NCJA Grants Management Training Workshop for the Indiana Criminal Justice Institute

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Training Objectives

- Learn the basic stages and cyclical processes for all grants management
- Understand the importance of grant terminology, compliance, performance and roles and responsibilities
- Learn the outline, layout, priorities and deadlines in the “new” Uniform Guidance, 2 CFR Part 200
- Know the federal statutes, regulations, circulars, policies and terms and conditions
- Appreciate the need for continued professional development and training
- Locate grant resources and tools...don’t reinvent the wheel
The Stages of Grants Management

- **Closeout and Audit**
- **Pre-Award**
- **Post-Award**
- **Award**
Cyclical Processes in Grants

- Identify Funding Opportunities
  - Proposal Development/Application
    - Evaluation and Review
      - Award and Program Establishment
      - Monitoring
      - Payments
    - Amendments
      - Reporting
      - Closeout and Audit
The Stages of Grants Management Pre-Award

- Funding Agency or Grantor
  - Notice of Funding Opportunity (NOFO)
  - Evaluation/Review
  - Risk Assessment

- Applicant or Grantee
  - Identify Funding Opportunities
  - Proposal Development/Application
  - Certifications and Assurances
The Stages of Grants Management Award

- Funding Agency or Grantor
  - Negotiation
  - Notice of Award
  - Terms and Conditions
- Applicant or Grantee
  - Program Establishment
  - Organizational Structure and Staffing
  - Policies and Procedures
  - Accounting
The Stages of Grants Management Post-Award

- Grantor and Grantee
- Subawards
- Procurement
- Monitoring
- Payments
- Reporting
- Amendments
- Property and Disposition
The Stages of Grants Management Closeout and Audit

- *Close Out* and Deobligation
  - Final Reports
  - Records Retention

- *Audits*
  - Investigations
  - Corrective Action
Foundations of Grants Management
Legal Hierarchy and Precedence

- Statutes
  - Appropriations-$$$$$
  - Authorizations-Implementing program
- Federal Regulations
  - General: Title 2 CFR Part 200
  - Program: Federal agency implementation
- Office of Management and Budget (OMB) Circulars
- Grant Terms and Conditions
- Program Guidance/Notice of Funding Opportunity (NOFO)
- Federal Agency Policy
Responsibilities of Grantors

- Carry out a purpose authorized in law
- Select recipients with most ability to achieve program purpose
- Provide guidance and technical assistance
- Ensure that all information is accurate, current, available, and accessible
Responsibilities of Grantors

- Perform oversight
  - Financial and operational compliance
  - Monitoring program performance
  - Overall progress toward achievement of grant purpose and objectives
- Ensure compliance and performance
- Exercise fiduciary responsibility
Responsibilities of Grantees

- Implement grant program objectives
- Understand and adhere to grant terms and conditions and federal regulations
- Provide monitoring and oversight both internally and for subrecipients
- Manage fiduciary responsibilities and maintain good records
  - Records retention and documentation
Federal Regulations

- Created by the Federal agency
- Has the force and effect of law
- General
  - Title 2 of the Code of Federal Regulations Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
Federal Regulations

- Program Specific
  - Federal agency implements its own grant program by promulgating regulations within its own Title of the *Code of Federal Regulations (CFR)*
  - Also known as the Grants Management “Common Rule”
OMB Circulars

- Guidance to Federal Agencies
  - OMB Reports to the Executive Branch-U.S. President
- Not authorized as federal regulation
  - Circulars do not have the force and effect of law
- Circulars are published on OMB Website
- Most OMB Circulars regarding grants management codified into Federal Regulation on January 1, 2012
Cost Principles and Administrative Requirements

- Cost Principles
  - Define allowable costs for different types of Recipients; failure to mention a particular item of cost in the Cost Principles is not intended to imply that it is either allowable or unallowable

- Administrative Requirements
  - Prescribe standards for grant administration to achieve uniformity and consistency for Recipients of Federal Assistance
OMB Circulars Codified into CFR effective January 1, 2012

Administrative Requirements

Recipient or Subrecipient
Awards prior to Dec. 26, 2014

- State, Local Govt., Tribe
- Higher Ed., Non-Profits, Hospitals
- For-profits

A-102 became 28 CFR Part 66-DOJ
44 CFR Part 13 FEMA

A-110 became 2 CFR Part 215
OMB Circulars Codified into CFR effective January 1, 2012 - Cost Principles

Recipient or Subrecipient

Recipient or Subrecipient Awards prior to Dec. 26, 2014

State, Local Govts., Tribes

A-87 became 2 CFR Part 225

Higher Ed.

A-21 became 2 CFR Part 220

Non-profits

A-122 became 2 CFR Part 230
OMB Circulars Codified into CFR effective January 1, 2012 - Cost Principles

Recipient or Subrecipient

Awards prior to Dec. 26, 2014

Hospitals

45 CFR Part 74, App E

For Profits

FAR 31.2 became 48 CFR Part 31
Recipient or Subrecipient

Awards prior to Dec. 26, 2014

Recipients:
Exempt from A-133

Subrecipients:
Must be determined by Pass-Thru Agency

States, Local Govts., Tribes, Higher Ed., Hospitals, Non-Profits

For Profits

OMB Circular A-133
Federal Regulations and OMB Circulars Superseded by 2 CFR Part 200

Recipient or Subrecipient
Awards/Disaster Declarations made on or after Dec. 26, 2014

States, Local Govts., Tribes, Higher Ed., Hospitals, Non-Profits

2 CFR Part 200

For-Profits

2 CFR Part 200.101
Federal Agency may apply Subparts A-E to For-Profits
Program Guidance/Notice of Funding Opportunity (NOFO) and Federal Agency Policy

- Program Guidance/NOFO
  - Funding requirements and eligible applicants
  - Allowable and unallowable costs
  - Program application process and evaluation
  - Application requirements
  - Award and reporting requirements

- Federal Agency Policy [www.ojp.gov](http://www.ojp.gov)
Identify Funding Opportunities
Identify Funding Opportunities

- Primary resource for federal grants is Grants.gov www.grants.gov
- Search funding opportunities
- Download grant application package and complete all parts
- Obtain approvals, signatures and certifications before submitting (keep written copies)
- Submit application online and track status
Proposal Development/Application
Notice of Funding Opportunity (NOFO)

- Federal agencies must publish at www.grants.gov
- Required Information
  - Federal Agency Name
  - NOFO Title and Number
  - New Announcement? Modification?
  - CFDA Number
  - Scoring criteria for review of applications
  - Due Dates for pre-applications and applications
- Generally 60-day application period, but not less than 30 days
Notice of Funding Opportunity (NOFO)

