

NCJA Grants Management Training Workshop for the Indiana Criminal Justice Institute

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National Grants Management Association



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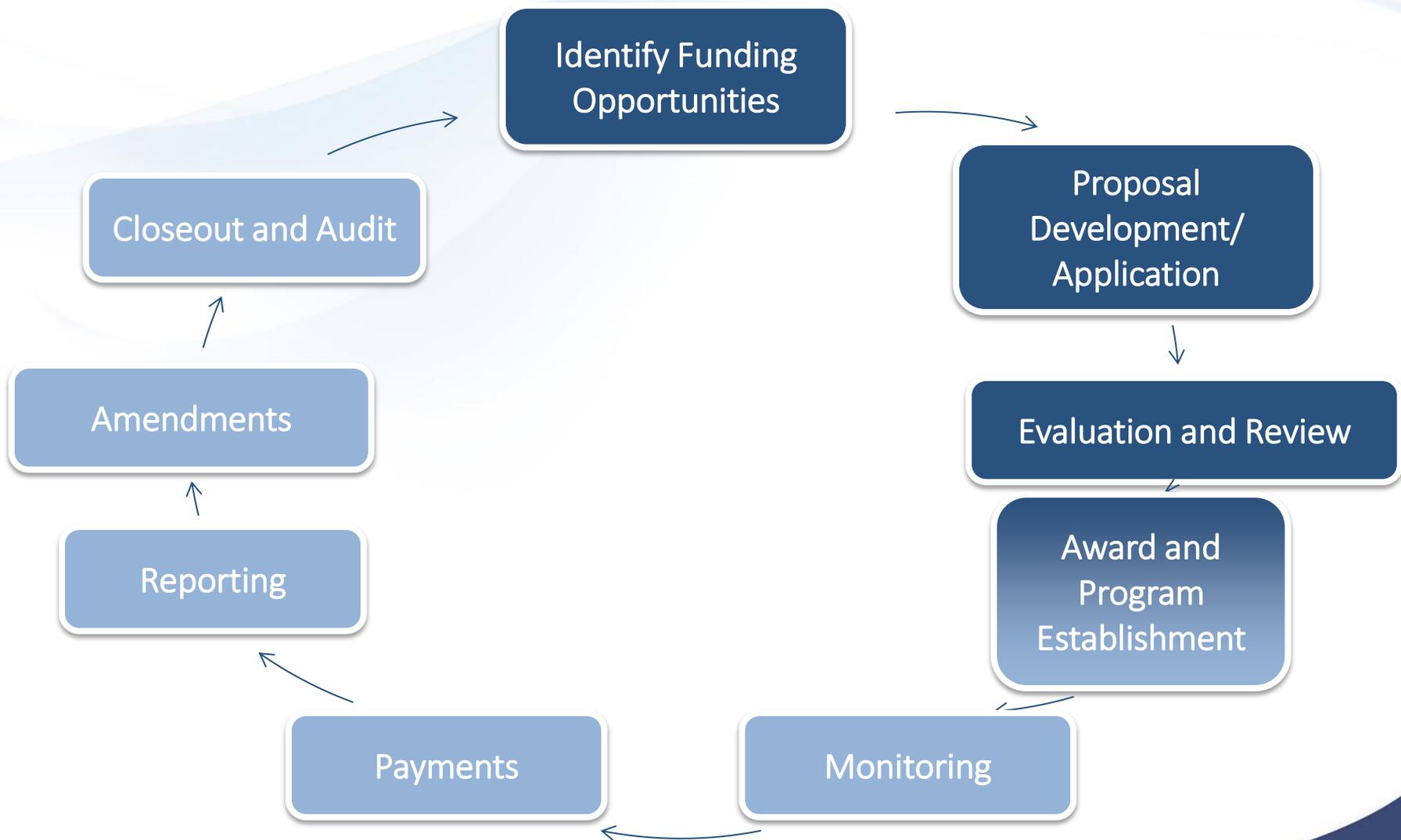
Training Objectives

- 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



Cyclical Processes in Grants



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)*
 - Example: 28 CFR Part 66 for U.S. Department of Justice Grants; 44 CFR Part 13 for U.S. Department of Homeland Security/FEMA Grants
 - 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 National Criminal Justice Association

