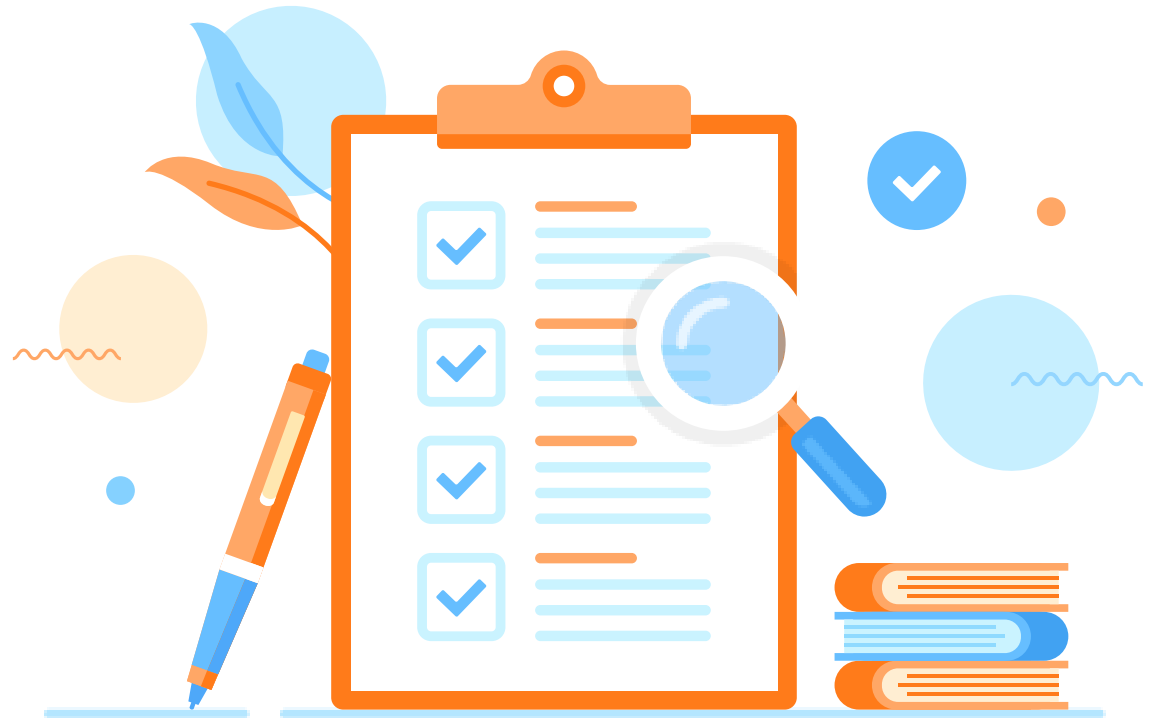




Uniform Guidance: The States and Changes

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Training Conference

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- Background and Uniform Guidance Crosswalk
- Definitions + General Provisions
- Pre / Post Award Administrative Requirements
- Cost Principles
 - De minimis and Negotiated Rates
 - Specific Items of Cost
- Single Audit

Background

- First took effect December 26, 2013
- OMB **was** required to review UG every 5 years (2 CFR § 200.109)
 - First significant revisions took effect November 12, 2020
 - Not adopted by HHS
- CAPLAW, NCAP + NASCSP submitted comments on proposed revisions in 2024

Background

Four main objectives of the 2024 revisions:

1. Incorporate statutory requirements and administration priorities;
2. Reduce federal agency and recipient burden;
3. Clarify differing interpretations; and
4. Rewrite sections in plain language, improving flow, and addressing inconsistent use of terms

New Rules

- Effective date **October 1, 2024**
 - Effective for all federal awards issued on or after that date
- Federal agencies directed to submit implementation plans to OMB by May 15, 2024



New Rules

- HHS also adopted 2 CFR Part 200
 - Rescinded 45 CFR Part 75
- Full adoption effective **October 1, 2025**
- 8 provisions effective immediately:
 - De minimis rate of 15% of MTDC
 - Closeout provisions (adopted by HHS in Sept. 2023)
 - New thresholds (micro-purchase, simplified acquisition, MTDC, equipment, supply, fixed amount awards, audit)



More Changes on the Horizon?

