



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Uniform Guidance Training #1 Implementation at VCU

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Uniform Guidance Training #1

- Structure of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, aka “Uniform Guidance”
 - What is “same, same” (i.e. familiar to you if you worked with OMB A-21, A-110 and A-133)
 - What is “different”, why, and what to do about it
- Additional focus areas



“Uniform Guidance” replaces:

A-21, A-50, A-87, A-89, A-102, A-110, A-122, A-133

OMB Circular A-21: Cost Principles for Educational Institutions (5/10/2004)

OMB Circular A-110: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (09/30/1999)

OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations (06/26/2007)

OMB Circular A-87: Cost Principles for State, Local, and Indian Tribal Government (05/10/2004)

OMB Circular A-102: Grants and Cooperative Agreements with State and Local Governments (10/07/1994)

OMB Circular A-122: Cost Principles for Non-Profit Organizations (05/10/2004)

OMB Circular A-50: Audit Followup (09/29/1982)

OMB Circular A-89: Catalog of Federal Domestic Assistance (08/17/1984)

Structural Overview of Uniform Guidance

Subpart A-Acronyms & Definitions

Subpart B-General Provisions

Subpart C-Pre-Federal Award Requirements & Contents of Federal Awards

Subpart D-Post Federal Award Requirements

- Standards for Financial and Program Management
- Property Standards
- Procurement Standards
- Performance and Financial Monitoring and Reporting
- Subrecipient Monitoring and Management
- Record Retention and Access
- Remedies for Noncompliance
- Closeout
- Post-Closeout Adjustments and Continuing Responsibilities
- Collection of Amounts Due

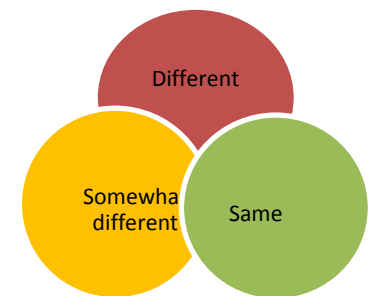
Subpart E-Cost Principles

- General Provisions
- Basic Considerations
- Direct and Indirect (F&A) Costs
- Special Considerations for States, Local Governments and Indian Tribes
- Special Considerations for Institutions of Higher Education
- General Provision for Selected Items of Cost

Subpart F-Audit Requirements

- Audits
- Auditees
- Federal Agencies
- Auditors
- Management Decision

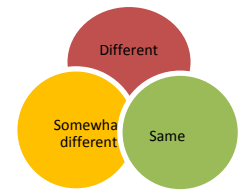
Appendices (1-11)



Uniform Guidance

Subpart A—Acronyms & Definitions

(200.0-99)



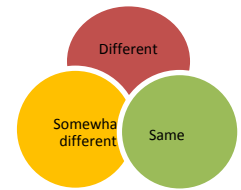
Acquisition Cost	Advance payment	Allocation	Audit finding	Auditee	Auditor
Budget	Central service costs allocation plan	CFDA	CFDA program title	Capital assets	Capital expenditures
Claim	Class of Federal awards	Closeout	Cluster of programs	Cognizant agency for audit	Cognizant agency for indirect costs
Computing devices	Compliance supplement	Contract	Contractor	Cooperative agreement	Cooperative audit resolution
Corrective action	Cost allocation plan	Cost objective	Cost sharing or matching	Cross-cutting audit finding	Disallowed costs



Uniform Guidance

Subpart A—Acronyms & Definitions

(200.0-99)

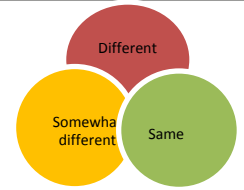


DUNS number	Equipment	Expenditures	Federal agency	Federal Audit Clearinghouse	Federal awarding agency
Federal award	Federal award date	Federal financial assistance	Federal interest	Federal program	Federal share
Final cost objective	Fixed amount awards	Foreign public entity	Foreign organization	General purpose equipment	GAAP (Generally Accepted Accounting Principles)
GAGAS (Generally Accepted Government Auditing Standards)	Grant agreement	Hospital	Improper payment	Indian tribe	Institutions of Higher Education
Indirect costs (facilities & administrative (F&A))	Indirect cost rate proposal	Information technology systems	Intangible property	Intermediate cost objective	Internal controls