- Standard Form (SF) 424 financial worksheets
- Programmatic description with goals, objectives, milestones, performance measurements, implementation schedules (Narrative)
- Financial description to justify and explain costs (Narrative)
- Eligibility information
- Required reporting elements
- Federal Regulations, Circulars, Terms and Conditions
Required Certifications

- Acceptance of compliance with applicable federal laws, federal regulations, circulars, agency policies, program guidance, etc.
  - Debarment and Suspension (SAM)
  - Drug-free Workplace
  - Davis-Bacon Act
  - Hatch Act
  - Nondiscrimination
Subrecipient Applications

- Recipient agencies are responsible for developing subgrant application guidance and funding opportunity announcements.
- Recipient announces funding opportunities, deadlines, forms, certifications on their website or by email.
- Recommended required documents:
  - Eligibility information
  - Budget worksheets and narratives (justify and explain costs)
  - Matching requirements and approved indirect cost plans/rates
  - Program narratives, implementation schedules and matching requirements (if applicable)
  - Certifications and signature documents
Evaluation and Review
Application Review

- No conflict of interest
- Checklist for initially reviewing the application
  - Completeness
  - Formatting requirements
  - Eligibility of applicant organization
  - Project eligibility
  - Compliance
  - Budget Worksheet and Narrative
  - Matching Costs and Indirect Costs Information
Application Review

- Checklist for initially reviewing the application
  - Programmatic Information
  - Risk Assessment
  - Debt Delinquent
  - Accuracy of Budget
  - Signatures and Certifications
    - Check [www.sam.gov](http://www.sam.gov) for Debarment and Suspension
Application Review

Application Cost Categories

- Personnel
- Fringe Benefits
- Travel
- Equipment
- Supplies
- Contractual Services
- Other
- Indirect Costs
Application Review Personnel

- Description of job duties, including title
- Salary computations, including percentage of time on the project
- Salary increases included and described
  - Annual? Cost of Living? Merit?
- Is each position identified by title?
- Reasonable salaries for duties—U.S. Dept. of Labor
Application Review

Fringe Benefits

- Fringe Benefits
  - Percentage/rate used
    - In accordance with organization policy
  - Specific, itemized list of benefits and amounts
    - Should be adjusted with actual rates after employee is hired
  - Associated increases with salary increases
Application Review

Travel

- Specific costs for all travel-related expenses
  - Lodging
  - Per Diem
  - Mileage to/from airport and home
  - Airfare
  - Meals and Incidentals
- Is the basis for computation provided? Reasonable?
- Narrative justifying all travel costs and personnel traveling
- Does the organization have a written travel policy?
  - If not, must follow Federal OMB travel guidelines
Application Review
Equipment

- Detailed description of equipment
  - Define the item(s)—not just listing brand name
  - Unit prices and costs? Reasonable?
  - Quantity? Location? Agency receiving?
- Justification of equipment use and need
- Allowable by program
Application Review

Supplies

- Description of computation for costs
  - Estimates based on past purchases/expenses
  - Monthly estimates
  - Need and use
- General list is acceptable
  - Office Supplies, Training Supplies, Conference Materials/Supplies, Printer Supplies, etc.
Application Review
Contractual

- All costs for consultants are included
- Computation of consultant rate?
  - Daily? Hourly? Job? Phase?
- Reasonable rates based on market conditions
- Detailed description of contractor responsibilities, duties, project deliverables, timetables
Application Review
Other

- Category for any other type of cost
  - Office rent
    - Reasonable compared to market conditions
    - Cost per square footage included
  - Maintenance
  - Cell phone and office phone fees
  - Meeting space
  - Registration fees
Application Review
Indirect Costs

- Federal government recognizes that it costs money to run organization and program above and beyond the costs of providing direct services
- These administrative overhead or “indirect” costs are the things that keep your organization operating smoothly and efficiently, but are not tied to any one
- Negotiated Indirect Cost Rate Agreement
  - Ratio or percentage of total indirect costs to direct cost base
Application Review
Indirect Costs--Types

- Administrative staff
  - Executive Director, Finance Director, Human Resources Staff, Clerical Staff not dedicated to specific programs
- Office space used by those staff, including costs of rent and utilities
- Equipment and services used by everyone: copiers, phone systems, janitorial service, IT support, etc.
- Board expenses
- Fundraising and marketing expenses
- Grants management: audit costs; liability insurance
Management and Administration (M&A) Costs

- Costs for direct services to perform the project, achieve the goals and objectives and implement the grant award
- Clearly identified and project based
  - Based on project goals, objectives, deliverables
- M&A can include staff performing day-to-day operations for the program, travel for those staff, training for grants staff, project equipment and supplies, office space for project/grants staff, monitoring expenses
Budget Narrative

- Justifies the need for each line item and justifies the cost estimates
- Explains how cost relates to the programmatic goals of the project
- Supplements information provided in the budget detail worksheet
Award and Program Establishment
Grant Award

- Official document obligating federal funding
- Legal instrument of financial assistance...to carry out a public purpose authorized by law, between funding agency and recipient
- Includes Terms and Conditions/Certifications (Common to All)
- Special Conditions (Specific to the Award/Project)
  - **TIP:** Add a requirement that the vendor notify the recipient or subrecipient if they become debarred or suspended during the period of performance of the grant award.
- Matching Costs
- Grant Period of Performance (PoP)
Notice of Award

- Usually by federal agency electronic grants management system
- Email with grant award and instructions for accepting award
- Must sign and accept award and grant terms and conditions
  - Electronically or in writing
**Period of Performance**

- Grant Award includes both Budget Period and Funding Period
- Obligations must be made within the PoP
  - Cannot cut purchase order after the PoP
- Expenditures must be paid, reconciled and closed out with funding agency within 90 days after the last day of the Period of Performance (PoP)
  - Caution against excessive spending near the end of the grant period
  - Remaining purchase orders issues after the PoP ending date cannot be paid with grant funds
Standards for Financial Management Systems

- Administrative requirements in federal regulations
- “Minimum” requirements for financial system
  - Fully disclose financial and performance data
  - Associate grant expenditures to specific funding source
  - Provide clear audit trail
  - Manage cash effectively
Financial Management Systems

- “Adequate” accounting systems require
  - Internal Controls and ability to test
  - Compliance with Cash Management Improvement Act (CMIA)
  - Fulfill Federal financial reporting requirements SF-425
  - Source documentation for all expenses
    - Receipts, paid invoices, purchase orders, executed contract, cancelled check or external source document from financial institution showing outlay of funds (e.g. PAID credit card bill, payroll registers and fringe benefits, treasurer’s report tied to paid invoice and PO, etc.)
  - Minimize time between Federal drawdowns and reimbursements—”cash-on-hand”
Financial Management Systems