January 1, 2012-*Administrative Requirements*

Recipient or
Subrecipient

*Awards prior to
Dec. 26, 2014*

State,
Local
Govt.,
Tribe

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

Higher Ed.,
Non-
Profits,
Hospitals

A-110 became
2 CFR Part 215

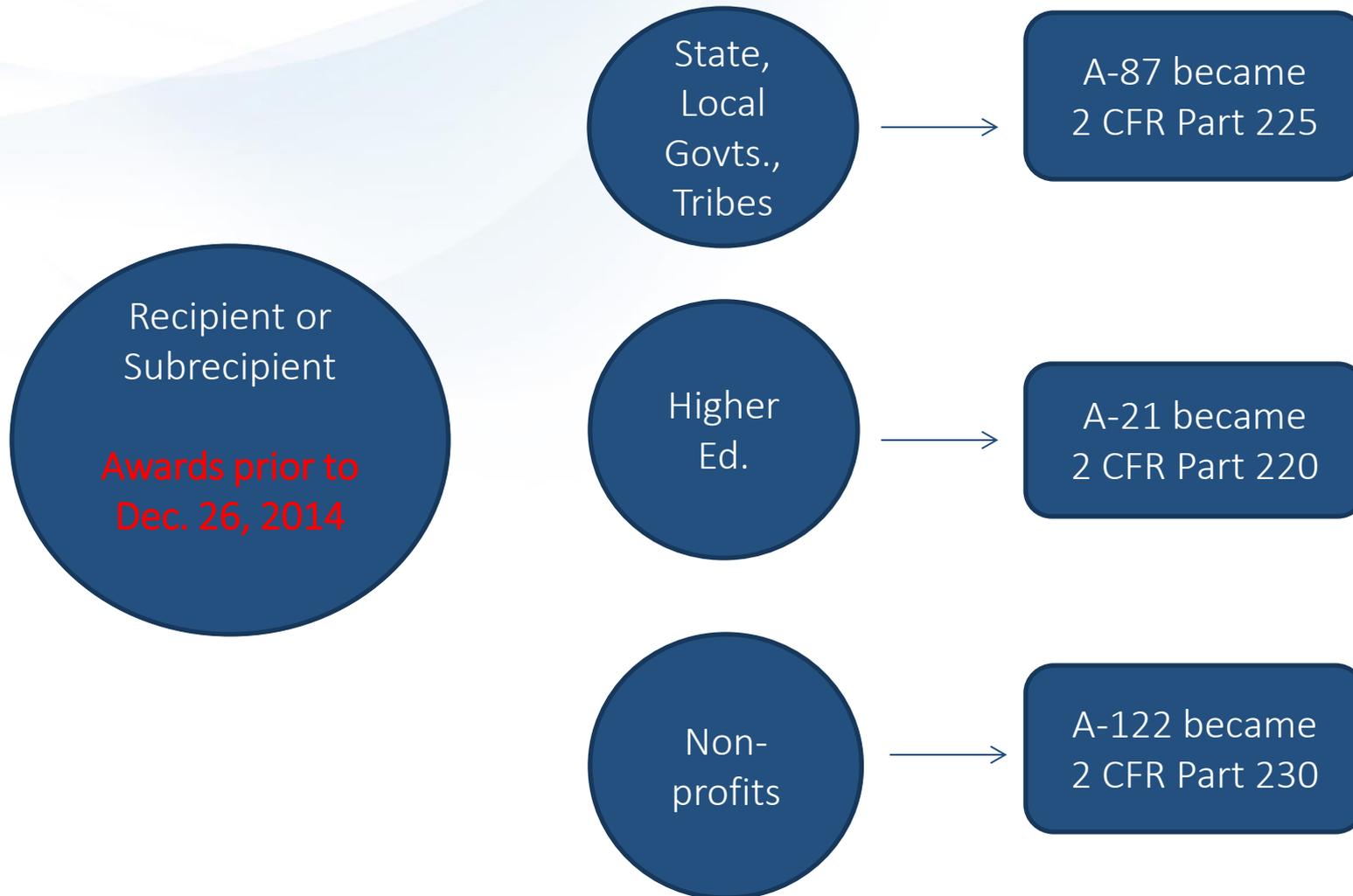