Uniform Guidance

Subpart A—Acronyms & Definitions



(200.0-99)

Internal controls over compliance requirements for Federal awards	Loan	Local government	Major program	Management decision	Micro-purchase	Modified Total Direct Cost (MTDC)
Non-Federal entity	Nonprofit organization	Obligations	OMB (Office of Management and Budget)	Oversight agency for audit	Pass-through entity	Participant support costs
Performance goal	Period of performance	Personal property	Personally Identifiable Information (PII)	Program income	Property	Protected Personally Identifiable Information
Project cost	Questioned cost	Real property	Recipient	Research and Development	Simplified acquisition threshold	Special purpose equipment
State	Student Financial Aid	Subaward	Subrecipient	Supplies	Termination	Third-party in-kind contributions
		Unliquidated obligations	Unobligated balance	Voluntary committed cost sharing		

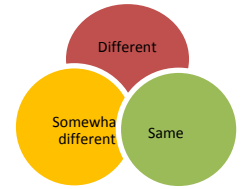


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Uniform Guidance- Subpart B-General Provisions

(200.100-113)

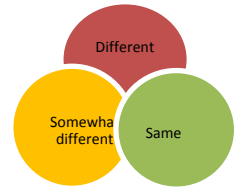


Purpose	Applicability	Exceptions	Authorities
Supersession	Effect on other issuances	Agency implementation	OMB responsibilities
Inquiries	Review date	Effective/ applicability date	English language
	Conflict of interest	Mandatory disclosures	

Uniform Guidance

Subpart C-Pre-Federal Award Requirements and Contents of Federal Awards

(200.200-211)



Purpose

Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts

Requirement to provide public notice of Federal financial assistance programs

Notices of funding opportunities

Federal awarding agency review of merit of proposals

Federal awarding agency review of risk posed by applicants

Standard application requirements

Specific conditions

Certifications and representations

Pre-award costs

Information contained in a Federal award

Public access to Federal award information



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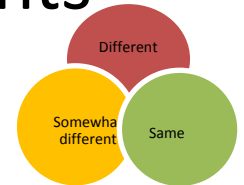
Subpart D-Post-Federal Award Requirements

Standards for Financial and Program Management
(200.300-308)

Statutory and national policy requirements	Performance measurement	Financial management
Internal controls	Bonds	Cost sharing or matching
Program income	Revision of budget and program plans	Period of performance

Property Standards
(200.310-316)

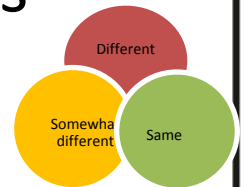
Insurance coverage	Real property
Federally-owned and exempt property	Equipment
Supplies	Intangible property
Property trust relationship	



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Subpart D-Post-Federal Award Requirements

Procurement Standards
(200.317-326)



Procurements by states

General procurement standards

Competition

Methods of procurement to be followed

Contracting with small and minority businesses, women's business enterprises and labor surplus area firms

Procurement of recovered materials

Contract cost and price

Federal awarding agency or pass-through entity review

Bonding requirements

Contract provisions



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Subpart D-Post-Federal Award Requirements

Performance and Financial Monitoring and Reporting

(200.327-329)

Financial Reporting

Monitoring and reporting program performance

Reporting on real property

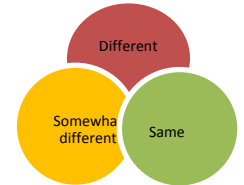
Subrecipient Monitoring and Management

(200.330-332)