- “Adequate” accounting systems require
  - Accounting for all financial and program budgets
  - Track matching funds and in-kind contributions
    - Should be able to distinguish between these and federal fund expenses and revenue
  - Differentiating direct costs versus indirect costs
  - Track expenditures on accrual basis (budget control)
  - Expenditures must be broken down by award
  - Segregate funds and expenses by coding categories of costs
    - Fund codes, budget codes, object codes, etc.
Financial Areas: Proceed with Caution

- Cost principles—allowable, allocable, reasonable, necessary
- Consultants
  - Use market rates
- Sole Source
- Reporting time and effort with grant-funded activities
- Matching/cost sharing
  - Document as you go
- Travel authorizations
- Advance (Cash Management Improvement Act-CMIA)
Financial Areas: Proceed with Caution

- Program income
- Indirect Costs
  - Facilities and Administrative (F&A) Costs-Higher Ed
- Supplanting and Comingling
- Obligations beyond period of performance
- Spending near end of period of performance
- Retention of records
- Property control
- Source documentation
Procurement

- Some require prior approval from Federal funding agency
  - Recipient requires it of subrecipient
- Types of Procurement
  - Small purchases and competitive sealed bids
  - Competitive
  - Federal (General Services Administration-GSA)
  - State contract (if competitive)
  - Sole source (rare?)
Procurement

- Types of Procurement
  - Sole source is allowed only with conditions
    - Federal agency approves
  - Emergency
  - Only one source (provider)
    (uniqueness/compatibility)
  - After solicitation, competition deemed inadequate
**Procurement**

- Sole source
  - Document, document, document
  - Authorized Official and Procurement Officer sign off
- Sole source contracts
  - Use a panel to review proposals
  - Document using criteria published in request for proposals
  - Coordinate with State/Local Procurement Association
- Subrecipient monitoring should include the Procurement Officer
Program Establishment

- Organizational Structure
- Staffing and Training
- Compliance
- Subrecipient Solicitation/Selection
Program Establishment

- Budgets
- Communications
- Monitoring, Reporting and Auditing
- Policies and Procedures—Evaluation
Program Establishment

- Organizational Structure
  - Authority—Legislative Statute or Executive
  - State Planning Agency—Policy
  - Administrative Agency for funding only
  - Identify roles and responsibilities
  - Plans for staffing
  - Sustainment
Program Establishment

- Staffing
- Identify necessary positions
- Clearly define roles and responsibilities
- Develop position descriptions
- Document hiring process including interviews, postings, etc.
- Plan for delays
- Hire the best!
  - Previous grants management experience
  - Use your Human Resources Officer to help
Program Establishment

- Training Personnel
  - Professional development
  - Credentialing and certifications
  - Online courses
  - Budget and evaluate **annually**
    - State or local funds
    - Federal funds—Management and Administrative (M&A) Costs
  - Document training results!
Program Establishment

- Subrecipient Solicitation/Selection
  - Policies and procedures published
  - Annually evaluate processes and revise, if necessary
  - Consistently applied processes
  - Use of Advisory Board or Council
  - Provide training—annual workshops
  - Document, document, document
Program Establishment

- Communications—Internal
  - Develop and publish written policies and procedures
  - Determine frequency—staff meetings
  - Consistent, regular communication
  - Determine method
    - Email, text, phone
Program Establishment

- Communications—External
  - Criminal Justice Policy Council or Homeland Security Advisory Council
  - Federal agency—Program Manager
  - Media—TV, radio and print
  - U.S. Congress and State/Local Legislators
  - County officials
  - Attorneys
  - Recipients
  - Subrecipients
Program Establishment

- Policies and Procedures
  - Written
  - Published
  - Annually evaluated and updated
  - Consistently applied
  - Internal controls
Program Establishment

- Policies and Procedures
  - Compliance
  - Set expectations
  - Leadership support
  - Document performance and results
Monitoring
Monitoring

- Process of assessing the progress of the program implementation
  - Financial and programmatic
- Should be formalized with written guidelines and processes
- Documents performance and property control
- Provides opportunities for technical assistance
- Identifies promising practices
- Measures compliance
- Builds partnerships for success
- Results in recommended areas for improvement
- Required during period of performance
Monitoring Types

- Desk
  - Conference call, web, email
  - Use of monitoring report form or checklist
  - Involves all parties from recipient/subrecipient agency
  - Review of pre-set criteria (emailed in advance)
  - Phone and/or e-mail discussion/questions/suggestions
  - May require on-site visit, if further scrutiny required
Monitoring Types

- Site
  - Formal, scheduled and in person
  - Conducted by funding agency staff
  - Monitoring report form or checklist
  - Provides visual identification of grant-funded equipment, property and supplies
  - Meet with grant personnel and organizational staff involved in grant management
  - Provides opportunities for technical assistance and training
**Program Monitoring**

- Evaluating performance of goals and objectives
  - Identified in award
  - Timeliness with implementation schedule
  - Documented
- Measuring results with strategic plans
  - Notice of Funding Opportunity
  - National Priorities
  - Statutory Priorities
  - State or Local Priorities
Financial Monitoring

- Assessing financial management and performance
- Validating expenditures
- Reviewing records, ledgers, files, reports, receipts, contracts, deliverables
- Measuring compliance with federal regulations and guidelines
  - Policies and procedures
  - Source documentation
Label each tab

1. Correspondence
2. Blank Forms, POC Info.
3. Financial-Payments, Requests for Reimbursement/Advance, Qtrly. Reports-Special Cond.
4. Application, Signed Award, Amend.
5. Audit and Corrective Action
6. Progress & Monitoring Reports
Post Monitoring

- Letter to document results
- Detailed list of issues and recommendations made with recipient or subrecipient during monitoring
  - Remaining compliance issue(s)
- Technical assistance availability
- Deadline for response
- Recognize successful performance and promising practices
- Copy to Authorized Official
Top Monitoring Issues

- Little to no project performance
- Incomplete, untimely or inadequate reporting (financial and program)
- Source documentation—missing or inadequate
- No written policies and procedures
- Little or no subrecipient monitoring
- Poor financial management/accounting procedures
- Lack of property and inventory control
- Period of Performance expired with no prior approval
- Drawing down funds too quickly or too slowly
- Failure to manage audit results
- Comingling and Supplanting
Payments
Payment Types

- Cash Management Improvement Act (CMIA)
- Reimbursement
  - Disbursement of funds after expenses incurred and invoice paid
  - Required to draw down funds periodically during performance period
- Advance
  - Minimize time between transfer of funds and expenditures
  - Cash in hand of Subgrantee
  - Limit cash on hand
Payment Types

- Advance Payments are based upon immediate disbursement and reimbursement
  - Time limited—drawdowns should be in an amount not to exceed what is needed for three (3) days, up to thirty (30) days
  - Minimize time between transfer of funds from
    - United States Treasury to Recipients
    - Recipients to Subrecipients
What are Improper Payments?