For-
profits

A-110 became
2 CFR Part 215

OMB Circulars Codified into CFR effective January 1, 2012-**Cost Principles**



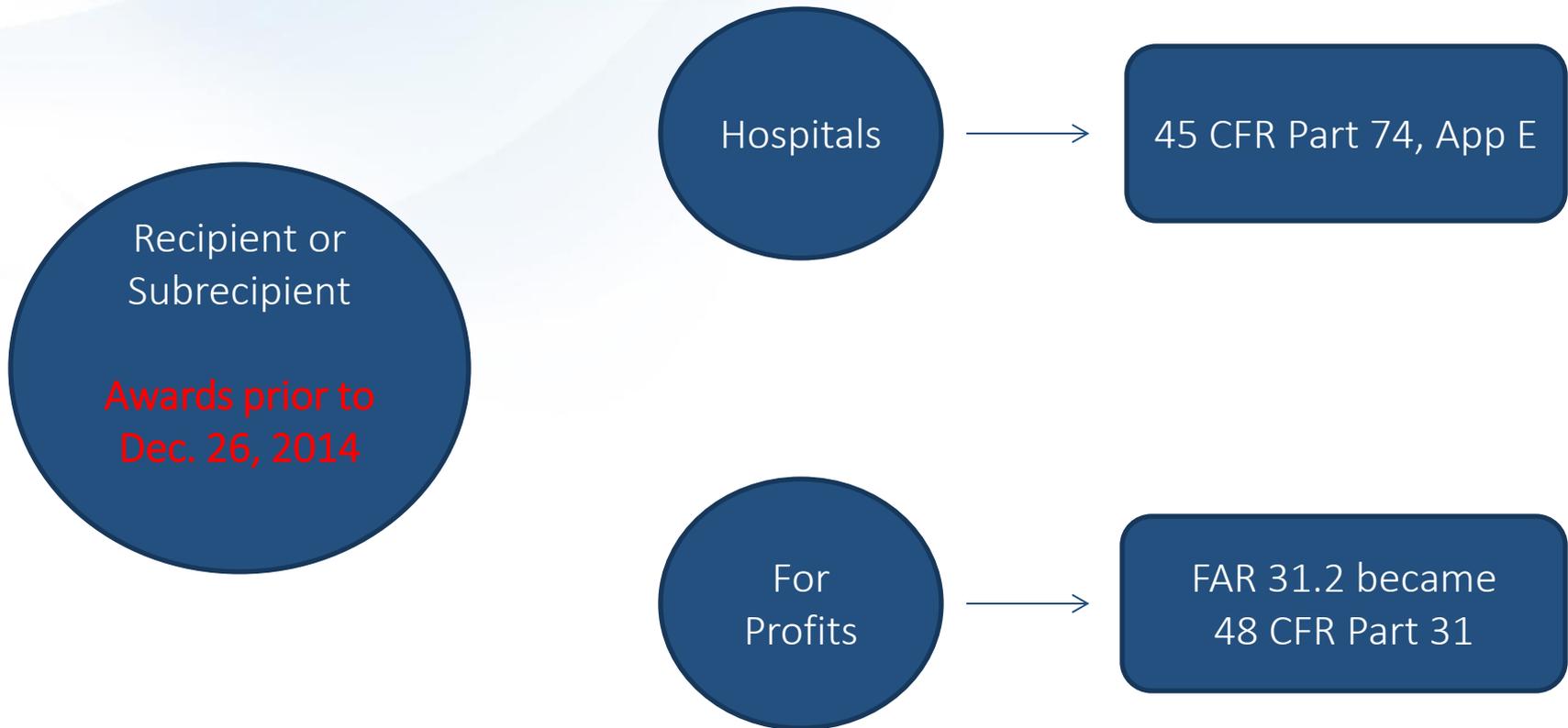
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OMB Circulars Codified into CFR effective January 1, 2012-**Cost Principles**

