timeline

December 26, 2013: Uniform Guidance published

December 18, 2014: 28 Agencies Adopted the Guidance, Technical Corrections, Metrics

UG IS EFFECTIVE

2015-2016: Agency Final Rules, Collection of Second Set of Metrics

3rd Webcast

Fall 2014: Metrics, Additional FAQs and Webcasts

2015: Additional Technical Corrections, FAPIIS, Outreach, Updated FAQs
Major Policy Reforms

• Eliminates duplicative and conflicting guidance
• Focuses on performance over compliance for accountability
• Encourages efficient use of information technology and shared services
• Provides for consistent and transparent treatment of costs
• Limits allowable costs to make best use of Federal resources
Major Policy Reforms

• Setting standard business processes using data definitions
• Encourages non-Federal entities to have family friendly policies
• Strengthens oversight
• Targets audit requirements on risk of waste, fraud, and abuse
Eliminating Duplicative and Conflicting Guidance

Then:

- State, Local & Tribes
  - A-102
  - A-87
- Universities
  - A-110
  - A-21
- Nonprofits
  - A-110
  - A-122

KEEP CALM AND UNDERSTAND THE RULES

KeepCalmAndPosters.com
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

12 Appendices - I through XII

“Should” and “Must”
“Should” and “Must”

Shall it Out – Yes, Shout it Out
But Should is In
May will be back
So are April and June
Orange is the new Black
Must is the new Shall
Top Ten UG Impact

• Standard data
  – Definitions, Notice of Funding Opportunities, Application, Award Notice

• Computing devices as supplies – 200.94

• Fixed award amount – 200.201 (b)

• Internal Controls – 200.303

• Procurement standards – 200.320
Top Ten UG Impact

• Subrecipient Monitoring – 200.331
• Direct charges of administrative salaries – 200.413
• Indirect Cost Rate acceptance – 200.414
• Documentation for personal services -200.430
  – Internal controls – 200.430 (i)
  – Outcome based – 200.430 (i) (6)
  – Blended funding – 200.430 (i) (7)
• Audit report transparency- 200.512
Implementation

- Challenges
- Agency final rules
- Best practices
- Metrics

**Single Audit Metrics**

The 2014 Compliance Supplement contains 14 areas for review by the auditors on each major program (such as “Allowable Cost/Cost Principles” and “Cash Management”). Each area also lists the audit objectives for the review.

For the 2014 Compliance Supplement, there were 73 audit objectives in the 14 review areas. OMB will collaborate with agencies to focus the auditors’ work on the most important objectives that target waste, fraud, and abuse.

The 14 review areas for 2014 were:
- A. Activities Allowed or Unallowed (2)
- B. Allowable Cost/Cost Principle (28)
- C. Cash Management (6)
- D. Days: Recoup Act (2)
- E. Eligibility (4)
- F. Equipment and Real Property/Management (3)
- G. Matching, Level of Effort, and Earmarking (4)
- H. Period of Availability of Federal Funds (2)
- I. Procurement and Subcontract and Debarment (4)
- J. Program Income (2)
- K. Real Property Acquisition and Relocation Assistance (5)
- L. Reporting (3)
- M. Sub-recipient Monitoring (16)
- N. Special Tests and Provisions (4)
Title 2: Grants and Agreements

PART 1327—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Contents
§1327.101 Adoption of 2 CFR Part 200.

SOURCE: 79 FR 76050, Dec. 19, 2014, unless otherwise noted.

§1327.101 Adoption of 2 CFR Part 200.

Under the authority listed above, the Department of Commerce adopts the Office of Management and Budget (OMB) Guidance in 2 CFR part 200. Thus, this part gives regulatory effect to the OMB guidance and supplements the guidance as needed for the Department.
Best Practices

• COFAR Webpage

• July 2016 Webcast on Promising Practices
  – Risk assessment
  – Contract vs. subaward determination
  – Subrecipient monitoring
  – Personnel services
  – Indirect cost rates
  – Single audit and CAROI
COUNCIL ON FINANCIAL ASSISTANCE REFORM

The COFAR, established by OMB Memorandum M-12-01, is comprised of an interagency group of Executive Branch officials to coordinate financial assistance. Council activities include providing recommendations to the Office of Management and Budget (OMB) on policies and actions necessary to effectively deliver, oversee, and report on grants and cooperative agreements, as well as sharing with executive departments and agencies (agencies) best practices and innovative ideas for transforming the delivery of this assistance. In addition, the Council will engage relevant stakeholders across Government on key issues to foster more efficient and effective Federal management by coordinating the development and implementation of standardized business processes, data standards, metrics, and information technology. This Council replaces two Federal boards – the Grants Policy Council and the Grants Executive Board to create a more streamlined, flexible, and strategic structure. The Council’s work builds in part on grants streamlining activities under Public Law (P.L.) 106-107, the Federal Financial Assistance Management Improvement Act of 1999. COFAR and CFOC efforts are supported partly by the Financial Management Line of Business.

UNIFORM GUIDANCE
Uniform Guidance In December 2014, OMB together with Federal awarding agencies issued an interim final

TRAINING
COFAR Training As part the COFAR’s mission to effectively deliver, oversee, and report on grants and

COFAR RESOURCES
COFAR Resources What is the Council on Financial Assistance Reform? OMB Memorandum M-12-01
PROMISING PRACTICES IN IMPLEMENTATION: RISK ASSESSMENT (PANEL 1)

- Andrea Brandon, Director, Financial Assistance Policy and Oversight, Department of Homeland Security and COFAR Co-Chair
- Phil Maestri, Director, Risk Management Service, U.S. Department of Education
- Moderator: Rhea Hubbard, Policy Analyst, OMB

Resources:
EDUC Entity Risk Report Example: http://go.usa.gov/x34pk
DHS Vulnerability Risk Assessment: http://go.usa.gov/x34dW
Uniform Guidance Metrics

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE CONTROLLER

September 30, 2014

M-14-17

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: David Mader
       Controller, OMB

SUBJECT: Metrics for Uniform Guidance (2 C.F.R. 200)

On December 26, 2013, OMB published final guidance in 2 C.F.R 200 titled Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards to
What’s Ahead?

• Future changes to Title 2 of the Code of Federal Regulations
• More FAQs
• DATA Act implementation and Section 5 Pilot
• New statutory requirements
  – FAPIIS
  – GONE Act
  – Never Contract with the Enemy
Resources

- The COFAR website is available at: https://cfo.gov/cofar/

  - Includes:
    - FAQs
    - Webcasts
    - Crosswalk to agency exceptions and additions
2016 White House Easter Egg Roll

YOU KNOW THE CONSEQUENCES!
Winter is Coming !!!
For More Information Visit: CFO.gov/COFAR

rhubbard@omb.eop.gov and htran@omb.eop.gov

Thank you!