- Improper Payments: Federal Fiscal year (FY) 2015, federal agencies reported a government-wide improper payment rate of 4.39%, a decrease from the high-water mark of 5.42% reported in FY 2009
- Improper payments totaled approximately $137 billion in FY 2015
  - Overpayment or underpayment
  - Duplicate payments
  - Payment for the wrong invoice and/or purchase order
  - Payments made to ineligible recipient or subrecipient
  - Payments for goods/services not received
  - Contractors cannot support with deliverables/time and effort records (48 CFR Part 31)
- Payments that are ultimately determined to be improper will be subject to recoupment
- [https://paymentaccuracy.gov/about-improper-payments](https://paymentaccuracy.gov/about-improper-payments)
Causes of Improper Payments?

- Knowing causes is essential to reducing errors without negatively impacting people who should be receiving payments from the government.
- OMB, in consultation with agencies, developed new Improper Payment Categories—Federal agencies now report to OMB—applies to Federal Fiscal Year 2015 forward:
  - Program Design or Structural Issue
  - Inability to Authenticate Eligibility
  - Failure to Verify Data
  - Administrative or Process Errors
  - Medical Necessity
  - Insufficient Documentation to Determine
  - Other Reason
Improper Payments Legislation and Determining Loss

- **Authorizing Legislation**
  - Improper Payments Information Act of 2002 (IPIA)
  - Recovery Audit Act of 2002 (RAA)
  - Improper Payments Elimination and Recovery Act of 2010 (IPERA)
  - Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012

- **Determining Loss and Fraud**
  - Not always a loss to the government
    - Improper usually is only the difference between overpayments minus underpayments
  - Not always fraud-intentional misuse of funds
    - Improper due to clerical mistake or data entry error
    - Labeled improper due to lack of documentation
Payment Documentation

- Accounting records must be documented
  - Cancelled checks / External source (e.g. financial institution)
- Time and attendance records
- Payroll registers
- Receipts
- PAID Invoices
- Purchase orders
- Executed contracts
- Travel authorization forms/travel vouchers
- Federally approved indirect cost rate agreement
Subrecipient Payments

- Payment status is determined by the Recipient and included in Subrecipient’s grant award
- Detailed processes for advance payments to Subrecipients should be included in Recipient’s policies and procedures
  - Time limits for submission of source documents from subrecipient
  - Return excess funds or required reporting of use for excess funds in the future
  - Justified need for advance payments—hardship
Subrecipient Payments

- Reimbursement status
  - Subgrantee requests reimbursement from funding agency
  - Include procurement documentation
  - Provide source documentation or proof of payment
    - Invoices submitted with the signed request
  - Copy of cancelled check / External source (e.g. financial institution)
    - Required for cost sharing and/or matching funds
Payments for Recipients and Subrecipients

- Funding agency can withhold payments
  - Recipient or Subrecipient fails to comply with grant terms and conditions
  - Recipient or Subrecipient fails to meet reporting requirements
  - Recipient or Subrecipient is indebted to the government
- Stop payment until compliance
- Written policies and procedures and training on their use is critical for ensuring payments are managed well and accurately documented.
Financial Reporting

- Federal reporting requirements are included in both 2 CFR and 28 CFR/44 CFR and the Grant Terms and Conditions
- SF 425 used for all Federal Financial Reporting
- Reporting done on quarterly basis
- Recipients are required to expend funds and report in accordance with their state laws and procedures and internal accounting systems
Performance Reporting

- Federal agency may require only annual performance report from Recipient
  - If so, due upon termination or expiration of grant, on the same date as the SF425 Federal Financial Report
- If Federal agency requires more frequent reporting, it will not be more frequently than quarterly
- Most Federal agencies require programmatic reporting on a semi-annual basis
- Reporting requirements are contained in Grant Terms and Conditions
Performance Reporting

- Performance reports will contain for each grant:
  - A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.
  - The reasons for slippage (a.k.a. unspent funds, reverted funds) if established objectives were not met.
  - Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.
  - Recipients will adhere to the standards in this section in prescribing performance reporting requirements for subrecipients.
Amendments
Grant Amendments/Modifications

- Review requirements for amendments in Grant Terms and Conditions
- Amendments are changes in budget or scope of project
- Submit budget changes on approved forms
- Determine prior approval requirements
  - Scope or focus of statutory and awarded program goal
  - Pre-Award costs
  - Budget changes
  - Grant extensions
  - Change in Authorized Official
Grant Amendments/Modifications

- Allow time for processing at funding agency
- Amendments require strong justification and description of all changes
- Must be in accordance with regulations and program guidelines
- Must meet allowable cost guidelines
Closeout
Closeout

- Federal agency will close out the award when it determines that all applicable administrative actions and all required work of the grant has been completed.
- Final performance and financial reports (SF425) are due to the funding agency within 90 days after the end of the approved extension date.
- All inventory reporting.
- No obligations beyond period of performance.
Closeout

- Recipient must immediately refund to the Federal agency any balance of unobligated (unencumbered) cash advanced that is not authorized to be retained for use on other grants.

- Closeout does not affect Federal agency’s right to disallow costs and recover funds on the basis of:
  - Later audit or other review
  - Recipient’s obligation to return any funds due as a result of later refunds, corrections or other transactions
  - Records retention required
  - Property management requirements
  - Audit requirements
Closeout: Property Control

- Administrative requirements for equipment and property control, disposition and transfer found in federal regulations (28CFR) and Grant Terms and Conditions
  - Equipment records should include location, condition, reporting date, unit acquisition cost, federal and local
  - Inventory requirements at least once every two (2) years
  - Disposition data, including sale price and method to determine fair market value
  - Reconciling with prior inventory records
Records Retention

- Recordkeeping is critical and grant files and documentation must be safely retained and accessible in accordance with federal regulations.
- For *Recipients*: Retention period starts three (3) years from the date of submission of the final Federal Financial Report SF-425.
- For *Subrecipients*: Retention period starts three (3) years from the date of submission of the final Financial Report to the Recipient Agency.
- Recipients and subrecipients are obligated to protect records.
- Recipients should follow their state records retention policies.
- If corrective action from audit occurs, federal agency may recoup or recover funds during the three (3) year period of records retention.
Audit
Audit Types

- OMB Circular A-133 Audit
- Independent Audits and Financial Statements
  - State and/or local governments
- Internal Agency Audits
- Office of Inspector General (OIG) Audit
- Government Accountability Office (GAO) Audit
A-133 Audits of States, Local Government and Non-Profit Organizations