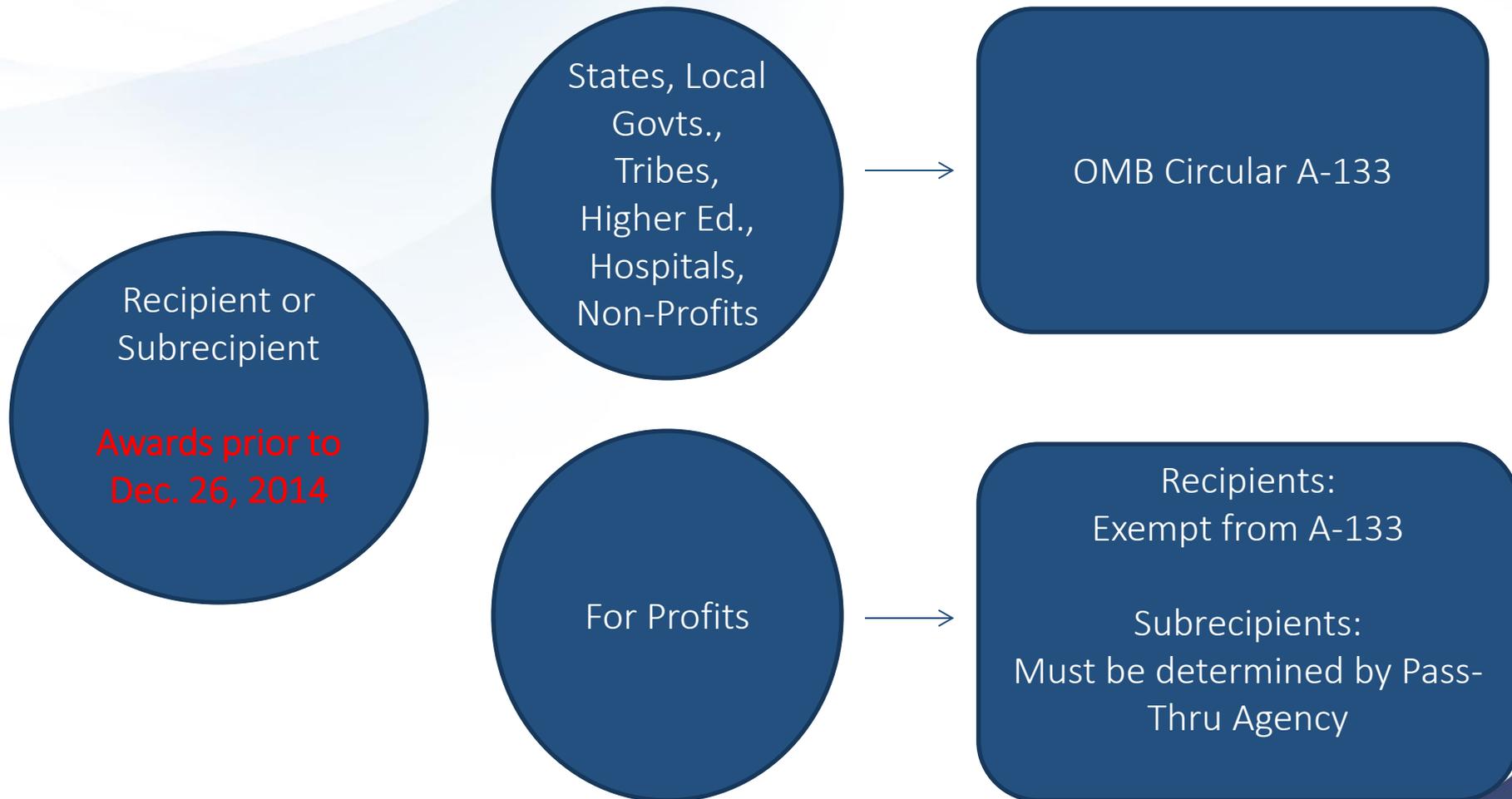


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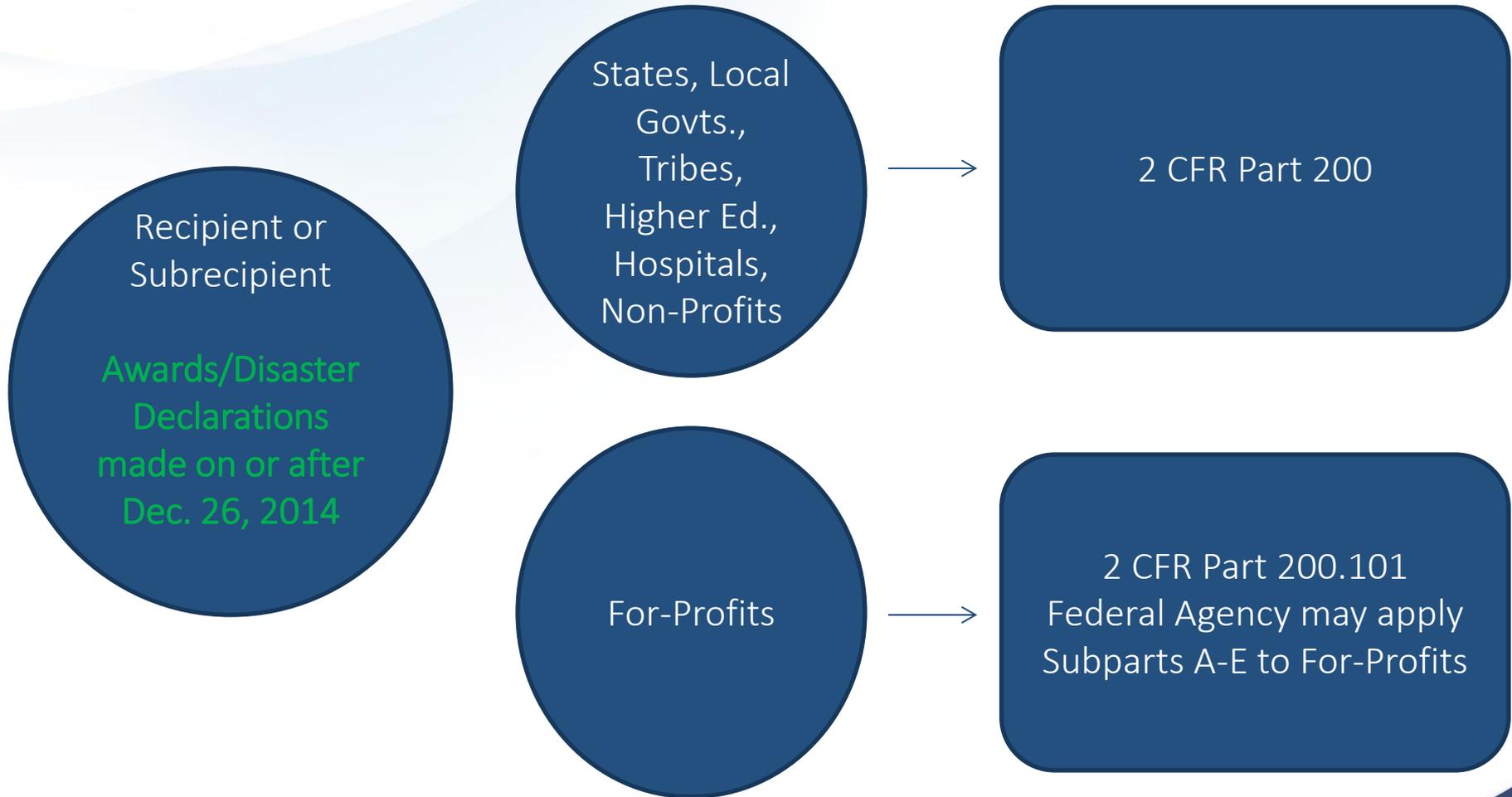


OMB Circulars Remaining in Place

January 1, 2012-**Audit Requirements**



Federal Regulations and OMB Circulars Superseded by **2 CFR Part 200**



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



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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.
 - Lobbying 31.U.S.C. 1352
 - 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 for Debarment and Suspension

Application Review

Application Cost Categories

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

Application Review Personnel

- 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

Monitoring-Grant Files Review



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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

1. Correspond.

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>

Causes of Improper Payments?



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- 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



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- 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.

