UNIFORM GUIDANCE REVISIONS

Guidance to Grants & Agreement under 2 CFR Parts 25, 170, 183, and 200

August 12, 2021

Office of Grants Management

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Navigate to Success

Today's Presenters

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Today's Objectives

- Discuss new and revised elements in the Uniform Guidance on Grants and Agreements
- Review the reasoning behind the changes



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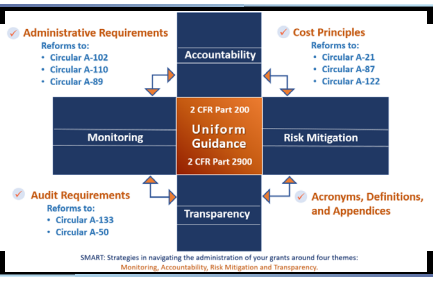
How did we get here?

- Uniform Guidance (UG) 2013 then 2014
- Reviewed every 5 years
- Reasons for latest revisions
  - Maximize the value of grant funding by developing a risk-based, data-driven framework that balances compliance requirements with demonstrating successful results for the American taxpayer
  - 4 Strategies
    - Operationalize the Grants Management Standards
    - Establish a Robust Marketplace of Modern Solutions
    - Manage Risk
    - Achieve Program Goals and Objectives
  - Clarifies certain provisions

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From Circulars to the Uniform Guidance



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SMART Training

- SMART 4.0 Training Modules



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Effective Dates and Applicability

- Effective August 13, 2020
  - 2 CFR 200.216 Prohibition on certain telecommunications and video surveillance services or equipment
  - 2 CFR 200.340 Termination
- Effective November 12, 2020 and February 22, 2021
  - All other provisions
- Applicable
  - DOL - Adoption of 2 CFR Part 200 is at 2 CFR 2900.4

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Correcting Amendment - February 22, 2021

- OMB published a correcting amendment to the Guidance for Grants and Agreements (2 CFR) on February 22, 2021.
- See the amendment on the Federal Register's website (Doc. No. 2021-02969).
- This amendment was effective upon publication and corrects citations, references, and a few general oversights.
- Most up-to-date version of the UG is always available at ecfr.gov

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2 CFR Part 25 Universal Identifier and Systems for Award Management

- Purpose of Change
  - Expanded to include all types of financial assistance that Federal agencies award or administer
- What this means for you
  - Requires all entities to register on SAM that apply for Federal financial assistance, such as loans and insurance
  - Establishes a unique entity identifier (UEI) to replace the DUNS number
  - Impacts entities not previously registered on SAM
  - Core data for reports not changed, but tool to create ad hoc reports is different
  - https://sam.gov/SAM/



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2 CFR Part 170
Reporting Subaward Information

- Purpose of Change
  - Raises the threshold for FFATA reporting for Federal agency awards and PTE subawards that equal or exceed the micro purchase threshold as set by the FAR
- What this means for you
  - Requires NFEs to report each subaward that exceeds $30,000 in Federal funds (previously $25,000)
  - Submit on: https://www.fsrs.gov/
  - Searchable on: https://www.usaspending.gov/
- How does this impact Federal (prime) contract awardees?
  - Also need to comply with the reporting requirements on awards meeting the threshold limits.

2 CFR Part 183
Never Contract with the Enemy

- Purpose
  - New provision adds Part 183 to 2 CFR to implement Never Contract with the Enemy
  - Applies only to a small number of contracts, grants and cooperative agreements that exceed $50,000 and are performed outside the United States
- What this means for you
  - Does not apply to agencies and programs operating within the United States and its territories
  - Enhances the uses of SAM.gov and FAPIIS for not just debarred entities but also entities defined as “enemies”

2 CFR Part 200 Subpart A: Definitions

- Now located in 2 CFR 200.1
- Most changes are minor word edits
- Additions (some examples)
  - Budget period
  - Discretionary award
  - Non-discriminatory award
  - Notice of Funding Opportunity
- Deletions
  - Catalog of Federal Domestic Assistance (CFDA) number
- Replacements
  - Internal control over compliance requirements– replaced by referencing OMB Circular 123
  - Improper payments – replaced by referencing Circular 123 Appendix C
- Changes & Clarifications
  - Contract is a procurement and not the same as award or subaward
  - Period of performance (POP) – not obligated to fund beyond current budget year
- As discussed later
  - Micro purchase threshold
  - Simplified acquisition threshold