Subrecipient and contractor determinations

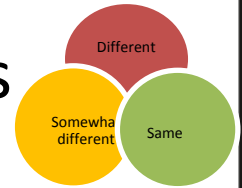
Requirements for pass-through entities

Fixed amount subawards



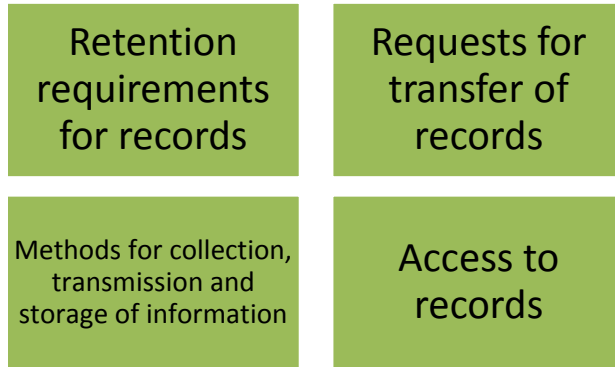
Uniform Guidance

Subpart D-Post-Federal Award Requirements



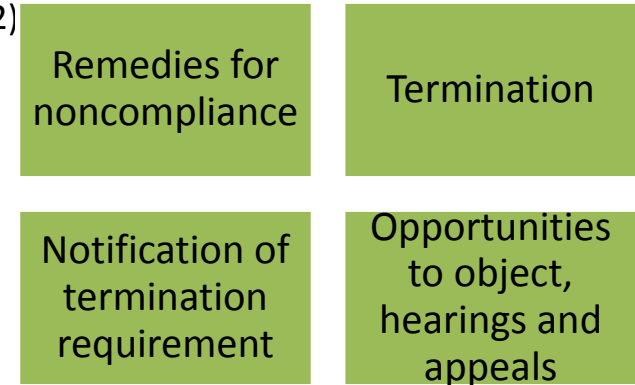
Record Retention and Access

(200.333-337)



Remedies for Noncompliance

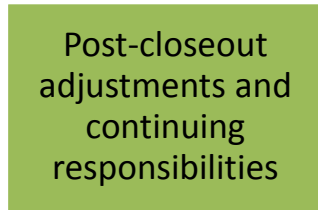
(200.338-342)



Restrictions on public access to records

Post-Closeout Adjustments and Continuing Responsibilities

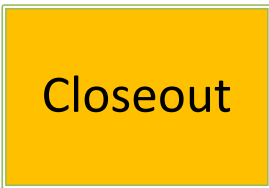
(200.344)



Effects of suspension and termination

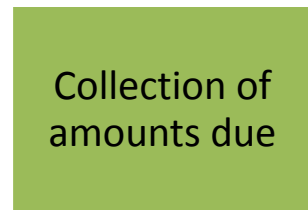
Closeout

(200.343)



Collection Amounts Due

(200.345)

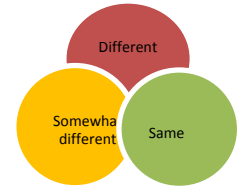


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Subpart E—Cost Principles



General Provisions
(200.400-401)

Basic Considerations
(200.402-411)

Policy Guide

Composition of costs

Factors affecting allowability of costs

Reasonable costs

Allocable costs

Application

Applicable credits

Prior written approval (prior approval)

Limitation on allowance of costs

Special considerations

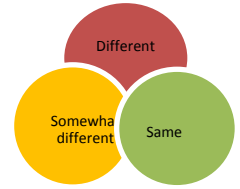
Collection of unallowable costs

Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs



Uniform Guidance

Subpart E—Cost Principles



Direct and Indirect (F&A) Costs
(200.412-415)

Classification
of costs

Direct costs

Indirect (F&A)
costs

Required
certifications

Special Consideration for States, Local
Governments and Indian Tribes
(200.416-417)

Methods for
collection,
transmission and
storage of information

Access to
records

Special Considerations for
Institutions of Higher Education
(200.418-419)

Costs incurred by
states and local
government

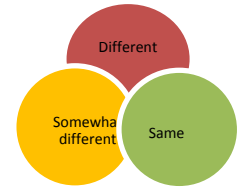
Cost accounting
standards and
disclosure
statement



Uniform Guidance

Subpart E—Cost Principles

General Provisions for Selected Items of Costs (200.420-475)



Advertising and public relations	Advisory councils	Alcoholic beverages	Alumni/ae activities	Audit services	Bad debts
Bonding costs	Collections of improper payments	Commencement and convocation costs	Compensation-personal services	Compensation-fringe benefits	Conferences
Contingency provisions	Contributions and donations	Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	Depreciation	Employee health and welfare costs	Entertainment costs
Equipment and other capital expenditures	Exchange rates	Fines, penalties, damages and other settlements	Fund raising and investment management costs	Gains and losses on disposition of depreciable assets	General costs of government
Goods or services for personal use	Idle facilities and idle capacity	Insurance and indemnification	Intellectual property	Interest	Lobbying