Executive Order 14332

- Directs Office of Management and Budget (OMB) to make updates in a few key areas:
 - Increase accessibility/efficiency of application process
 - Further clarify ability to terminate discretionary grants for convenience
 - Limit costs related to facilities and administration (indirect costs)

Few Overarching Notes @ New Rule

- Preamble to the Final Rule
- Replaced “non-federal entity” with “recipient” and/or “subrecipient”
 - EXCEPT in Subpart F – Single Audit
- A LOT of language is moved around/streamlined/restructured
 - No policy change intended

Uniform Guidance Crosswalk

Pre-October 2024			Post-October 2024			
Citation, 2 CFR Part	Section Title (deleted or revised language in purple)	Uniform Guidance Provision (deleted or revised language in purple) (n/a means that no corresponding provision existed in this prior version)	Citation, 2 CFR Part	Section Title	Uniform Guidance Provision (new or revised language in purple) (n/a means that no corresponding provision remains in this updated version)	Understanding of Change
200.1	Acronyms and Definitions	means the time interval from the start of the funded portion of an award to the end date of that funded portion, during which recipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to § 200.308.	200.1	Budget period	means the time interval from the start date of the funded portion of an award to the end date of that funded portion, during which recipients and subrecipients are authorized to incur financial obligations of the funds awarded, including any funds carried forward or other revisions pursuant to § 200.308.	Language modified. Replaces "and" with "incur financial obligations of." Aligns definition with other Uniform Guidance provisions (for example, Closeout at 2 CFR 200.344(c)) and clarifies that expenditure of funds during a budget period is not required; rather, obligation incurred (e.g., a contract) during the period with a liquidation after the period ends is permissible.
	n/a	n/a	200.1	Continuation funding	means the second or subsequent budget period within an identified period of performance.	Definition added. Reflects the way many federal grants function, e.g., Head Start funding is issued for 5 years with the grantee submitting an application for continuing funding each year following the initial grant year.
200.1	Cost sharing or matching	means the portion of project costs not paid by Federal funds or contributions (unless otherwise authorized by Federal statute). See also § 200.306.	200.1	Cost sharing	means the portion of project costs not paid by Federal funds or contributions (unless authorized by Federal statute). This term includes matching, which refers to required levels of cost share that must be provided.	Language modified. Removes "matching" from the defined term and adds language to the definition to reflect that cost sharing includes matching and matching describes the way in which cost sharing requirements are met.
200.1	Equipment	means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. See also the definitions of capital assets, computing devices, general purpose equipment, information technology systems, special purpose equipment, and supplies in this section.	200.1	Equipment	means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or \$10,000. See the definitions of capital assets, computing devices, general purpose equipment, information technology systems, special purpose equipment, and supplies in this section.	Threshold increased. Raises threshold level used to determine if tangible personal property is equipment from \$5,000 to \$10,000. The increase is notable because it accounts for inflation and the different disposition requirements that apply to personal property vs. equipment.
200.1	Financial obligations	when referencing a recipient's or subrecipient's use of funds under a Federal award, means orders placed for property and services, contracts and subawards made, and similar transactions that require payment.	200.1	Financial obligations	means orders placed for property and services, contracts and subawards made, and similar transactions that require payment by a recipient or subrecipient under a Federal award that will result in expenditures by a recipient or subrecipient under a Federal award.	Language modified. Deletes introductory language and adds language establishing that "expenditures" will result from obligations. Clarifies that an expenditure does not always happen at the same time as a financial obligation; rather, a financial obligation often requires a recipient or subrecipient to make a future expenditure.