2 CFR Part 200 Subpart B: General Provisions

- § 200.101 Applicability
  - Clarifies distinction between must, should, and may
- § 200.102 Exceptions
  - Adds language allowing Federal agencies to grant exceptions to rules for innovative program designs that promote a risk-based data-driven framework
- § 200.105 Effect on other issuances
  - Requires public comment process before adding new requirements on grantees
- § 200.110 Effective/applicability date
  - Streamlines the effective date of negotiated indirect cost rates

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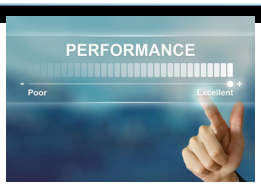
2 CFR Part 200 Subpart C: Pre-Federal Award Requirements and Contents of Federal Awards

- § 200.202 Program planning and design (new)
  - Clarifies how Federal agencies must design programs with clear goals and objectives, and base performance standards on program goals
- § 200.205 Federal awarding agency review of merit of proposals
  - Adds definition of "review of merit" to support objective review of applications and avoid conflict of interest
- § 200.211 Information contained in a Federal award
  - Must identify performance goals, indicators, targets, and baseline data where applicable; how performance will be measured; conditions attached to multiple budget periods; and award termination provisions
- § 200.215 Never contract with the enemy
  - References 2 CFR Part 183
- § 200.216 Prohibition on certain telecommunication & video surveillance services or equipment
  - A new section that prohibits NFEs from obligating or expending loan or grant funds for covered telecommunications equipment or service from certain companies for the purpose of public safety

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§ 200.301 Performance Measurement

- Purpose
  - Expands on the Federal awarding agency's requirement to measure the recipient's performance to show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster adoption of promising practices.



- What this means for you
  - Requires recipients to both measure and report progress on their performance
  - Requires that performance be tied to program goals and objectives

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§ 200.302 Financial Management

- Purpose
  - Replaces the term "CFDA" with "Assistance Listing" title and number to provide consistency across Federal programs
- What this means for you
  - Changes the terminology used where CFDA numbers were previously required, such as in recipient awards to subrecipients and an auditor's listing of an entity's Federal funds in the audit report



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§ 200.305 Federal Payment

- Purpose
  - Changes title from Payment to Federal Payment
  - Raises the threshold for depositing Federal funds in an interest-bearing account and lists the information to be provided when reimbursing interest earned
  - Does not apply to states, which are covered by the Cash Management Improvement Act (CMIA)
- What this means for non-state recipients and subrecipients
  - Raises threshold for depositing Federal funds in an interest-bearing account from $120,000 to $250,000
  - Interest earned in excess of $500 must be repaid
    - Not applicable to WIOA - interest income is program income
  - Details interest repayment requirements

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§ 200.309 Modifications to Period of Performance

- Purpose
  - Requires establishing a revised period of performance when an award or subaward is extended, renewed, or terminated early
- What this means for you
  - Federal awarding agency or pass-through entity must revise the period of performance whenever it is extended, renewed, or terminated early
  - Requires a modification to the award or subaward



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§ 200.318 General Procurement Standards

- Purpose
  - Retains in subsection (e) language promoting the cost-effective use of shared services
  - Encourages NFEs to enter into inter-agency agreements where appropriate for procurement or use of common or shared goods and services
- What this means for non-state entities
  - Must have and use documented procurement procedures
  - Allows for the use of strategic sourcing, shared services, and other similar procurement arrangements
  - Meets competition requirements for the procurement or use of common or shared goods and services when using strategic sourcing, shared services, and other similar procurement arrangements
  - Requires documented procurement procedures that include any process used for shared services procurements

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§ 200.319 Competition

- Purpose
  - Adds subsection (f) to state that noncompetitive procurements can only be awarded in accordance with § 200.320(c)
- What this means for you
  - Does not create a new requirement, but rather references § 200.320(c) as the source of this requirement
    - 2 CFR 200.320(c) describes specific circumstances in which a noncompetitive procurement can be used

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§ 200.320 Methods of Procurement to be Followed

- Purpose
  - Changes procurement thresholds and increases options for limiting burden.
- Changes
  - § 200.320(a) Informal Procurement Methods (Micro-Purchases and Small Purchases)
  - § 200.320(b) Formal Procurement Methods
  - § 200.320(c) Non-Competitive Procurement
- What this means for you
  - Check your organization and/or state procurement requirements and thresholds. They may be different than those identified here.



