

## 2 CFR 200 Uniform Guidance



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## What is the Uniform Guidance



So.. What is the  
Uniform Guidance?



- ✓ Official Name - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards
- ✓ OMB Uniform Guidance that combines 8 previous Federal grant regulations into **ONE** comprehensive guidance.
- ✓ Codified at 2 CFR 200

## Key Provisions

- Streamlines Government-wide guidance for Federal awards
- Consolidates duplicative guidance
- Focuses Federal resources on improving performance and outcomes
- Ensures integrity of Federal funds with stakeholders
- Effective December 26, 2014
- Cancels 49 CFR Parts 18 and 19

## Streamlined Requirements - Consolidation



## Who Does it Apply To?

### To Whom Does the Uniform Guidance Apply?



✓ The Uniform Guidance applies to:

- Federal agencies that make Federal awards to non-Federal entities
- Non-Federal entities that receive Federal grant funds.



**Yes, the Uniform Guidance applies to FHWA, State DOTs, Local and Tribal Governments!**

## Effective When?

### When Did the Uniform Guidance Become Effective?



DECEMBER

26

2014

"The Uniform Guidance's administrative requirements and cost principles applies to new federal awards issued by federal awarding agencies on or after December 26, 2014."

The Uniform Guidance's audit requirements will apply to audits of non-federal entity fiscal years beginning on or after December 26, 2014.

Please Note



*FHWA policy and guidance impacted by the Uniform Guidance is currently being developed and updated.*

## Uniform Guidance – 6 Parts and 11 Appendices

The Uniform Guidance is divided into six parts:

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

It also includes 11 appendices. Of particular note to FHWA is:

- **Appendix VII—States and Local Government and Indian Tribe Indirect Cost Proposals.**



## Purpose & Applicability

### 200.100 Purpose

Establish uniform administrative requirements, cost principles, and audit requirements for non-Federal entities

**No additional or inconsistent Requirements**

### 200.101 Applicability

The Uniform Guidance applies to Federal agencies that make Federal awards to non-Federal entities

**Terms and Conditions flow down to sub-awards to sub-recipients**

## New General Provisions

### ➤ **200.111 English Language**

- Award document written in English and amounts in US Dollars

### ➤ **200.112 Conflict of Interest**

- Agencies must have policy in place

### ➤ **200.113 Mandatory Disclosures**

- Written disclose of violations of law involving fraud, bribery or gratuity violation affecting the award



FHWA already established conflict of interest policy in 23 CFR 1.33

## Pre-Award Risk Assessment

### **Risk Assessment**

#### ➤ **Current and Past Performance**

- Financial stability
- Quality of management programs
- History of performance
- Reports and findings from previous audits
- Ability to implement regulatory requirements



#### ➤ **Suspension and Debarment**

## Navigation – System for Award Management

### ➤ Suspension and Debarment

**Debarment and Suspension**

- Restricts subawards and contracts with organizations who have been:
  - Debarred
  - Suspended
  - Excluded from Federal assistance programs (i.e., affiliated terrorist organizations)

**How does a State or Federal agency or local government know if a person or company is debarred?**

- <https://www.sam.gov/portal/public/SAM/#1>
- [https://www.sam.gov/sam/transcript/Public - Identifying Excluded Entities.pdf](https://www.sam.gov/sam/transcript/Public_-_Identifying_Excluded_Entities.pdf)
- <http://www.fhwa.dot.gov/construction/cqit/susdebqa.cfm>

## Award and Sub-Award Requirements

### Federal Award Information

- |   |  |
|---|--|
| 1. Recipient Name   | 9. Budget Approved by the Federal Awarding Agency  |
| 2. DUNS number  | 10. Total Approved Cost Sharing or Matching where applicable   |
| 3. FAIN Number  | 11. Federal Award Project Description  |
| 4. Federal Award Date  | 12. Name of Federal Awarding Agency and Contact Information  |
| 5. Period of Performance Start and End Date   | 13. CFDA Number and Name                    |
| 6. Amount of Federal Funds obligated  | 14. Identification of instances where the award is R&D   |
| 7. Total amount of Federal Amount Obligated   | 15. Indirect Cost rate for the Federal Award  |
| 8. Total amount of the Federal award  |  |

## Determining Agreement End Date

### 2 CFR 200: Subpart D Post Federal Award Requirements

#### Period of Performance

Imposes a period when project cost can be incurred and still be eligible for reimbursement.