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Uniform Guidance Crosswalk

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						or subrecipient and a federal agency.
200.414(d)	Indirect costs	(d) Pass-through entities are subject to the requirements in § 200.332(a)(4).	200.414(d)	Indirect costs	(d) Pass-through entities. Pass-through entities are subject to the requirements in § 200.332(b)(4) and must accept all federally negotiated indirect costs rates for subrecipients .	Language added. Emphasizes that pass-through entities must accept a subrecipient's federally negotiated indirect cost rate.
200.414(f)	Indirect costs	(f) In addition to the procedures outlined in the appendices in paragraph (e) of this section , any non-Federal entity that does not have a current negotiated (including provisional) rate, except for those non-Federal entities described in appendix VII to this part, paragraph D.1.b , may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. No documentation is required to justify the 10% de minimis indirect cost rate. As described in § 200.403, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.	200.414(f)	Indirect costs	(f) De minimis rate. Recipients and subrecipients that do not have a current negotiated (including provisional) rate may elect to charge a de minimis rate of 15% of modified total direct costs (MTDC). The recipient or subrecipient is authorized to determine the appropriate rate up to this limit. Federal agencies and pass-through entities may not require recipients and subrecipients to use a de minimis rate lower than the negotiated indirect cost rate or the rate elected pursuant to this subsection unless required by Federal statute or regulation. The de minimis rate must not be applied to cost reimbursement contracts issued directly by the Federal Government in accordance with the FAR. Recipients and subrecipients are authorized to elect the de minimis rate. When applying the de minimis rate, costs must be consistent with the negotiated indirect cost rate or indirect costs and may not be double charged or inconsistently charged as both. The de minimis rate does not require documentation to justify its use and may be used indefinitely. Once elected, the recipient or subrecipient must use the de minimis rate for all Federal awards until the recipient or subrecipient chooses to receive a negotiated rate.	Language modified in 2020. Clarifies that no documentation or proof is required to justify costs for those who elect the de minimis rate and permits the rate to be used indefinitely. Allows any non-federal entity without a negotiated indirect cost rate to elect the de minimis rate, which replaced the restriction that only allowed non-federal entities that had never had a negotiated rate to elect the de minimis rate. Note, OMB revised this subsection of the Uniform Guidance, 2 CFR Part 200, in 2020 but HHS did not adopt the 2020 revisions in its codification, 45 CFR Part 75, until 2024. HHS decided in 2024 to completely adopt 2 CFR Part 200 effective October 1, 2025. Language modified in 2024. Raises the de minimis indirect cost rate to up to 15% of modified total direct costs. Clarifies that the recipient or subrecipient decides the percentage to use up to 15%, not a federal agency or pass-through entity, unless a federal statute or regulation requires otherwise.
		n/a	200.415(b)	Required certifications	(b) Subrecipients under the Federal award must certify to the pass-through entity whenever applying for funds, requesting payment, and submitting financial reports: "I certify the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to violations of U.S. Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812." Each such certification must be maintained pursuant to the requirements of § 200.334. This paragraph applies to	Subsection added. Requires a subrecipient to certify to the pass-through entity that financial information submitted to the pass-through entity is complete and accurate. This certification reflects language that exists in the payment management system (PMS) and that recipients must agree to for draw downs of federal funds. Note, the addition of this subsection as (b) resulted in a relettering of the existing subsections.

Uniform Guidance Crosswalk

SCAN ME



Uniform Guidance Overview

Subpart A	Acronyms and Definitions
Subpart B	General Provisions
Subpart C	Pre-Award Requirement and Contents of Federal Award
Subpart D	Post-Federal Award Requirements
Subpart E	Cost Principles
Subpart F	Audit Requirements
Appendices	IV (Nonprofit CAAs); V (Public CAAs)

UG Provisions that Apply to CSBG

- The following UG provisions apply to all block grants, including CSBG:
 - **Subpart A**
(Acronyms & Definitions)
 - **Subpart B**
(General Provisions)
 - **Subpart F** (Audit Requirements)
 - **Certain provisions of Subparts C and D**
 - § 200.203 – Public notice/CFDA
 - § 200.216 – Prohibition on certain telecoms/video equipment and services
 - § 200.331 – Subrecipient & contractor determinations
 - § 200.332 – Pass-through entities
 - § 200.333 – Fixed amount subawards
- **Additionally**: Subpart E, Cost Principles, applies to CSBG because the federal CSBG Act, the authorizing statute (42 U.S.C. § 9916(a)(1)(B)), specifically requires it