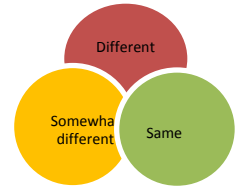


Uniform Guidance

Subpart E—Cost Principles

General Provisions for Selected Items of Costs

(200.420-475)

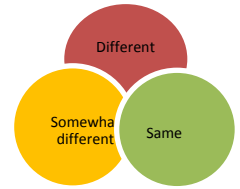


Losses on other awards or contracts	Maintenance and repair costs	Materials and supplies costs, including costs of computing devices	Memberships, subscriptions, and professional activity costs	Organization costs
Participant support costs	Plant and security costs	Pre-award costs	Professional service costs	Proposal costs
Publication and printing costs	Rearrangement and reconversion costs	Recruiting costs	Relocation costs of employees	Rental costs of real property and equipment
Scholarships and student aid costs	Selling and marketing costs	Specialized service facilities	Student activity costs	Taxes (including Value Added Tax)
Termination costs	Training and education costs	Transportation costs	Travel costs	Trustees



Uniform Guidance Subpart F—Audit

(200.500-521)



Audits

Auditees

Federal Agencies

Auditors

Management
Decisions

Uniform Guidance: Appendices

Appendix I-Full Text of Notice of Funding Opportunity

Appendix II-Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

Appendix III-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)

Appendix IV-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations

Appendix V-State/Local Government and Indian Tribe—Wide Central Service Cost Allocation Plans

Appendix VI-Public Assistance Cost Allocation Plans

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

Appendix VIII-Nonprofit Organizations Exempted for Subpart E: Cost Principles

Appendix IX-Hospital Cost Principles

Appendix X-Data Collection Form (Form SF-Sac)

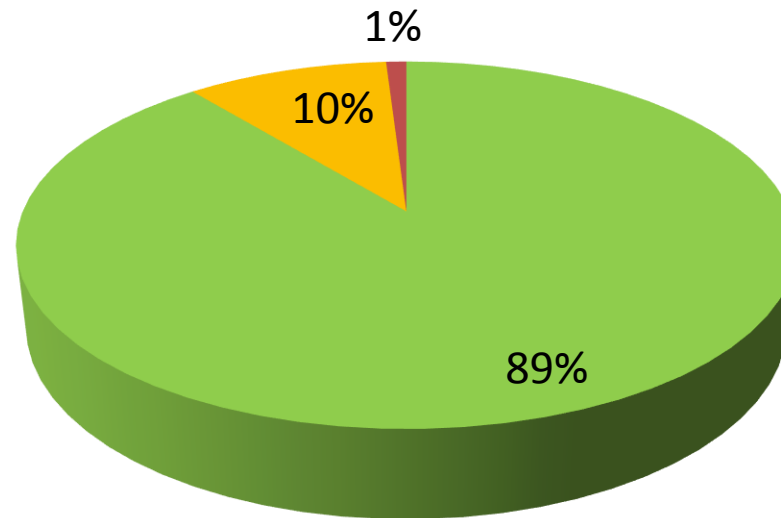
Appendix XI-Compliance Supplement



Uniform Guidance: So what is different?

“Same, Same vs. Different”

■ No significant change ■ Some change ■ Major change



Internal Controls

Somewhat
different

200.61 Internal controls

Internal controls means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (a) Effectiveness and efficiency of operations;
- (b) Reliability of reporting for internal and external use; and
- (c) Compliance with applicable laws and regulations.

200.303 Internal Controls

Paraphrased, there is a heightened requirement to ensure that entities receiving federal funds have adequate internal controls in place to minimize instances of fraud, waste, and abuse.

- Objective is for university to create processes that reduce risk and to monitor those processes to ensure their effectiveness



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Indirect costs (costing)

Somewhat different

200.414 Indirect (F&A) costs

“(c) Federal Agency Acceptance of Negotiated Indirect Cost Rates.

(1) The negotiated rates must be accepted by all Federal awarding agencies. A Federal awarding agency may use a rate different from the negotiated rate for a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by a Federal awarding agency head or delegate based on documented justification as described in in paragraph (c)(3) of this section.