- Required if expend $500,000 or more in federal funds in fiscal year
- Typically audited by an independent certified public accountant (CPA) and encompasses both financial and compliance components
- All non-Federal entities are required to comply
- Commercial organizations are exempt
- “Non-profit organization” includes non-profit institutions of higher education and hospitals
A-133 Audits of States, Local Government and Non-Profit Organizations

- Can be program or single audit
- Review of financial and performance data and records
- Strong internal controls are key to good audits as auditors will test those controls
- Audit report is due no later than nine (9) months after the end of the entity’s fiscal year
- Submit audit package to the Federal Audit Clearinghouse (FAC) in Jacksonville, Indiana via http://harvester.census.gov/fac/collect/ddeindex.html
Audit Findings and Resolution

- Audit results include Findings on specific awards and requirements
  - Questioned costs
  - Systemic problems
  - Isolated issues
  - Responsible parties
  - Recommendation
  - include Findings on the following

- Resolution of findings should be included in Corrective Action Plans (CAPs)
Audit Findings and Corrective Action

- Funding agency oversees/monitors Recipient CAPs
- Recipient oversees/monitors Subrecipient CAPs
- CAPs include
  - Description of the problem
  - Remedy for problem based on auditor’s recommendations
  - Timetable for performance of each corrective action
  - Monitoring plan for CAP implementation
Audit Corrective Action and Resolution

- Audited Recipient or Subrecipient
  - Generate response to CAP request within 30 calendar days
- After auditee responds, Audit Office will issue decision
  - Auditee can either agreeing or disagreeing with findings
  - Agree to cost disallowances
- Funding agency will establish debt and interest accrual begins even during appeals
Independent Audits and Financial Statements

- Occurs when the A-133 threshold is not met
  - Recipient or subrecipient does not expend $500,000 or more in federal funds in fiscal year
- Used in place of A-133 Single Audit to assess organization’s financial management standing and capabilities
- Purpose of independent audits is to assess organization’s financial management standing and capabilities
Office of the Inspector General (OIG) Audits

- Performance and Financial Audits
- OIG Audits go to Program Office and Auditee
- Conducted by OIG Staff or contracted OIG officials
- Auditee has 30 days to respond
  - Object or agree with findings and recommendations
  - Supporting documentation must support disagreement with OIG recommendations and findings
Government Accountability Office (GAO)

- Independent, nonpartisan agency that works for Congress
- Audits improper and illegal activities—statutory violations
- Assesses performance
- Issues legal decisions—subpoena power
- Investigates federal programs and the use of taxpayer dollars
- Visits on-site or by phone with recipients and subrecipients
- Investigative reports issued directly to Congress
Uniform Guidance
2 CFR Part 200
History of Uniform Guidance Reform

- **February 2011**—Presidential Memo: Reduce Administrative Burden
- **February 2012**—Advanced Notice of Proposed Guidance
- **February 2013**—Notice of Proposed Guidance
- **December 2013**—Publication of Final Uniform Guidance
- **December 26, 2014**—"On or After This Date" Effective Date for New Awards and Supplemental Awards
Impact of Grant Reform

- Federal agencies and non-Federal entities (states, local governments, Indian tribes, institutions of higher education, and nonprofit organizations) that receive Federal awards as a recipient or subrecipient and their auditors
- Combines eight (8) previously separate sets of OMB guidance into one (1)
- Co-locates all related OMB guidance into Title 2 of the Code of Federal Regulations (CFR)
- The CFR has the force and effect of law
What is the COFAR?

- Council on Financial Assistance Reform (COFAR)
- Interagency council of the Office of Management and Budget (OMB) and the eight (8) largest Federal grant-making agencies and one rotating small grant-making agency
- January 27, 2014: COFAR hosted public webcast on reforms and highlighted significant changes in new Uniform Guidance 2 CFR Part 200
- Webcasts available at www.cfo.gov/COFAR
Uniform Guidance Effective Dates

- Federal agencies codified requirements into regulations by 12/26/14
  - OMB had to approve more restrictive regulations proposed by Federal agencies
  - Other Federal agencies accepted the new guidance “as is” into their regulations
Uniform Guidance Focus Areas

- Performance over compliance
  - Auditors (A-133 + Federal OIG) and Monitors (Federal and State Pass Through) must look more to “outcomes” than to “process”
- Limiting allowable costs to make best use of Federal resources
- Standardized data definitions
- Consistent and transparent treatment of costs
  - De minimis indirect cost rate
Uniform Guidance Focus Areas (cont.)

- Encouraging family-friendly policies
- Encouraging efficient use of information technology
- Strengthening oversight
- Targeting audit requirements
  - Reduce fraud, waste and abuse
Layout of 2 CFR Part 200

- 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

Provided with permission from OMB
Section 200.XX--Acronyms & Definitions

- 200.0, Acronyms
- 200.1 through 200-99, Definitions
  - 99 separate sections and indexes
  - Applicable to administrative requirements, cost principles and audit and all types of grantees

- Provided with permission from OMB
Use of “Should” and “Must”

- **Should** = best practices or recommended approach
- **Must** = required

**Shall** is 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**

- Narrative Provided by Gil Tran, OMB
Section 200.XX--Acronyms & Definitions

- 200.22, **Contract** (legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award)

- 200.23 **Contractor** (replaces term “vendor”)

- Provided with permission from OMB
Section 200.XX--Acronyms & Definitions

- 200.38, **Federal Award** - depends on context
  - Means $ or the document
  - Does **not** include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract

- Provided with permission from OMB
Section 200.XX--Acronyms & Definitions

- 200.51, Grant Agreement
  - Legal instrument of financial assistance...to carry out a public purpose authorized by law
  - Not to acquire property or services for the Federal awarding agency or pass-through entity’s direct benefit or use
    - That is definition of a contract

Provided with permission from OMB
Section 200.XX--Acronyms & Definitions

- 200.69, Non-federal entity (State, Local Government, Indian Tribe, Institution of Higher Education or Nonprofit that is the recipient or subrecipient)

- 200.74, Pass-through Entity (Non-federal entity that subawards to a subrecipient)

Provided with permission from OMB
Section 200.XX--Acronyms & Definitions

- 200.90, **State** no longer includes Indian Tribe (as defined in 200.54)

- 200.92, **Subaward** (award from pass-through entity to carry out part of Federal award; does **not** include payments to a contractor or payments to an individual that is a beneficiary of a Federal program)

- Provided with permission from OMB
Section 200.1XX-- General

- 200.101, Applicability
  - New table of applicability and types of award
  - Terms and Conditions flow down to subrecipients

- 200.110 Effective Date
  - Federal agency implemented by 12/26/14
  - Admin. Requirements and Cost Principles apply to new awards and funding increments to existing awards issued on or after 12/26/14
  - Audit requirements apply to audits beginning on or after 12/26/14
  - Existing awards continue to be governed by the terms and conditions of the Federal award