Period of Performance:  
From Start Date  
(Project effective  
authorization) to End  
Date (determined by  
SDOT based on  
estimated project  
schedule)

## Agreement End Date Modification

### ➤ Reasons or Circumstances

- Delays
- Litigation
- Major changes in design
- Labor strikes
- Material shortages
- Construction claims
- Severe weather
- Additional work
- Site conditions

## Catalog of Federal Domestic Assistance

### ➤ **Catalog of Federal Domestic Assistance (CFDA)**

- Comprehensive listing of Federal financial assistance program
- Maintained by GSA
- No Federal financial assistance may be provided without assigning a funding program listed in the CFDA

[Home - CFDA: Home](https://www.cfda.gov/): <https://www.cfda.gov/>



*FHWA is developing a crosswalk from the FAHP federal program code to the CFDA number.*

## Indirect Cost Rate & De Minimis Rate

### ➤ **Indirect Costs**

- Negotiated Rates: one-time extension of up to 4 years
- Use ICAP – If the state or local government receives more than \$35 million in Federal funds
- Use de minimis rate of 10% - If a non-Federal entity receives \$35 million or less in total Federal awards (could be applied to sub-recipients such as LPAs)

### ➤ **Narrative Cost Allocation Methods - Use of Appendix VII**

## Non-Federal Entity Responsibilities

2 CFR 200: Subpart D  
Post Federal Award Requirements

### Financial Management

- **Non-Federal entity**
  - Follow State laws and procedures
  - Preparation of reports
  - Retention requirements for records
  - Trace funds to the expenditure transaction level
  - Written procedures for payments and cost allowability

## Non-Federal Entity Responsibilities

2 CFR 200: Subpart D  
Post Federal Award Requirements



### Internal Control

- Non-Federal entity must:
  - Establish and maintain effective internal control
  - Comply with Federal Statutes and Regulations
  - Comply with terms and conditions
  - Evaluate and monitor compliance
  - Take prompt action when noncompliance is identified
  - Take measures to ensure information privacy

## Non-Federal Entity Responsibilities

### 2 CFR 200: Subpart D Post Federal Award Requirements

#### ➤ Procurement Standards – Non-Federal Entities must:

- Follow same procurement polices and procedures for non-Federal funds
- Maintain oversight over contractor performance
- Written standards of conduct
- Avoid procurement of unnecessary or duplicate items
- Enter into state and local intergovernmental agreements for procurement
- Use Federal excess and surplus property
- Maintain records
- Take responsibility for any procurement settlement



Sub-recipients of the SDOT can follow the State's polices and procedures for procurement.

## Non-Federal Entity Responsibilities

### ➤ Single Audit Act Compliance

- Applicable to audits of non-Federal entity fiscal years beginning on or after Dec 26, 2014
- Increased Threshold for Single Audits
  - Increased from \$500,000 to \$750,000
- Updated Single Audit Compliance Supplement

## Billing and Payment

### Payments

- Other non-Federal entities (LPA's)
  - Billing and Payment methods must minimize the time elapsing between the transfer and disbursement of funds
  - Reimbursement within 30 calendar days after receipt of the billing



## Pass Thru Entity Responsibilities

- Include the 15 data elements in all federal awards
- Conduct a risk assessment
- Ensure federal requirements are followed
- Timelines and schedules to ensure timely reporting
- Monitoring
- Review Single Audit requirements
- Adjust requirements based on risks
- Communicate what is required

## Federal Awarding Agency Responsibilities

- Communicate award information and requirements
- Review and analyze risk
- Provide timelines and due dates for performance reports and documentation.
- Monitor and review project outcomes
- Review single audit and internal controls
- Review project schedule and period of performance
- Approve indirect cost rates as required
- Update guidance as needed

## Resources

- 2CFR200 URL
  - [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)
- Council on Financial Assistance Reform (COFAR)
  - <https://cfo.gov/cofar/>
- FHWA Policy and Guidance Center
  - <http://www.fhwa.dot.gov/pgc/>