(2) The Federal awarding agency head or delegate must notify OMB of any approved deviations.

3) The Federal awarding agency must implement, and make publicly available, the policies, procedures and general decision making criteria that their programs will follow to seek and justify deviation from negotiated rates.

(4) As required under 200.203 Notices of funding opportunities, the Federal awarding agency must include in the notice of funding opportunity the policies relating to indirect cost rate reimbursement, matching, or cost share as approved under paragraph (e)(1) of this section.”

Action Required:

- Adhere to rate agreement F&A rates when preparing cost estimates for proposals unless statutory or federal agency head exception
- Document exception at proposal time (Federal statute or agency head exception)-should be in program announcement



Direct Costs: Administrative & Clerical Costs

Somewhat
different

200.413 Direct Costs

(c) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- (1) Administrative or clerical services are integral to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) The costs are not also recovered as indirect costs.

Action Required:

Establish controls that would record integral, allocable, approved by agency and not including in F&A pool.

- Need to document integral and allocable in budget justification at proposal time for OSP.
- With agency approval at award time would be adequately documented.
- **PRIOR APPROVAL REQUEST**



Equipment

Somewhat
different

200.33 Equipment

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 \$5000.

200.48 General purpose equipment

General purpose equipment means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

200.89 Special purpose equipment

Special purpose equipment means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.



Equipment

Somewhat
different

200.439 Equipment And Other Capital Expenditures

No change; however, 200.439(b)(2) provides “Capital expenditures for special purposes equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.”

Action Required:

- Prior federal agency approval for direct charging of equipment and capital equipment purchases is required regardless of whether equipment is general purpose or special purpose.
- General purchase equipment not typically handled as direct cost.
- **PRIOR APPROVAL REQUEST**

Property Standards- 200.313 Equipment

(b) A state must use, manage and dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures.

- VCU follows state rules in connection with equipment, i.e. we “use, manage and dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures.”



Supplies including Computing Devices

Somewhat different

200.94 Supplies

Supplies means all tangible personal property other than those described in 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

200.20 Computing devices

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.

200.453 Material And Supplies Costs, Including Costs Of Computing Devices

- 1) Materials, supplies and fabricated parts necessary to carry out a Federal award are allowable and may be direct charged at actual price (less applicable credits) to a federal award.
- (2) Computing devices are allowable direct charges if they are “essential and allocable, but not solely dedicated, to the performance of a Federal award.”

- “Partial allocability” for computing devices is a “new” concept.
- No particular percentage of use characterizes “essential.”
- All material and supplies including computer devices are allowable but should be essential and allocable to the project.

Note: Computer devices should not be purchased for reasons of convenience or preference. Should be able to show that project does not have reasonable access to other devices.



Performance Measurement, Monitoring and Reporting

Somewhat different

200.301 Performance Measurement

Requirement is for federal awarding agency to “use OMB-approved governmentwide standard information collections when providing financial and performance information.”

200.328 Monitoring And Reporting Performance

(1) Reinforces that the Research Performance Progress Report (RPPR) will remain the acceptable report to measure project performance.

(2) Final performance report due 90 calendar days after period of performance. No change but they mean 90 days.

- While this requirement may be new to some entities (such as local or state governments), the RPPR (Research Performance Progress Report) is a primary example of a “standard information collection” and VCU is already compliant.
- VCU already compliant in use of RPPR (for NIH and NSF.) Additional training could be needed to ensure PI comfort with RPPR format.
- Recommend continued efforts to ensure timely submission of final performance reports. Final reports will soon be in the RPPR format.



Participant Support Costs

Somewhat
different

200.75 Participant support costs

Participant support costs means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

Action Required:

200.456 Participant support costs

Participant support costs as defined in § 200.75
Participant support costs are allowable with the prior approval of the Federal awarding agency.

➤ **PRIOR APPROVAL REQUEST**



Fixed Amount Awards

Somewhat
different

200.45 Fixed amount awards

Fixed amount awards means a type of grant agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award. This type of Federal award reduces some of the administrative burden and record-keeping requirements for both the non-Federal entity and Federal awarding agency or pass-through entity. Accountability is based primarily on performance and results.