Intro to Subtitle A

§ 1.231 Severability

- **[NEW]** provisions of UG are separate and severable
 - If any provision held invalid or unenforceable, the rest remains in effect.
 - Potential impacts for: § 200.300 (Statutory and national policy requirements); § 200.303 (Internal controls); § 200.318 (General procurement); § 200.319 (Competition);

Uniform Guidance Crosswalk

1	Pre-October 2024			Post-October 2024			Understanding of Change
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2							
3	Part I, Subpart B Introduction to Subtitle A						
4			n/a	1.231	Severability	The provisions of this subtitle are separate and severable from one another. If any provision of this subtitle is held invalid or unenforceable as applied to a particular person or circumstance, the provision should be construed so as to continue to give the maximum effect permitted by law as applied to other persons not similarly situated or to dissimilar circumstances. If any provision is determined to be wholly invalid and unenforceable, it should be severed from the remaining provisions of this subtitle, which should remain in effect.	Section added. Protects entirety of Uniform Guidance from adverse legal action taken as to specific sections. If any provision of Uniform Guidance is held invalid or unenforceable, for example as a result of legal action, other sections not subject to that legal action will remain in effect.
5	Chapter II, Part 200, Subpart A Acronyms and Definitions						
6	200.1	Budget period	means the time interval from the start date of a funded portion of an award to the end date of that funded portion, during which recipients and subrecipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to § 200.308.	200.1	Budget period	means the time interval from the start date of a funded portion of an award to the end date of that funded portion, during which recipients and subrecipients are authorized to incur financial obligations of the funds awarded, including any funds carried forward or other revisions pursuant to § 200.308.	Language modified. Replaces "expend" with "incur financial obligations of." Aligns definition with other Uniform Guidance sections (for example, Closeout at 2 CFR 200.344(c)) and clarifies that expenditure of funds during a budget period is <u>not</u> required; rather, obligation incurred (e.g., a contract) during the period with a liquidation after the period ends is permissible.
7			n/a	200.1	Continuation funding	means the second or subsequent budget period within an identified period of performance.	Definition added. Reflects the way many federal grants function, e.g., Head Start funding is issued for 5 years with the grantee submitting an application for continuing funding each year following the initial grant year.



DEFINITIONS + GENERAL PROVISIONS

Subpart A: Definitions

§ 200.1 Budget Period

- **[CLARIFIED]** that recipients and subrecipients are authorized to “*incur financial obligations of the funds awarded*” during the budget period

Subpart A: Definitions

§ 200.1 Cost Sharing

- **[MODIFIED]** by removing “matching” as part of the defined term and adding language to explain that cost sharing includes matching
 - Noted that matching refers to required levels of cost share that must be provided.

Subpart A: Definitions

§ 200.1 Equipment

- **[MODIFIED]** threshold used to determine if tangible personal property is equipment so it is now \$10,000
 - Analysis is that personal property is equipment if it has (1) a useful life of more than one year and (2) a per-unit acquisition cost that equals or exceeds the lesser of
 - the capitalization level established by the recipient or subrecipient for financial statement purposes, **OR**
 - \$10,000.

Subpart A: Definitions

§ 200.1 Financial Obligation

- **[NEW]** “orders placed for property and services, contracts and subawards made, and similar transactions that require payment by a recipient or subrecipient under a Federal award that will result in expenditures by a recipient or subrecipient under a Federal award.”
 - Clarifies when a financial obligation occurs
 - Recognizes expenditures are not always contemporaneous with a financial obligation

Subpart A: Definitions

§ 200.1 Improper Payments

- **[MODIFIED]** language to focus on when payments are improper with a list of such payments.
 - e.g., payments to an ineligible recipient, duplicate payments, payment for good or service not received except as authorized by law, payments not authorized by law.
- Moved clarification that “questioned costs” are not considered improper payments until transaction completely reviewed to *Question Cost* definition