Reporting

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

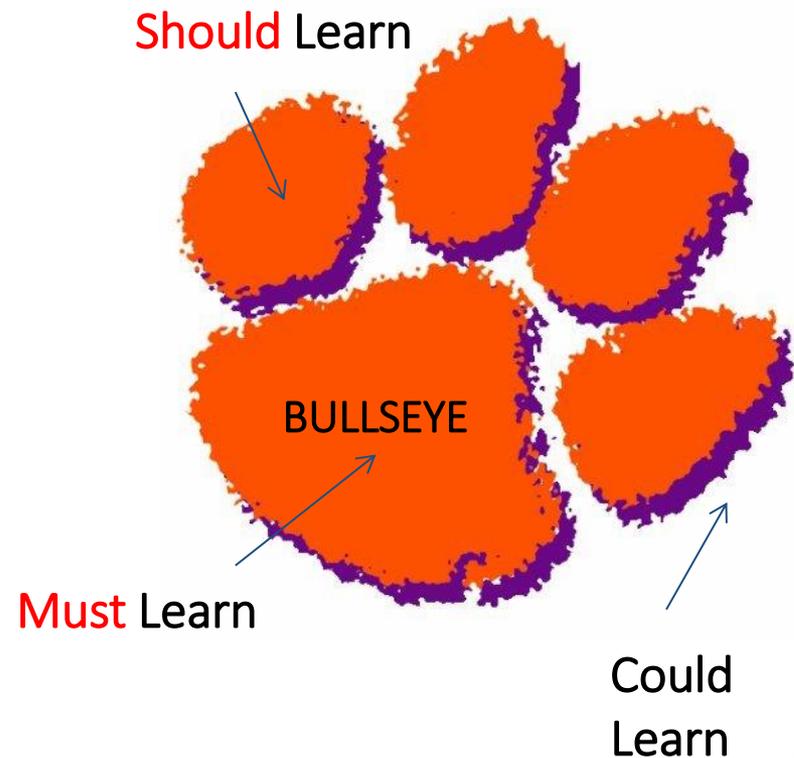
But **Should** is In

May will be back

So are April and June

Orange is the new **Black**

Must is the new **Shall**



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)

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

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

- Provided with permission from OMB

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

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

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.*

Section 200.3XX– Post Award - Grantees

- 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**

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

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
 - Default procedures codified at 31 CFR Part 205 “Rules and Procedures for Efficient Federal-State Funds Transfers”

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

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

Section 200.3XX– Post Award - *Grantees*

- 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

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
 - One update to the new regulations is the **extension of the Procurement Grace Period to Two (2) Years**; <https://cfo.gov/wp-content/uploads/2015/09/9.9.15-Frequently-Asked-Questions.pdf>

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



National Criminal
Justice Association

Procurement "Claw" (Sections 200.317-326)