- No dollar limit

Action Required:

200.332 Fixed amount subawards

With prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in §200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

- **PRIOR APPROVAL REQUEST**
- Dollar limit is “Simplified Acquisition Threshold” currently defined at \$150,000



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Fixed Amount Awards

Somewhat
different

200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts

- (a) The Federal awarding agency or pass-through entity must decide on the appropriate instrument for the Federal award (i.e., grant agreement, cooperative agreement, or contract) in accordance with the Federal Grant and Cooperative Agreement Act (31 J.S.C. 6301-08).
- (b) Fixed Amount Awards. In addition to the options described in paragraph (a) of this section, Federal awarding agencies, or pass-through entities as permitted in 200.332 Fixed amount subawards, may use fixed amount award (see 200.45 Fixed amount awards) to which the following conditions apply:
- (1) Payments are based on meeting specific requirements of the Federal award. Accountability is based on performance and results. The Federal award amount is negotiated using the costs principles (or other pricing information) as a guide. Except in the case of termination before completion of the Federal award, there is not governmental review of the actual costs incurred by the non-Federal entity in performance of the award. The Federal awarding agency or pass-through entity may use fixed amount awards if the project scope is specific and if adequate cost, historical, or unit pricing data is available to establish a fixed amount award with assurance that the non-Federal entity will realize no increment above actual cost.
- Some of the ways in which the Federal award may be paid include, but are not limited to:
- (i) In several partial payments, the amount of each agreed upon in advance, and the “milestone” or event triggering the payment also agreed upon in advance, and set forth in the Federal award;
 - (ii) On a unit price basis, for a defined unit or units, at a defined price or prices, agreed to in advance of performance of the Federal award and set forth in the Federal award; or,
 - (iii) In one payment at Federal award completion.
- (2) A fixed amount award cannot be used in programs which require mandatory cost sharing or match.
 - (3) The non-Federal entity must certify in writing to the Federal awarding agency or pass-through entity at the end of the Federal award that the project or activity was completed or the level of effort was expended. If the required level of activity or effort was not carried out, the amount of the Federal award must be adjusted.
 - (4) Periodic reports may be established for each Federal award.
 - (5) Changes in principal investigator, project leader, project partner, or scope of effort must receive the prior written approval of the Federal awarding agency or pass-through entity.

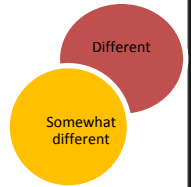


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Uniform Guidance

5 Areas for Additional Subcommittee Work



- Closeout
- Procurement
- Subrecipient Risk Assessment & Monitoring
 - Audit and Noncompliance
- Compensation
- Tuition Remission



Closeout

Different

Somewhat different

200.343 Closeout

The Federal agency or pass-through entity will close-out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity. This section specifies the actions the non-Federal entity and Federal awarding agency or pass-through entity must take to complete this process at the end of the period of performance.

(a) The non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by or the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested by the non-Federal entity.

(b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

(c) The Federal awarding agency or pass-through entity must make prompt payments to the non-Federal entity for allowable reimbursable costs under the Federal award being closed out.

(d) The non-Federal entity must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that is not authorized to be retained by the non-Federal entity for use in other projects. See OMB Circular A-129 and see §200.345 Collection of amounts due for requirements regarding unreturned amounts that become delinquent debts.

(e) Consistent with the terms and conditions of the Federal award, the Federal awarding agency or pass-through entity must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.

(f) The non-Federal entity must account for any real and personal property acquired with Federal funds or received from the Federal government in accordance with §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.329 Reporting on real property.

(g) The Federal awarding agency or pass-through entity should complete all closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports.

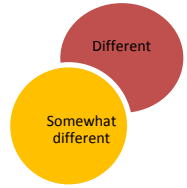


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Closeout

(200.343)



- Subcommittee of stakeholders led by Office of Grants & Contracts Accounting will evaluate current practices and make recommendations on improving closeout functions

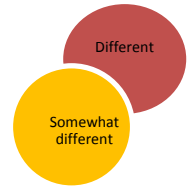
Challenges:

- Drawdown constraints
- Timing of reconciliations
- Potential real risk of loss of revenue both when VCU is a subrecipient (if we are late to invoice) and for our subrecipients when VCU is pass-through entity (if our subrecipient is late to invoice.)