Provided with permission from OMB
Section 200.1XX-- General

- 200.112, Conflict of Interest (COI) – NEW
  - Federal agencies must establish COI policies
  - Non-Federal entities must disclose in writing any potential COI

- 200.113, Mandatory disclosures
  - Non-Federal entity must disclose all violations of federal criminal law (e.g. fraud, bribery or gratuity) potentially affecting the Federal award
Section 200.2XX– Pre Award - Federal

- 200.203, Notice of funding opportunities
- 200.204, Merit review of proposals - NEW
  - Must have merit review process - competitive
  - Describe process in NOFO
  - Process transparent in funding opportunity

Provided with permission from OMB
Section 200.2XX– Pre Award - Federal

- 200.205, Review of risk of applicants
  - Must have framework for evaluating risks
  - Feds review through any OMB-designated repositories of government wide eligibility qualifications
- Financial integrity information
  - Dun and Bradstreet
  - Debarment and Suspension (www.sam.gov)
- May consider financial stability, performance history, audit reports

Provided with permission from OMB
Section 200.2XX– Pre Award - Federal

- 200.205, Review of risk of applicants
  - Special Conditions may be applied based on degree of risk (200.207)
- FY 2015 OJP Automated Risk Criteria Form

**TIP:** Add a requirement that the vendor notify the recipient or subrecipient if they become debarred or suspended during the period of performance of the grant award.
200.301, Performance Management

- Recipient must use OMB-approved Standard Forms (SF) for financial and performance information (e.g. SF-425 Federal Financial Report)
- Must relate financial data to performance
- Feds are to provide clear performance goals, indicators and milestones

Provided with permission from OMB
Section 200.3XX – Post Award - Grantees

- 200.301, Performance Management
  - Recipient’s performance measured to
    - Improve program outcomes
    - Share lessons learned
    - Adopt promising practices
  - What we do in the field matters for future grant funding

Provided with permission from OMB
Section 200.3XX– Post Award - Grantees

- 200.302 (b) (4), Internal Controls
- Non-federal entity **must** establish and maintain effective internal control that provides reasonable assurance
  - Compliance with Federal statutes, regulations and terms and conditions of award
- External Auditors **cannot** be part of the Auditee’s Internal Controls
- Internal controls **should** be in compliance with
  - GAO’s Green Book or
  - Committee of Sponsoring Organizations (COSO) Internal Controls Integrated Framework
Section 200.3XX– Post Award - Grantees

- 200.302 (b) (4), Internal Controls
  - Per COSO, internal control is a process
    - Put in place by Board of Directors, management, etc.
  - Provide reasonable assurance for achieving objectives
    - Effectiveness and efficiency of operations
    - Reliability of financial reporting
    - Compliance with applicable laws and regulations
  - Regardless of cost, safeguard all assets
  - Take prompt action when noncompliance identified
  - Evaluate and monitor compliance
Section 200.3XX – Post Award - Grantees

- 200.305, Payments
  - Interest must be remitted **annually** to HHS
  - Interest earned up to **$500** per year may be retained for all non-Federal entities for administrative purposes
- For states, payments are governed by
  - Treasury-State Cash Management Improvement Act (CMIA) agreements
Section 200.3XX– Post Award - Grantees

- 200.305, Payments
  - **Big Change**: *Shall* to *Must*
  - The non-Federal entity *must* be paid in *advance*
    - Provided it maintains or demonstrates the willingness to maintain both *written procedures* that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity
    - Financial management systems that meet the standards for fund control and accountability as established in this part
Section 200.3XX– Post Award - Grantees

- 200.305, Payments
  - **Advance payments** to a non-Federal entity must be limited to
    - Minimum amounts needed
    - Timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project
Section 200.3XX– Post Award - Grantees

- 200.305, Payments
  - Non-Federal entity must make timely payment to contractors in accordance with the contract provisions

- Non-Federal entities must be authorized to submit requests for advance payments and reimbursements
  - At least monthly-when electronic fund transfers are not used
  - As often as they like-when electronic transfers are used
Section 200.3XX– Post Award - Grantees

- 200.305, Payments
  - Reimbursements
  - Payment via reimbursement preferred method
  - Must be paid by Federal awarding agency within 30 calendar days after receipt of billing
Section 200.3XX – Post Award - Grantees

- 200.306, Cost sharing or matching
  - Voluntary committed cost sharing is not expected and not considered for merit review – NEW
  - Only mandatory cost sharing is included in Indirect Cost Bases
  - Binding requirement if included in the federal award

Provided with permission from OMB
Section 200.3XX– Post Award - Grantees

- 200.310, Insurance Coverage NEW
  - Non-Federal entity must provide equivalent insurance coverage as provided to non-federally funded equipment and property
  - Actual losses which could have been covered with permissible insurance are unallowable

- Provided with permission from OMB
Section 200.3XX – Post Award - Grantees

- 200.308 Revision of Budget and Program Plans
- Prior written approval for
  - Budget: Additional funds; change in cost sharing/match
  - Program: Scope or focus change
  - Change in Key Personnel
  - Disengagement from the project for more than three (3) months
  - 25 percent reduction in time devoted to the project, by the approved project director or principal investigator
200.308 Revision of Budget and Program Plans

Federal awarding agency must provide notification of approval/disapproval *within 30 calendar days* from the date of revision receipt.

If more than 30 days and still under consideration, Federal awarding agency **must** provide written notification of date when recipient may expect the decision.
Section 200.3XX– Post Award - Grantees

- 200.313, Equipment
  - Property standards
    - States follow state laws/procedures
    - Non-federal entities follow (c) through (e)
  - Equipment defined in 200.33

- 200.314, Supplies
  - Computing devices (<$5K) are included as “supplies” New
  - Supplies defined in 200.94
Section 200.3XX– Post Award - Grantees

- 200.318 (c) (1), Gratuities
  - Agencies need to set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value
    - $100 or less; $10 or less; etc.
  - Standards of conduct must provide for disciplinary actions for violations
  - *Good practice: Written policies setting $$$ value and gratuity policies*

- Provided with permission from OMB
Section 200.3XX– Post Award - Grantees

- 200.320, Procurement Standards
  - Modeled after A-102
  - State uses same policies as for procurement from non-Federal funds

- All other non-Federal entities
  - Including subrecipients of a State
  - Use procurement standards in sections 200.318-326
  - Reflect applicable state/local laws
  - Conforms to Federal law

Provided with permission from OMB
Section 200.3XX– Post Award - Grantees

- 200.324, Procurement Standards Review
- Non-federal entities *must*
  - Request review of procurement system
  - Self-certify procurement system
    - Provide documentation for review
  