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§ 200.322 Domestic Preferences for Procurements

- Purpose
  - Allows a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States
- What this means for you
  - Applies to the domestic purchase of goods, products and materials
  - Says you "should" provide a preference and not "must"
  - Include this provision in all subawards including all contracts and purchase orders for work or products under this award
  - Refers specifically to heavy manufacturing of products such as iron and steel and construction materials
  - May give preference points to sources that provide goods, products, or materials that are produced in the United States

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§ 200.329 Monitoring and Reporting Program Performance

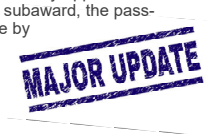
- Purpose
  - Restates the performance measurement provisions in 2 CFR 200.301
  - Extends the deadline for final performance reports for non-Federal entities and pass-through entities.
  - What this means for you:
    - Extends the deadline for submitting final performance report for both grant recipients (120 days) and subrecipients (90 days)



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§ 200.332(a)(4) Requirements for Pass-Through Entities

- Purpose
  - Requires that, if a subrecipient does not have a Federally approved indirect cost rate but charges indirect costs to the subaward, the pass-through entity must determine the appropriate rate by negotiating the rate with the subrecipient, using a rate that was approved by another pass-through entity for that same subrecipient, or using the de minimis rate.



- What this means for you
  - Adds the new option for pass-through entities to accept an indirect cost rate that was approved by another pass-through entity for that same subrecipient

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§ 200.332(d)(4) Requirements for Pass-Through Entities

- Purpose
  - States that the pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving cross-cutting findings
- What this means for you
  - Clarifies that the PTE is not responsible for resolving cross cutting subrecipient audit findings – it is the responsibility of the subrecipient's Federal cognizant agency
  - PTE remains responsible for resolving audit findings specifically related to the subaward, monitoring that subaward, and resolving monitoring findings pertaining to that subaward

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§ 200.340 Termination

- Purpose
  - Replaces termination "for cause" with language allowing the Federal awarding agency or pass-through entity to terminate an award, to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities
- What this means for you
  - The grounds for termination of an award include circumstances under which the award no longer meets program goals or agency priorities, regardless of cause
  - Award or subaward can also be terminated pursuant to termination provisions included in the Federal award or pass-through subaward
  - Reason for termination would have to be well established and documented

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§ 200.344 Closeout

- Purpose
  - Extends the deadline for submitting all financial, performance, and other reports to 90 days for a subrecipient and 120 days for the recipient
  - Authorizes the Federal awarding agency or PTE to close out the award with available information within one year of the period of performance end date, if the NFE fails to complete the closeout requirements
  - Requires the Federal awarding agency to report to FAPIIS NFE's material failure to comply with terms of the award, or pursue other enforcement actions

MAJOR UPDATE

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§ 200.345(a)(3) Post-Closeout Adjustments and Continuing Responsibilities

- Purpose
  - Allows the Federal awarding agency to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments
- What this means for you
  - Allows the Federal awarding agency to make appropriate adjustments to a previously closed award

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Subpart E – Cost Principles

- There are few significant changes to Subpart E - Cost Principles. The following sections have some relatively minor changes that are detailed in the following slides.
  - §200.403 Factors affecting allowability of costs
  - §200.413 Direct Costs
  - §200.414 Indirect (F&A) costs
  - §200.458 Pre-award costs
  - §200.461 Publication and printing costs
  - §200.465 Rental costs of real property and equipment
  - §200.471 Telecommunication costs (new)

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§ 200.403(h) Factors Affecting Allowability of Costs

- Purpose
  - Adds the provision in subsection (h) that costs must be incurred during the approved budget period
  - Also repeats the provision at §200.308(e)(3) that authorizes the Federal awarding agency to waive prior written approvals to carry forward unobligated balances to subsequent budget periods
- What this means for you
  - Does not change the existing standards on allowable costs, but reiterates that costs must be incurred during the approved budget period
  - Allows the awarding agency to carry forward unobligated balances to subsequent budget periods without prior written approval