Procurement

(200.317-326)



200.317 Procurements by states When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with §200.322 Procurement of recovered *materials* and ensure that every purchase order or other contract includes any clauses required by section §200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow §§200.318 General procurement standards through 200.326 Contract provisions.

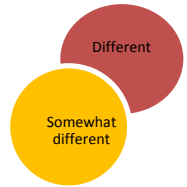
- Unlike with Equipment, VCU does not follow state procurement rules and regulations.
- Given our Tier III status, VCU has a modified procurement process.

- Subcommittee of stakeholders led by Office of Procurement Services will evaluate current practices and make recommendations on transitioning
- VCU will continue with existing procurement practices (OMB A-110) during the authorized grace period.



Procurement

(200.320 Methods of procurement to be followed)



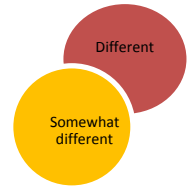
Type	UG	VCU	Comment
Micro	Under \$3,000	Under \$10,000	Federal dollar threshold is lower. VCU adjustments will be needed.
Small	\$3,000-\$150,000	Under \$50,000	Federal requirement has a lower bottom threshold. Two or more rate quotations needed. VCU adjustments will be needed.
Sealed	Sealed Bidding Process	IFB (Invitation for Bid)	Processes and procedures are substantially similar.
Competitive	Competitive	RFP (Request for Proposals)	Processes and procedures are substantially similar.
Sole Source	Sole Source	Sole Source	Processes and procedures are substantially similar.



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Subrecipient Determination, Risk Assessment and Monitoring



- Subcommittee of stakeholders led by Office of Sponsored Programs will evaluate current practices and make recommendations relating to subrecipient functions

Three challenge areas:

- Make and record subrecipient vs. contractor determinations
- Perform and record subrecipient risk assessment
- Monitor and manage subrecipient performance

Subrecipient Terminology

Different

Somewhat different

200.74 Pass-through entity:

Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

200.92 Subaward

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

200.93 Subrecipient

Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

200.22 Contract

Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this Part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substances of the transaction meets the definition of a Federal award or subaward.

200.23 Contractor

Contractor means an entity that receives a contract as defined in 200.22 Contract.



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Subrecipient Determination

200.330 Subrecipient and contractor determinations

The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

(c) **Use of judgment in making determination.** In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

(a) **Subrecipients.** A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. See §200.92 Subaward. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

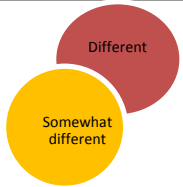
(b) **Contractors.** A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. See §200.22 Contract. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.



Subrecipient Risk Assessment

(200.331 Requirements for pass-through entities)



All pass-through entities must:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification.

- (1) Federal Award Identification....
- (2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.
- (3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;
- (4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (b) of this part.

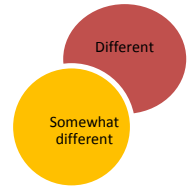
(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraph (e) of this section, which may include consideration of such factors as:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).



Subrecipient Monitoring

(200.331 Requirements for pass-through entities cont.)



(c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions.

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing financial and programmatic reports required by the pass-through entity.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
- (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters; and
- (2) Performing on-site reviews of the subrecipient's program operations;
- (3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.

(f) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.



Additional subcommittees

Different

Somewhat different

200.430 Compensation - Personal Services

- Subcommittee of stakeholders led by Human Resources and the Provost's Office to evaluate all issues related to implementation of compensation-related UG regulations

200.466 Scholarships and Student Aid Costs

- Subcommittee of stakeholders led by Human Resources and the Graduate School Office to evaluate all issues related to implementation of tuition-related UG regulations



Uniform Guidance: Summary

- Uniform Guidance effective date for all Federal agencies:
December 26, 2014
- Regulations noted in the Notice of Award continue to apply to all grants and contracts for which we have already received awards unless and until a revised Notice of Award is received (so OMB A-21, A-110, and A-133 will continue to apply to some awards.)
- Effective date for UG audit regulations is the first fiscal year after implementation, i.e. FY16 given our July-June fiscal year.