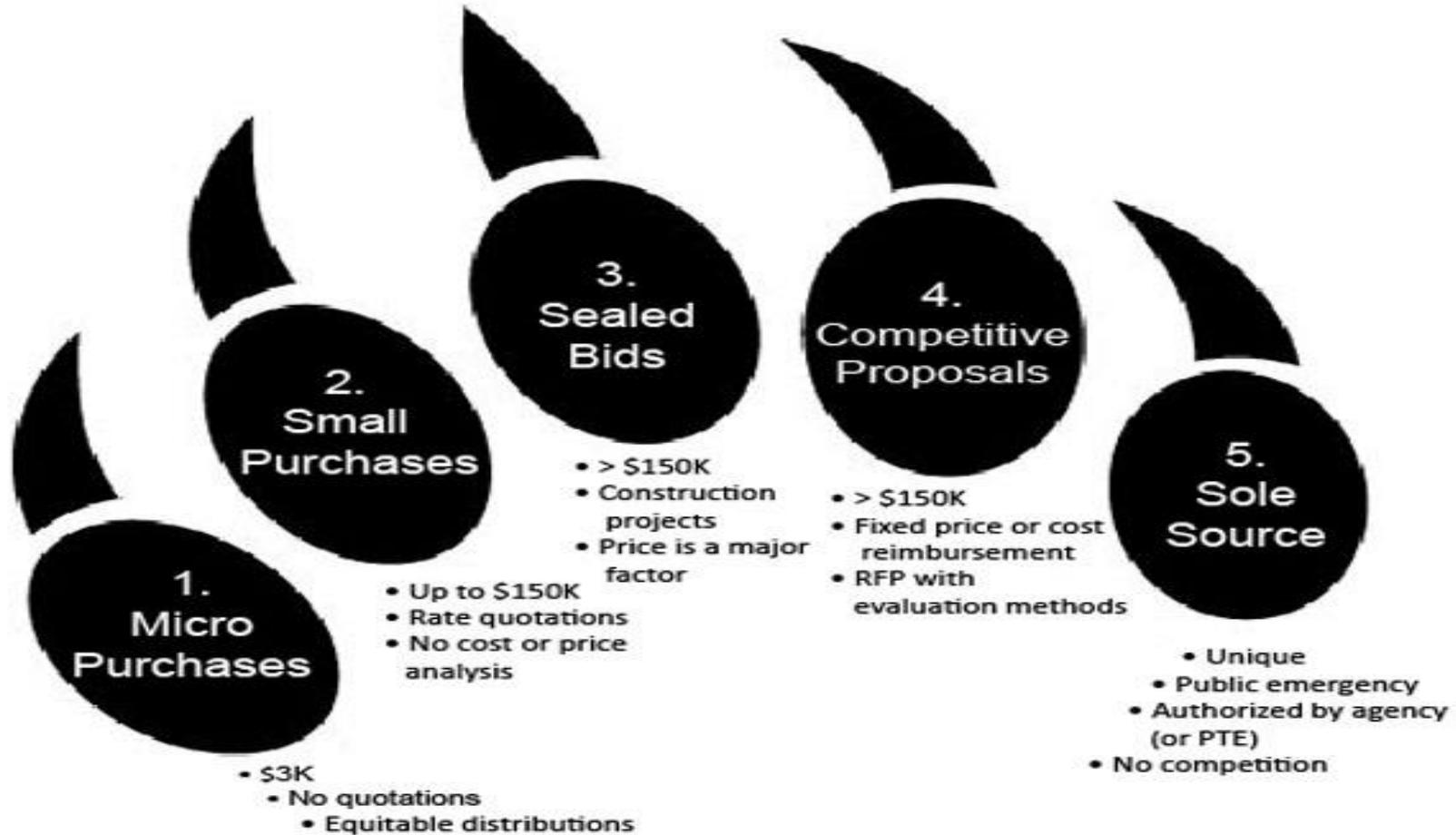


Gil Tran's Procurement Claw-OMB



National Criminal
Justice Association

Procurement "Claw" (Section 200.320)



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

Section 200.4XX– Cost principles



National Criminal
Justice Association

- 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).**

Section 200.4XX– Cost principles

- 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 not 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

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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

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

Beginning of Grantee’s Fiscal Year	Uniform Guidance Audit Requirements apply	The First audit period subject to 2 CFR Part 200, Subpart F, ends on	First Audit that is subject to the 2 CFR Part 200, Subpart F, must be submitted on
January 1, 2015	January 1, 2015	December 31, 2015	September 30, 2016
July 1, 2015	July 1, 2015	June 30, 2016	March 31, 2017
October 1, 2015	October 1, 2015	September 30, 2016	June 30, 2017

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**

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 publically available on website
 - **Exception** only for Indian Tribes as defined 200.54
 - No exception, if Indian Tribe does not meet definition



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 publically 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

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

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/grants_docs

Questions – Ask the COFAR

- COFAR <https://cfo.gov/cofar/>
- Sign up for **COFAR email list**
 - <https://survey.max.gov/index.php/496587/lang-en>
- Send questions to COFAR@omb.eop.gov



COUNCIL ON FINANCIAL ASSISTANCE REFORM

COUNCIL ON FINANCIAL ASSISTANCE REFORM

The COFAR, established by OMB Memorandum M-12-31, is a component 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, monitor, and report on grants and cooperative agreements, as well as sharing with executive departments and agencies (agencies) best practices and innovation ideas for standardizing the delivery of this assistance. In addition, the Council will engage external 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. The 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 FFPC efforts are supported partly by the Financial Management Law of Business.



UNIFORM GUIDANCE

OMB issued guidance in December 2014. OMB together with Federal awarding agencies issued an interim rule to implement the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Rules). The guidance and implementing regulations address all Federal financial and non-financial management agencies and the following decisions under Executive Order 13526, the ...
[Read more](#)



TRAINING

COFAR Training Against the COFAR's mission to effectively deliver, monitor, and report on grants and cooperative agreements and foster more efficient and effective Federal grant management systems, the Council now offers training on key issues related to that mission. Search Training 101 - Modules 1 and 2 Modules 1 and 2 of the Basics 101 Training ...
[Read more](#)



COFAR RESOURCES

COFAR Resources What is the Council on Financial Assistance Reform? OMB Memorandum M-12-31 Publishing the COFAR Improving Management of Federal Grant Dollars, Council on Financial Assistance Reform President Joe PLY 76 1 OF 1 (PDF) Effective Management of Federal Grant Dollars, Council on Financial Assistance Reform (COFAR) President Joe PLY 76 (PDF) Revised 10th OMB Policy to apply for a Federal ...
[Read more](#)

THE LATEST

2014 Single Audit Metrics Results

1. Number of Modified Opinions
2. Number of Audit Findings of Major Program
3. Number of Report Findings on FFAR
4. Number of Major Programs with
5. Number of Audit Objectives in the ...

*** Audit objectives in Part 5 - Compliance
 Download Single Audit metrics results at ...



COFAR Priorities: Strong Controls Yield Better Outcomes



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 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>
- **Topics for You...Grants Managers**
 - Hot Topics, Federal Laws, Regulations and Guidance, ***Uniform Guidance 2 CFR Part 200***
 - 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

NCJA Points of Contact

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Questions?