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§ 200.413 Direct Costs

- Purpose
  - Now includes the cost of conducting program evaluations, when directly related to an award, as an example of a direct cost to that award
- What this means for you
  - Ensures consistency between Federal agencies in treating evaluation costs as direct costs if directly related to an award
  - Program evaluation is defined in OMB Circular A-11

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§ 200.414 Indirect (F&A) Costs

- Purpose
  - Changes in the language in subsection (f) allow the use of a de minimis rate when the entity does not have a current negotiated (including provisional) rate
  - Except for the Native American tribes or tribal organizations, the Federally negotiated rate, distribution base, and rate type for a non-Federal entity must be available publicly on an OMB-designated Federal Web site (per subsection (h))

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§ 200.414 Indirect (F&A) Costs

- What this means for you
  - Allows the use of a de minimis indirect cost rate for NFEs if they do not have a currently approved indirect cost rate
  - Use of a de minimis rate is no longer limited to entities that had never received an indirect cost rate
  - A flat rate of 10 percent is allowed, and no documentation is required to justify the 10 percent de minimis indirect cost rate

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§ 200.461 Publication and Printing Costs

- Purpose
  - Allows the non-Federal entity, for applicable awards, to charge the Federal award during closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the Federal award
  - If charged to the award, these costs must be charged to the final budget period of the award
- What does this mean?
  - Allows for charging the costs of publication or sharing of research results after the end date of the period of performance and during the closeout period if these costs are part of the SOW and approved by the Federal awarding agency
  - Is consistent with the goal of sharing best practices and lessons learned, and accounting for performance results, by allowing additional time to finalize publications and share research results during the 120-day closeout period

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§ 200.465(e) Rental Costs of Real Property and Equipment

- Purpose
  - States that rental or lease payments are allowable under lease contracts where the non-Federal entity is required to recognize an intangible right-to-use lease asset (per GASB) or right of use operating lease asset (per FASB) for purposes of financial reporting in accordance with GAAP
- What this means for you
  - Is a technical clarification relating to allowable lease expenses for Federal reporting purposes
  - Applies only to NFEs that must recognize an intangible right-to-use lease or right-of-use operating lease asset

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§ 200.471 Telecommunication Costs

- Purpose
  - Adds a new section that does not allow the costs incurred for telecommunications such as phones, internet, cloud servers for telecommunications equipment or services as described in §200.216: Prohibition on certain telecommunications and video surveillance services or equipment
- What this means for you
  - Prohibits NFEs from obligating and expending loan or grant funds on telecommunications equipment or services from covered companies as addressed in detail at §200.216 and on an earlier slide
  - Covered companies are usually those that are under some form of sanction by the U.S. government

MAJOR UPDATE

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Subpart F: Audit Requirements

- Purpose
  - Minor word changes related to audit requirements, including:
    - §200.513 Responsibilities of Federal cognizant agencies
    - §200.515 Audit reporting: Instructions to auditors
- What this means for you
  - Does not apply to NFEs
  - Addresses the responsibilities of Federal cognizant agencies and auditors
  - Includes some minor word changes in Subpart F that do not impact the intent of these sections

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Subpart F: Audit Requirements – continued

- Changes
  - Responsibilities for Pass-through entities
    - Cross cutting findings – 200.332(d)(4)
  - Changes to Performing the Government-wide Audit Quality Project
    - Every 6 years beginning with audits submitted in 2021
- New Audit Compliance Supplement was issued by OMB in August of 2021
- Language added to 200.513(a)(1) on determining federal cognizant agency

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Changes to Appendices

- Appendix I Notice of Funding Opportunity Announcement
  - This includes all sections required to be included in the FOA – this requirement is on the Federal Awarding Agency.
- Appendix XII Award Term and Condition for Recipient Integrity and Performance Matters
  - Includes edits consistent with reporting requirements (e.g., SAM.gov), procedures, and frequency.