Subpart A: Definitions

§ 200.1 Modified Total Direct Costs (MTDC)

- **[MODIFIED]** to increase the amount of each subaward that may be included in the MTDC base to “up to the first \$50,000”
 - Noted that subcontracts are not included

Subpart A: New Definitions

§ 200.1 Participant

- **[NEW]** “generally means an individual participating in or attending program activities under a Federal award, such as trainings or conferences, but who is not responsible for implementation of the Federal award...”
 - Clarifies that a participant is not developing or delivering the program
 - Provides examples of participants

Subpart A: Definitions

§ 200.1 Prior Approval

- **[NEW]** “the written approval obtained in advance by an authorized official of a Federal agency or pass-through entity of certain costs or programmatic decisions”
 - Notes in the preamble when “after-the-fact approval” may occur but does not add language

Subpart A: Definitions

§ 200.1 Supply

- **[MODIFIED]** threshold used to determine if a computing device is a supply is now \$10,000
 - Analysis is that it is a supply if the acquisition cost of the computing device is the lesser of:
 - the capitalization level established by the recipient or subrecipient for financial statement purposes, **OR**
 - \$10,000, regardless of length of its useful life.

Subpart B: General Provisions

§ 200.100 Purpose

- **[MODIFIED]** to remove language that federal agencies are required to bear their fair share of the benefit received from a cost
 - Cost principles speak to this concept so no need to state again here
 - Language did not require agencies to take specific actions
 - Removal in no way indicates to the contrary

Subpart B: General Provisions


§ 200.113 Mandatory Disclosures

- **[MODIFIED]** to replace threshold of reporting “violations” of criminal law in a timely manner with reporting:
 - “Credible evidence” of the commission of a violation of criminal law involving fraud, conflict of interest, bribery or gratuity violations
 - “Promptly”
 - “In connection” with a Federal award including subawards
 - “To the Federal Agency, Office of Inspector General and pass-through entity (if applicable)” and “in writing”

Subpart B: General Provisions

§ 200.113 Mandatory Disclosures

- **[MODIFIED]** language is intended to:
 - Further align with FAR disclosure requirements
 - Not require complex investigation but rather the taking of reasonable steps to determine if evidence is credible
 - Not trigger an open-ended investigation
 - Emphasize that there must be a nexus to the federal award, in recognition of the broadness of the requirement



PRE / POST AWARD ADMINISTRATIVE REQUIREMENTS

Subpart C: Pre-Award Requirements

§ 200.204 Notices of funding opportunities

- **[MODIFIED]** NOFO guidance to encourage Federal agencies to make it more accessible and comprehensible.
 - Encourages plain language and permits pre-application technical assistance
 - Adds executive summary requirement
 - Includes changes in the updated NOFO form in Appendix I to Part 200.

Subpart C: Pre-Award Requirements

§ 200.215 Never contract with the enemy

- **[CLARIFIED]** subrecipients are subject to the regulations implementing Never Contract with the Enemy

Subpart C: Pre-Award Requirements

§ 200.216 Telecommunications + surveillance equipment or services

- **[NEW in 2020]** Prohibited recipients and subrecipients from using funds to procure/obtain covered telecoms equipment or services
- **[CLARIFIED]** Emphasized the prohibition against the purchasing and procurement of covered equipment.
 - Prohibition still applies to program income
 - Opted not to include clarifying language that could be construed to impose "use" restriction on recipients and subrecipients

Subpart C: Pre-Award Requirements

§ 200.217 Whistleblower protections

- **[NEW]** protections for whistleblowers
 - Covers disclosures relating to a Federal contract or grant
 - Employee must “reasonably believe” there is evidence of gross mismanagement, gross waste, abuse of authority, a substantial and specific danger to public health or safety, or a violation of law, rules, or regulations.
 - Must inform employees in writing employee whistleblower rights and protections

Subpart D: Post-Award Requirements

§ 200.307 Program income

- **[CLARIFIED]** that program income can be used to pay for allowable closeout costs.
 - Otherwise, program income is restricted to use only within the period of performance

Subpart D: Post-Award Requirements

§ 200.308(f)(6) Revision of budget and program plans

- **[CLARIFIED]** that a change of subrecipient only requires prior approval if the Federal agency or pass-through entity includes the requirement in the terms and conditions of the Federal award.
 - A Federal agency or pass-through entity should not require prior approval of a change of subrecipient unless the inclusion was a determining factor in review or eligibility.
 - This provision does not apply to procurement transactions for goods and services.

