

2024 Uniform Guidance Updates

- What Every Oversight Professional
Should Know

Pamela Van Dort

Acting Deputy Inspector General, AmeriCorps OIG

Association of Inspectors General Webinar

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- *Disclaimer*

The following slides do not contain official guidance, are not intended to be a comprehensive summary of changes to the Uniform Guidance, and are not intended for public release.

Point of Contact

If you have questions about this slide presentation or to seek permission to distribute these slides beyond your immediate governmental office, please reach out to:

- **Pamela Van Dort**
Grant Fraud Working Group, Co-Facilitator
Acting Deputy Inspector General
AmeriCorps, Office of Inspector General
P.VanDort@AmeriCorpsOIG.gov
(202) 534-7024

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Why Should You Care About the Uniform Grant Guidance?

- One of three sources of rules governing grants (in addition to authorizing statute and program rules/terms and conditions)
- Understanding what grantees can and can't do can help your investigations

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Why Should You Care About the Uniform Grant Guidance?

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Brief History of Uniform Grant Guidance

- First issued in 2014
- Designed to make grant management more straight-forward for grantees and ease administrative burden through one government-wide set of base requirements
 - Agencies can and have added additional rules/requirements

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2024 Updates

- Final updates to 2 CFR announced April 4, 2024
 - Renamed: OMB Guidance for Federal Financial Assistance
- Updates:
 - Incorporate recent OMB policy priorities
 - Reduce agency and recipient burden
 - Incorporate certain statutory requirements
 - Clarify sections that have had multiple interpretations
 - Use plain language, improve flow, and address inconsistent use of terms throughout
- **Effective date: October 1, 2024**

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Six Areas of Focus

1. Burden Reduction
2. Evaluation
3. Data
4. Community Engagement and Public Participation
5. Notices of Funding Opportunity (NOFOs)
6. Labor and Administration

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Mandatory Disclosure

2 CFR 200.113

- Revised to better parallel FAR guidance at 52.203-13
- Now includes:
 - Credible evidence standard
 - Requirement to notify OIG (in addition to the agency)
 - Disclosure of civil False Claims Act violations
 - Expressly applies to subrecipients and activities involving subawards

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Mandatory Disclosure

2 CFR 200.113

Prior Version

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including the term and condition outlined in appendix XII to this part are required to report certain civil, criminal, or administrative proceedings to SAM (currently FAPIIS). Failure to make required disclosures can result in any of the remedies described in § 200.339. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

2024 Update

An applicant, recipient, or **subrecipient** of a Federal award must **promptly** disclose whenever, **in connection with** the Federal award (**including any activities or subawards thereunder**), it has **credible evidence** of the commission of a violation of Federal criminal law involving fraud, **conflict of interest**, bribery, or gratuity violations found in Title 18 of the United States Code or a violation of the **civil False Claims Act** (31 U.S.C. 3729–3733). The disclosure must be made in writing to the Federal agency, **the agency's Office of Inspector General, and** pass-through entity (if applicable). Recipients **and subrecipients** are also required to report matters related to **recipient integrity and performance** in accordance with Appendix XII of this part. Failure to make required disclosures can result in any of the remedies described in § 200.339. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

New Subrecipient Certification Requirement 2 CFR 200.415(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 to 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 all tiers of subrecipients.**”

Pre-Award Assessment of Risks 2 CFR 200.206(b) and 200.332(c)

- “Fraud risks” expressly mentioned as element of pre-award risk assessments by Federal agencies of applicants and by pass through entities of subrecipients
- 200.206(b) also adds cybersecurity risks
- 200.206(c) clarifies that agencies may adjust risk assessments **at any time** during the period of performance, which may justify changes to T&C of the award

Whistleblower Protection

2 CFR 200.217

- New subsection reiterating whistleblower protections under 41 U.S.C. 4712 for employees of recipients and subrecipients
 - Reiterates requirement that recipients and subrecipients must inform their employees in writing of these employee whistleblower rights and protections

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Recipient & Subrecipient Responsibilities 2 CFR 200.329 and 200.400