  OR

- Make available all detail for selected procurements by awarding agency or pass-through entity
Section 200.3XX – Post Award - Grantees

- Procurement Extension
- COFAR Updated FAQ #4
  - Published Sept. 9, 2015 - OMB released the latest Frequently Asked Questions (FAQs) for the Uniform Guidance, 2 CFR Part 200, on September 9, 2015
Section 200.3XX– Post Award - **Grantees**

- Procurement Extension
  - For the non-Federal entity’s first full fiscal year that begins on or after December 26, 2014, the non-Federal entity **must** document whether it is in compliance with the old or new standard, and **must** meet the documented standard
  - For example, the second full fiscal year for a non-Federal entity with a June 30th year end would be the year ending June 30, 2017
Section 200.3XX – Post Award - Grantees

- Procurement Extension
  - The Single Audit Compliance Supplement will instruct auditors to review procurement policies and procedures based on the documented standard
  - For future fiscal years, all non-Federal entities will be required to comply fully with the uniform guidance
Gil Tran’s Procurement Claw-OMB

Procurement “Claw” (Sections 200.317-326)

1. Micro-Purchases
2. Small Purchases
3. Sealed Bids
4. Competitive Proposals
5. Sole Source

General Standards:
A. Documented Policies
B. Necessary
C. Full & Open Competition
D. Conflict of Interest
E. Documentation
   i. Cost & Price Analysis
   ii. Vendor Selection
Gil Tran’s Procurement Claw-OMB

Procurement “Claw” (Section 200.320)

1. Micro Purchases
   - Up to $150K
   - Rate quotations
   - No cost or price analysis
   - $3K
     - No quotations
     - Equitable distributions

2. Small Purchases
   - > $150K
   - Construction projects
   - Price is a major factor

3. Sealed Bids
   - > $150K

4. Competitive Proposals
   - Fixed price or cost reimbursement
   - RFP with evaluation methods

5. Sole Source
   - Unique
   - Public emergency
   - Authorized by agency (or PTE)
   - No competition
Section 200.3XX– Post Award - Grantees

- 200.320, Micro-purchases
  - Increased to $3,000
  - May be awarded without soliciting competitive quotations
    - If non-Federal entity considers price to be reasonable
  - *Good practice: Google prices to be safe and pass the “reasonable” test*
Section 200.3XX– Post Award - Grantees

- 200.331, Requirements for pass-through entities - NEW

- Pass-through entities responsibilities:
  - Ensure subawards comply with requirements in 200.331 (1-6), including Approved Indirect Costs
  - Performance risk assessment for non compliance
    - Providing more training and TA
    - Conducting more on-site subrecipient monitoring
  - Verify compliance to audit requirements
  - Report in accordance to FFATA
Section 200.3XX– Post Award - Grantees

- 200.335, Methods for collection, transmission and storage of information NEW
  - Electronic records may be substituted for paper
  - Electronic records must not be alterable
  - Periodic quality control
Section 200.4XX– Cost principles

- 200.413, Direct costs
  - Paragraph (c) - Administrative Salaries and Wages can be direct costs only if
    - Integral to project
    - Specifically identified within the project
    - Explicitly included in the budget or prior approval from Federal awarding agency
    - Not also recovered as indirect costs
200.414, Indirect (F&A) Costs

- Notice of Funding Opportunity *must* include policies relating to IDC reimbursement
- All Federal awarding agencies *must* accept approved negotiated rates, except
  - Allowed by Federal statute or regulations
  - 10% of MTDC *de minimis* IDC NEW
    - 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) *New*
Section Indirect Costs for State, Local Units of Government and Indian Tribal Governments

Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, D. Submission and Documentation of Proposals,

1. Submission of Indirect Cost Rate Proposals

b. A governmental department or agency unit that receives more than $35 million in direct Federal funding must submit its indirect cost rate proposal to its cognizant agency for indirect costs. Other governmental department or agency must develop an indirect cost proposal in accordance with the requirements of this Part and maintain the proposal and related supporting documentation for audit. These governmental departments or agencies are not required to submit their proposals unless they are specifically requested to do so by the cognizant agency for indirect costs.
Section Indirect Costs for State, Local Units of Government and Indian Tribal Governments

- Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals,
- D. Submission and Documentation of Proposals,
  - 1. Submission of Indirect Cost Rate Proposals
    - b. Where a non-Federal entity only receives funds as a subrecipient, the pass-through entity will be responsible for negotiating and/or monitoring the subrecipient's indirect costs.
Section Indirect Costs for State, Local Units of Government and Indian Tribal Governments

- Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals,
- D. Submission and Documentation of Proposals,
- 1. Submission of Indirect Cost Rate Proposals
  - c. Each Indian tribal government desiring reimbursement of indirect costs must submit its indirect cost proposal to the Department of the Interior (its cognizant agency for indirect costs).
200.415, Required certifications

- **New:** Official authorized to legally bind the non-federal entity must certify on annual and final fiscal reports (or vouchers requesting payment)
- May subject official to criminal, civil or other penalties if fraudulent
- May consider having legal representative review implications of new certification
Section 200.4XX – Cost principles

- 200.430, Compensation – personal services – New Language
- Nine (9) standards for documenting personnel
- Budget estimates *alone* do not qualify as support for charges
  - System produces reasonable approximations of the activity actually performed
  - Internal controls review after-the-fact interim charges based on estimates
  - All adjustments made such that final amount charged is accurate, allowable and properly allocated
Section 200.4XX– Cost principles

- 200.431, Compensation – Fringe Benefits
  - Family-Related leave now allowable – NEW

- 200.432, Conferences
  - Costs are appropriate, necessary and minimized to the Federal award
  - Allow costs for identifying (but not providing) locally available dependent-care resources

- 200.441, Fines, penalties, damages
  - Includes Tribal Law violations New
Section 200.4XX– Cost principles

- 200.449, Interest NEW
- Section (b) (2), allow financing costs associated with patents and computer software
  - Non-federal entity’s fiscal year beginning on or after January 12, 2016
  - Software development-only interest attributable to the portion of project costs capitalized in accordance with GAAP is allowable
- Per Gil Tran, OMB
  - Also includes financing for Apps on electronic devices such as those for Victim Notification
Section 200.4XX—Selected Items of Cost

- 200.425 Audit Costs
  - Reasonably proportionate share of the costs of audits required by *Single Audit Act of 1996*

- 200.445 Professional Services
  - Defined: Persons who are members of a particular profession or possess a special skill, and who are *not* officers or employees of the non-Federal entity
  - Contractors and consultants
Section 200.4XX–Selected Items of Cost