Subpart D: Post-Award Requirements

§ 200.311 Real Property

- **[NEW]** requirement establishing standards for conducting appraisals of real property, when required under the Federal award.
 - Must use independent appraiser to conduct appraisals.
 - Responsible official of the recipient or subrecipient must certify appraisals.

Subpart D: Post-Award Requirements

§§ 200.313-314 Equipment and Supplies

- **[NEW]** threshold values for equipment and supplies increased from \$5,000 to \$10,000
 - Equipment valued at \$10,000 or less per unit may be retained, sold, or disposed of with no further responsibility to the Federal agency/pass-through entity
 - When there is inventory of unused supplies exceeding \$10,000 in aggregate value at the end of the period of performance, recipient/subrecipient may retain or sell the unused supplies provided you compensate the federal agency for its contribution

Subpart D: Post-Award Requirements

§ 200.319 Competition

- **[MODIFIED]** OMB removed the prohibition on using geographic preference requirements.
 - Use of scoring mechanisms not prohibited to reward bidders committing to specific numbers of U.S. jobs and certain compensation and benefits
 - **Notes:** Any scoring mechanism must be consistent with U.S. Constitution, applicable Federal statutes and regulations, and award terms and conditions

Subpart D: Post-Award Requirements

§ 200.320 Procurement methods

- **[CLARIFIED]** micro purchases may be awarded without soliciting competitive price or rate quotations if recipient or subrecipient:
 - Considers the price reasonable and
 - Maintains documents to support its conclusion

Subpart D: Post-Award Requirements

§ 200.320(a)(1)(iv) Procurement methods

- **[NEW in 2020]** recipient/subrecipient may self-certify a micro-purchase threshold of **up to \$50,000** if available supporting documentation demonstrates any of the following:
 - Qualification as a low-risk auditee on most recent audit in accordance with § 200.520;
 - Annual internal institutional risk assessment to identify, mitigate and manage financial risk; or
 - A higher threshold consistent with state law (public institutions only)
- Must self-certify on an **annual basis** and maintain records that include **justification, clear identification of the threshold**

Subpart D: Post-Award Requirements

§ 200.320(a)(1)(v) Procurement methods

- **[NEW in 2020]** recipients/subrecipients may increase micro-purchase threshold **above \$50,000** if:
 - Approved by cognizant agency for indirect costs and
 - Submitted request certifying the previous requirements (see slide 36)
- **[NEW in 2020]** Increased threshold valid until there is a change in status in which the justification was approved

Subpart D: Post-Award Requirements

§ 200.321 Contracting with small businesses

- **[MODIFIED]** the types of businesses that recipients and subrecipients are encouraged to consider for procurement contracts to include veteran-owned businesses.

Subpart D: Post-Award Requirements

§ 200.323 Procurement of recovered materials

- **[MODIFIED]** to encourage recipients and subrecipients to purchase, acquire, or use products and services that can be reused, refurbished, or recycled, and that are sustainable.

Subpart D: Post-Award Requirements

§ 200.324 Contract cost and price

- **[MODIFIED]** Removed the requirement to negotiate profit as a separate element of the price for each contract in which there is no price competition.
 - Recipients and subrecipients not prohibited from taking such action if necessary.

Subpart D: Post-Award Requirements

§ 200.331 Subrecipient and contractor determinations

- **[CLARIFIED]** Federal agencies do not have a direct legal relationship with subrecipients and contractors of pass-through entities.
 - Federal agencies are still responsible for monitoring pass-through entity's oversight of first-tier subrecipients.