- 2 CFR 200.329 Monitoring - (a) expressly states:
 - **“The recipient and subrecipient are responsible for the oversight of the Federal award.”**
- See also 2 CFR 200.400 Cost Principles Policy Guide
 - (a) : “The recipient and subrecipient are responsible for the efficient and effective administration of the Federal award through sound management practices”
 - (b): “The recipient and subrecipient are responsible for administering Federal funds in a manner consistent with Federal statutes, regulations, and the terms and conditions of the Federal award”
 - (d): “The accounting practices of the recipient and subrecipient must be consistent with these cost principles and support the accumulation of costs as required by these cost principles, including maintaining adequate documentation to support costs charged to the Federal award”

Requirements for Pass-Through Entities

2 CFR 200.332

- A pass-through entity must:
 - (e) “Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward.”
 - “The passthrough entity **is responsible for monitoring the overall performance of a subrecipient** to ensure that the goals and objectives of the subaward are achieved.”

Applicability - Fixed Amount Awards 2 CFR 200.101(b)(4)(ii)

- Clarified that only the followings sections from subpart E apply to fixed amount awards:
 - 200.400(g) – when required activities completed per T&C, unexpended funds retained on fixed amount awards are not profit
 - 200.402 through 200.405
 - **200.403 Factors affecting allowability of costs**
 - **200.404 Reasonable costs**
 - **200.405 Allocable costs**
 - and 200.407(d) – only prior written approval requirement that applies is regarding 200.333 fixed amount subawards
- Clarified that Subpart F (audit requirements) apply

Fixed Amount Awards

2 CFR 200.201(b)

- Clarifies
 - Budgets are negotiated with recipient
 - Total amount of funding is determined using the recipient's proposal, pricing data, and subpart E (cost principles)
 - Record retention requirements apply (expressly mention 200.334 through 200.338)
 - Recipients and subrecipients must make records available for review during audits
 - May generate program income, but 200.307 doesn't apply
- Requires identification of activities not completed at the end of an award
 - When the required activities are not carried out, the amount of the award must be reduced by the amount that reflects the activities that were not completed in accordance with the Federal award
 - When required activities were completed, recipient or subrecipient is entitled to any unexpended funds
- Prior approval requirements applicable to fixed amount awards are 200.308(f) (paragraphs 1 through 3, 6 through 8, and 10) and 200.333

Fixed Amount Subawards 2 CFR 200.333

- Raised threshold for fixed amount subawards to \$500,000 (with prior written approval from Federal agency)
- Clarifies that fixed amount award requirements described at 200.201 apply to fixed amount subawards

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Federal Award – Terms & Conditions 2 CFR 200.211(c)(4)

- Requires archive of previous terms and conditions, with effective dates to be located on agency's website in the same place where current terms and conditions are available

Definitions 2 CFR 200.1

- Equipment: Threshold value for equipment updated to \$10,000
- Indirect Costs: Removed “facilities & administrative” from title
- Modified Total Direct Cost: now includes up to \$50,000 of each subaward
- Participant (new)

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Definitions Cont. 2 CFR 200.1

- Prior Approval: (new) “written approval obtained in advance”
- Questioned Costs: defined with more specificity, incl. known and likely questioned costs
- Subaward
- Subrecipient

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Financial Management

2 CFR 200.302

- Clarifying changes
- 302(b)(3) expressly says the financial management system must be able to maintain records that sufficiently identify the amount, source, and expenditures of Federal funds for awards
 - “All records must be supported by adequate documentation”

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Internal Controls

2 CFR 200.303

- 200.303(a): recipients and subrecipients must establish, document, and maintain effective internal controls
- 200.303(e): Internal controls include reasonable cybersecurity and other measures to safeguard information

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Cost Sharing 2 CFR 200.306

- Clarified matching is one category of cost sharing overall
- Matching no longer repeated throughout

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Revision of Budget and Program Plans