- 200.453, Materials and Supplies Costs, including Computing Devices
  - Section (c) – may be charged as direct costs
  - Computing devices (defined in 200.20) may be either Equipment or Supplies
    - Capitalized level of the computing device
  - Essential and allocable, but no solely dedicated, to the performance of a Federal award

- 200.454 Membership Dues
  - Allowable costs of non-federal entity’s membership in business, technical and professional organizations
Section 200.4XX– Cost principles

- 200.474, Travel
- (2) (c)(1) Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152)
  - (i) costs are direct result of the individual’s travel for the Federal award
  - (ii) costs are consistent with the non-Federal entity’s documented travel policy for all entity travel
  - (iii) costs are temporary during the travel period
Section 200.5XX -- Audit Requirements

- Final guidance right-sizes the footprint of oversight and Single Audit requirements
- Improves transparency and accountability
  - Single audit reports available to the public online
- Encourages Federal agencies to take a more cooperative approach to audit resolution
  - Provided with permission from OMB
Section 200.5XX -- Audit Requirements

- Revisions Focus Audit on Risk
  - Increases audit threshold
    - Increases from $500,000 to $750,000
    - Maintains oversight over 99.7% of the dollars
  - Reduces audit burden for approximately 6,300 entities, less than 1%

- Provided with permission from OMB
Section 200.5XX -- Audit Requirements

- 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

- Provided with permission from OMB
Appendix XI – Compliance Supplement

- Final changes were not included in the Uniform Guidance
- Future changes will be based on available evidence of past audit findings, potential impact of non-compliances and public outreach
  - Changes became effective with the 2015 Supplement released June 2015
Audits

Auditors and grantees must comply with the Uniform Guidance, starting with the audit of the recipient’s first fiscal year starting on or after 12/26/2014.

Table 3: Audits

<table>
<thead>
<tr>
<th>Beginning of Grantee’s Fiscal Year</th>
<th>Uniform Guidance Audit Requirements apply</th>
<th>The First audit period subject to 2 CFR Part 200, Subpart F, ends on</th>
<th>First Audit that is subject to the 2 CFR Part 200, Subpart F, must be submitted on</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2015</td>
<td>July 1, 2015</td>
<td>June 30, 2016</td>
<td>March 31, 2017</td>
</tr>
<tr>
<td>October 1, 2015</td>
<td>October 1, 2015</td>
<td>September 30, 2016</td>
<td>June 30, 2017</td>
</tr>
</tbody>
</table>
Single Audit Submission and PPI

- All auditees must submit reporting package and data collection form **electronically** to the FAC (200.512(D))
  - **NEW**
- Submission must be in **text-based PDF**
- Unlocked to improve accessibility
- Auditors and auditees must ensure reports do not include **protected personally identifiable information** (PPII) (200.82 & 200.512(A)(2)) **NEW**

- Provided with permission from OMB
Single Audit Reports on the Web - PPI

- Auditee must sign statement that reports do not include PPII (200.512(B)(1))
  - Authorizes FAC to make reports publicly available on website
  - **Exception** only for Indian Tribes as defined 200.54
    - No exception, if Indian Tribe does not meet definition

- Provided with permission from OMB
Exception for Indian Tribes 200.54

- Tribal reports may include confidential business info. that would be redacted under the FOI
- May elect to **not** authorize the FAC to make reporting package publicly available on website
- If Tribe elects **not** to authorize, then
  - Tribe must submit reporting package directly to pass-through entities
  - Make reporting package available for public inspection

*Provided with permission from OMB*
Accessing Audits in FAC Repository

- Subrecipient required to submit report to FAC and **no longer required to submit to pass-through entity**
  NEW

- Pass-through entity no longer required to retain copy of subrecipient report as it is now available on web
  NEW

- Provided with permission from OMB
Resources
Uniform Grant Guidance Crosswalks and Side-by-Sides

- Excellent resource to compare the new Uniform Guidance 2 CFR Part 200 to existing guidance in the OMB Circulars and Federal regulations
  - [http://www.whitehouse.gov/omb/grant_docs](http://www.whitehouse.gov/omb/grant_docs)

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Questions – Ask the COFAR

- COFAR  https://cfo.gov/cofar/

- Sign up for COFAR email list

- Send questions to COFAR@omb.eop.gov
COFAR Frequently Asked Questions (FAQs)

- COFAR FAQ #1 (published February 12, 2014): The COFAR released the first set of FAQs in support of 2 C.F.R 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Over 200 thoughtful questions and comments have been received from grantors, grantees, and grant management and oversight professionals throughout the country. Additional FAQ releases will parallel Federal agency submission of implementing regulations.

- COFAR FAQ #2 (publication on August 29, 2014): This second set of frequently asked questions presented by the COFAR on OMB’s Uniform Guidance at 2 CFR 200. Please note that in case of any discrepancy, the actual guidance at 2 CFR 200 governs. If there is a question pertaining to the application of the guidance to a particular Federal award, that question should be addressed to the Federal awarding agency or pass-through entity in the case of a subrecipient. For additional questions, consider signing up for the COFAR listserv, or send questions to COFAR@omb.eop.gov.
COFAR Frequently Asked Questions (FAQs)

- **COFAR Updated FAQ #3 (publication November 2014):** COFAR has made revisions and updates to the following FAQs: 110-3 Effective Dates and Disclosure Statements (DS-2s); 110-5 Effective Dates, Applications, and DS-2s; and 431-1 Fringe Benefits and Indirect Costs. In addition, they have made an edit to the lead-in paragraph to the FAQs. The updated FAQs can be found here.

- **COFAR Updated FAQ #4:** (Published: Sept. 9, 2015) The Office of Management and Budget released the latest Frequently Asked Questions (FAQs) for the Uniform Guidance, 2 CFR Part 200, on September 9, 2015. Four (4) updates to the new regulations are included: 1) Extension of the Procurement Grace Period to Two (2) Years; 2) The Method to Send Excess Interest Earned on Federal Funds; 3) Tuition Benefits for Institutions of Higher Education (IHE’s) and others; and, 4) Items to Include in an Allocated Central Services Plan. https://cfo.gov/wp-content/uploads/2015/09/9.9.15-Frequently-Asked-Questions.pdf
NCJP Website Updates for Grant Mgt.

- NCJA added **Grants Management** Section to **NCJP Website**
  - [http://www.ncjp.org/grants-management](http://www.ncjp.org/grants-management)
- **Topics for You...Grants Managers**
  - E-grants, Effective Monitoring, Auditing, Grant Application and Establishment
  - Pre-Award Grants Management and Post-Award Grants Management
  - *Promising Practices*, SAA Grant Making and Management Library
  - **Training & Professional Development**
  - Web Resources, Webinars and Acronyms
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Certified Grants Management Specialist (CGMS™) Credential
National Grants Management Association
Questions?