Subpart D: Post–Award Requirements

§ 200.332(b)(4) Requirements for pass-through entities (PTE)

- **[CLARIFIED in 2020]** recognition of indirect costs by PTEs
 - Must recognize subrecipient's federally negotiated indirect cost rate (FNICR)
 - If subrecipient not have a FNICR:
 - Negotiate an indirect cost rate with the subrecipient
 - Recognize indirect cost rate between the subrecipient and a different pass-through entity
 - Accept the de minimis rate

Subpart D: Post–Award Requirements

§ 200.332(b)(4) Requirements for PTE; Appendix IV, C.2.a

- **[CLARIFIED in 2020]** Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with §200.405(d)
- **[CLARIFIED in 2020]** If the nonprofit does not receive direct federal funding, the pass-through entity is responsible for the negotiation of the indirect cost rates

Subpart D: Post-Award Requirements

§ 200.340(b) Termination

- **[MODIFIED]** the termination of a federal award by a Federal agency or pass-through entity if an award no longer effectuates program goals or agency priorities by adding “***pursuant to the award terms and conditions, including to the extent authorized by law***”

Subpart D: Post-Award Requirements

§ 200.344 Closeout

- **[CLARIFIED]** Recipients must still submit a final financial report even when the recipient does not have a final indirect cost rate.
 - An additional final report must be submitted when the indirect cost rate is finalized.
- **[NEW in 2020]** Recipient has 120 days (up from 90) to submit closeout documents to federal agency after period of performance
- **[CLARIFIED in 2020]** Subrecipient must submit closeout documents to pass-through within 90 days of period of performance

Subpart D: Post-Award Requirements

§ 200.345 Post-closeout adjustments and continuing responsibilities

- **[NEW in 2020]** The closeout of a Federal award does not affect any of the following:
 - Ability of Federal awarding agency to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments

COST PRINCIPLES

Subpart E: Cost Principles

Key Updates in Part 200

- Allowability factors (403)
- Prior approval (407)
- Indirect cost rates (414)
- Advertising/PR (421)
- Compensation (430)
- Fringe benefits (431)
- Conferences (432)
- Entertainment costs (438)
- Organization costs (455)
- Participant support costs (456)
- Termination costs (472)

Subpart E: Cost Principles

§ 200.403(h) Factors Affecting the Allowability of Costs

- **[NEW]** Administrative closeout costs may be incurred until the due date of the final report(s).
 - Costs must be liquidated prior to the due date of the final report(s); and
 - Charged to the final budget period of the award unless otherwise specified by the Federal agency

Subpart E: Cost Principles

§ 200.407 Prior Written Approval

- **[NEW]** Prior written approval no longer required for the following costs:
 - *Direct for admin salaries*
 - *Participant support*
 - *Entertainment*
 - *Selling and marketing*
 - *Memberships*
 - *Taxes*
- Even absent prior approval, must follow Cost Principles!

Subpart E: Indirect Costs

§ 200.414(c)(2) Acceptance of Negotiated Indirect Cost Rates

- **[NEW]** Recipient/subrecipient may notify OMB of any disputes with Federal agencies regarding the application of a federally negotiated indirect cost rate
 - Uncertainty over procedures post-notification
 - OMB noted that it would not serve as arbiter between recipient/subrecipient and federal agency

Subpart E: Indirect Costs

§ 200.414(d) Acceptance of Negotiated Indirect Cost Rates

- **[CLARIFIED]** Pass-through entities **must** accept all federally negotiated indirect cost rates for subrecipients.

Subpart E: Indirect Costs

§ 200.414(f) De minimis rate

- **[NEW]** up to **15% de minimis rate** now available
 - Any non-federal entities that doesn't have a current rate may elect **[NEW in 2020]**
 - 15% of Modified Total Direct Cost (MTDC)
 - Recipient/subrecipient decide %, **not** federal agencies/pass-throughs unless required by federal statute or regulation
 - No documentation/proof required **[CLARIFIED in 2020]**
 - Can be used indefinitely

Subpart E: Cost Principles

§ 200.421(b)(4) Advertising and Public Relations

- **[CLARIFIED]** “program outreach” to include “recruiting project participants” as an example.