2 CFR 200.308

- Requesting approval for budget revisions
 - 30 days for agency or pass-through entity to approve
- Prior Approval Required:
 - (f)(2) – key personnel (including employees and contractors) identified by name or position in the award
 - (f)(3) – disengagement by PI by 3 months or 25% reduction in T&E over the course of the period of performance
 - (f)(6) – subaward activities not proposed and approved in award
 - Change in subrecipient only if agency/PTE includes in T&C of award (only where subrecipient was determining factor in merit review or eligibility process)
 - Does not apply to procurement transactions for goods and services
 - (f)(10) distinguish between no-cost extensions and one-time extension
- (i) transfer of funds – clarifying

Prior Written Approval 2 CFR 200.407

- No longer requires prior written approval for certain requirements related to nine items, including:
 - real property
 - Equipment
 - direct costs
 - entertainment costs
 - Memberships (also clarified at 2 CFR 200.454)
 - participant support costs (also clarified at 2 CFR 200.456)
 - selling and marketing costs, and
 - taxes.
- Cost principles still apply.

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Procurement Standards


- 2 CFR 200.317
 - Allows Indian Tribes to follow their own policies and procedures (in addition to States)
 - Except for States and Indian Tribes, all other recipients and subrecipients, including subrecipients of States or Tribes, must follow procurement standards in 200.318-200.327
- 2 CFR 200.319 – removed prohibition on geographic preference
- 2 CFR 200.320 – Must document conclusion re micropurchase awards
- 2 CFR 200.321 – added veteran-owned businesses

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Direct Costs 2 CFR 200.413(b)

- Some costs typically treated as indirect may also be considered direct “if they are directly related to a specific award,” including:
 - Cybersecurity
 - Integrated data systems
 - Asset management systems
 - Performance management costs
 - Program evaluation costs

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Indirect Cost – De Minimis Rate 2 CFR 200.414(f)

- De minimum rate raised “up to 15%”

Organization Costs

2 CFR 200.455

- Expressly states “costs related to data and evaluation are allowable”

Standard Close Out Costs 2 CFR 200.472

- Standard close out costs added to section formerly focused only on Termination
- Administrative costs associated with closeout activities of an award are allowable

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Cost Accounting Standards 2 CFR 200.419

- Removed Disclosure Statement (DS-2) requirement

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Single Audit Threshold

2 CFR 200.501

- Single audit threshold raised to \$1 million

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Agency Responsibilities

2 CFR 200.513

- Liaison responsible for coordinating follow up to cross-cutting audit findings
 - That is, audit finding where the same underlying condition or issue affects all Federal awards. For example, an issue related to the recipient's accounting system.
- Compliance Supplement Engagement
 - Expressly states Federal agencies “should engage with...[the] Office of Inspector General” prior to submitting compliance supplement drafts to OMB

Additional Notes

- Non-Federal Entity → recipient or subrecipient
 - Including: 200.337 Access to Records and 200.400 Cost Principles
- 200.204 (NOFOs): Revised to emphasize importance of agency using plain language and communicate requirements to the public in “accessible and comprehensible manner”
- 200.307 Program Income
- 200.314 Supplies - \$5,000 → \$10,000 in aggregate value of unused supplies

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Additional Notes

- 200.328 Financial reporting – only SF-425; no less than annually, no more than quarterly unless special conditions under 200.208
- 200.430 Standards for documentation of personnel expenses now at subsection (g)
- 200.518 – major programs – increased Type A threshold to \$1 million and increased amount of awards expended to which it applies to \$34 million
- Appendix I to Part 200 – Full Text of NOFO – revised in its entirety

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Adequate Evidence for Suspension

2 CFR 180.705

- Warrants and accompanying affidavits
- Criminal informations

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Key Links

- [White House Press Release Announcing Finalized Updates](#)
- [CFO.gov Info on Uniform Guidance: Title 2 of the Code of Federal Regulations With Links](#)
- [Federal Register Version of Updated Guidance for Federal Financial Assistance](#)
- [2 CFR showing 2024 revisions in redline](#)
- [OMB M-24-11 Implementation Memo](#)
- [2024 Uniform Guidance Reference Guide](#)

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Questions?

Pamela Van Dort

Acting Deputy Inspector General

AmeriCorps OIG

P.VanDort@AmeriCorpsOIG.gov