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Recap

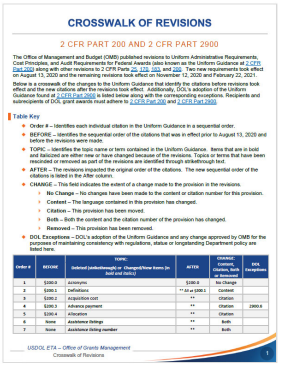
- Reviewed changes to 2 CFR Parts 25, 170, 183, and 200
- Major changes included:
  - Universal Entity Identifier (UEI)
  - Closeout extension
  - De minimis Indirect Costs
  - Micro-purchase threshold requirements and procurement requirements (increase)
  - Pass-through entities may use an indirect cost rate that was approved by another pass-through entity for that same subrecipient
  - Closeout timeline extension
  - Telecommunications vendor prohibitions
  - Numerous changes to align programs and performance



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Crosswalk of Revisions

- This is a BEFORE and AFTER crosswalk of revisions of 2 CFR Part 200 and 2 CFR Part 2900.
- Includes a table key.
- 2 CFR Part 200 Reference numbers and topic are identified as well as what the change is, Content, Citation, Both, or Removed entirely.
- Corresponding DOL Exceptions are also identified.



CROSSWALK OF REVISIONS

2 CFR PART 200 AND 2 CFR PART 2900

The Office of Management and Budget (OMB) published revisions to Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the Uniform Guidance at 2 CFR Part 200) along with other revisions to 2 CFR Parts 25, 170, 183, and 200. Two new requirements took effect on August 13, 2020 and the remaining revisions took effect on November 12, 2020 and February 22, 2021.

Below is a crosswalk of the changes to the Uniform Guidance that identify the citations before revisions took effect and the new citations after the revisions took effect. Additionally, DOL's adoption of the Uniform Guidance found at 2 CFR Part 2900 is listed below along with the corresponding exceptions. Recipients and subrecipients of DOL grant awards must adhere to 2 CFR Part 200 and 2 CFR Part 2900.

Table Key

- Order # – Identifies each individual citation in the Uniform Guidance in a sequential order.
- BEFORE – Identifies the sequential order of the citations that was in effect prior to August 13, 2020 and before the revisions were made.
- TOPIC – Identifies the topic name or term contained in the Uniform Guidance. Items that are in bold and italicized are either new or have changed because of the revisions. Topics or terms that have been rescinded or removed as part of the revisions are identified through strikethrough text.
- AFTER – The revisions impacted the original order of the citations. The new sequential order of the citations is listed in the After column.
- CHANGE – This field indicates the extent of a change made to the provision in the revisions.
  - No Change – No changes have been made to the content or citation number for this provision.
  - Content – The language contained in this provision has changed.
  - Citation – This provision has been moved.
  - Both – Both the content and the citation number of the provision has changed.
  - Removed – This provision has been removed.
- DOL Exceptions – DOL's adoption of the Uniform Guidance and any change approved by OMB for the purposes of maintaining consistency with regulations, status or longstanding Department policy are listed here.

Order #	BEFORE	TOPIC: Deleted (strikethrough) or Changed/New items (in bold and italics)	AFTER	CHANGE: Content, Citation, Both or Removed	DOL Exceptions
1	§200.0	Acronyms	§200.0	No Change	
2	§200.1	Definitions	** All at §200.1	Content	
3	§200.2	Acquisition cost	**	Citation	
4	§200.3	Advance payment	**	Citation	2900.6
5	§200.4	Allocation	**	Citation	
6	None	***Assistance listings***	**	Both	
7	None	***Assistance listing number***	**	Both	

USDOL ETA – Office of Grants Management
Crosswalk of Revisions
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Crosswalk of Revisions…Details

Order #	BEFORE	TOPIC: Deleted (~~strikethrough~~) or **Changed/New items** (in *bold and italics*)	AFTER	CHANGE: Content, Citation, Both or Removed	DOL Exceptions
1	§200.0	Acronyms	§200.0	No Change	
2	§200.1	Definitions	** All at §200.1	Content	
3	§200.2	Acquisition cost	**	Citation	
4	§200.3	Advance payment	**	Citation	2900.6
5	§200.4	Allocation	**	Citation	
6	None	***Assistance listings***	**	Both	
7	None	***Assistance listing number***	**	Both	

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Web Resources

- Read Preamble to UG Changes
  - Get an understanding on why these changes were made
- Want More Training?
  - Grants Application and Management CoP
  - SMART 3.0 Training



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Any Questions?

Enter your questions in the Chat window *(lower left of screen)*



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