Subpart E: Cost Principles

§ 200.432 Conferences

- **[CLARIFIED]** Removed language specifying type of gatherings considered “conferences”
- Broadened allowable conference costs:
 - No longer only costs paid by recipient/subrecipient as “a sponsor or host”
 - Includes attendance fees
 - Adds cost associated with “providing” not just “identifying” available dependent care resources “for participants”

Subpart E: Cost Principles

§ 200.438 Entertainment Costs

- **[CLARIFIED]** that prizes or challenges are allowable if they have a specific and direct programmatic purpose and are included in the Federal award.
 - Includes reference to OMB Guidance on uses of challenges and prizes

Subpart E: Cost Principles

§ 200.455(b) Organization Costs

- **[NEW]** OMB specified that unallowable costs include those for: “activities undertaken to persuade employees of the recipient or subrecipient, or any other entity, to exercise or not to exercise, or concerning the manner of exercising, the right to organize and bargain collectively through representatives of the employees' own choosing.”

Subpart E: Cost Principles

§ 200.455(c) Organization Costs

- **[NEW]** Costs related to data and evaluation are allowable
 - Data costs include (but aren't limited to) those to gather, store, analyze, disaggregate, share, and publish to administer or improve the program
 - Evaluation costs include (but aren't limited to) evidence reviews, evaluation planning, conducting evaluations, and sharing evaluation results

Subpart E: Cost Principles

§ 200.456 Participant Support Costs

- **[NEW]** Must now document participant support costs in written policies and procedures
 - Emphasized that must treat these costs consistently across all Federal awards
 - Removed prior approval requirement

Subpart E: Cost Principles

§ 200.472(b) Termination and Standard Closeout Costs

- **[NEW]** Administrative costs associated with closeout activities of a Federal award are allowable
 - Includes indirect costs in examples of allowable administrative closeout costs
 - Noted that closeout costs may be incurred until due date of final report

SINGLE AUDIT

Audit Requirements

§ 200.501 Single Audit Threshold

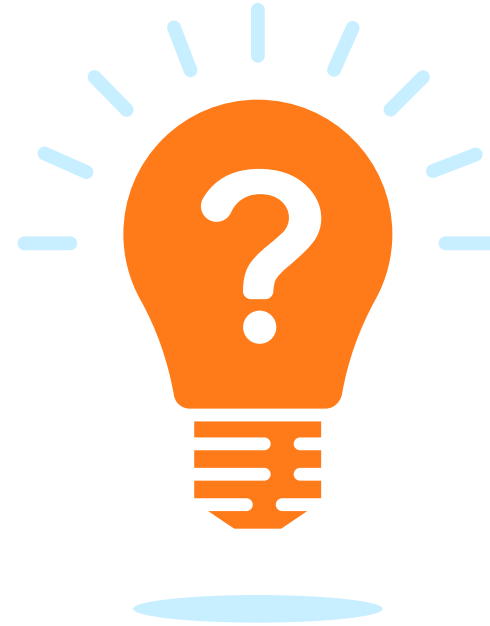
- **[NEW]** Expenditures of federal funds that triggers a Single Audit = \$1,000,000
 - Time frame within which federal funds must be expended is the non-federal entity's *fiscal year*.

Audit Requirements

§ 200.512 Report Submission

- **[NEW]** Cognizant agency for audit or oversight agency for audit may extend the due date for Single Audit submission.
 - Determination based on nine-month timeframe placing an undue burden on an auditee

QUESTIONS?



This training is part of the Community Services Block Grant (CSBG) Legal Training and Technical Assistance (T/TA) Center. It was created by Community Action Program Legal Services, Inc. (CAPLAW) in the performance of the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services Cooperative Agreement – Grant Award Number 90ET0505-02.

Any opinion, findings, and conclusions, or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Health and Human Services, Administration for Children and Families.

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