2 CFR 200 Uniform Guidance

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

2 CFR 200
Uniform Guidance
Who Does it Apply To?

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?

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

"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.
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

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**

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/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)

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**Award and Sub-Award Requirements**

**Federal Award Information**

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

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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/)

*Please Note:* 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 policies 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

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 (LPAs)
  - 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

- Council on Financial Assistance Reform (COFAR)
  - https://cfo.gov/cofar/

- FHWA Policy and Guidance Center
  - http://www.fhwa.dot.gov/pgc/