

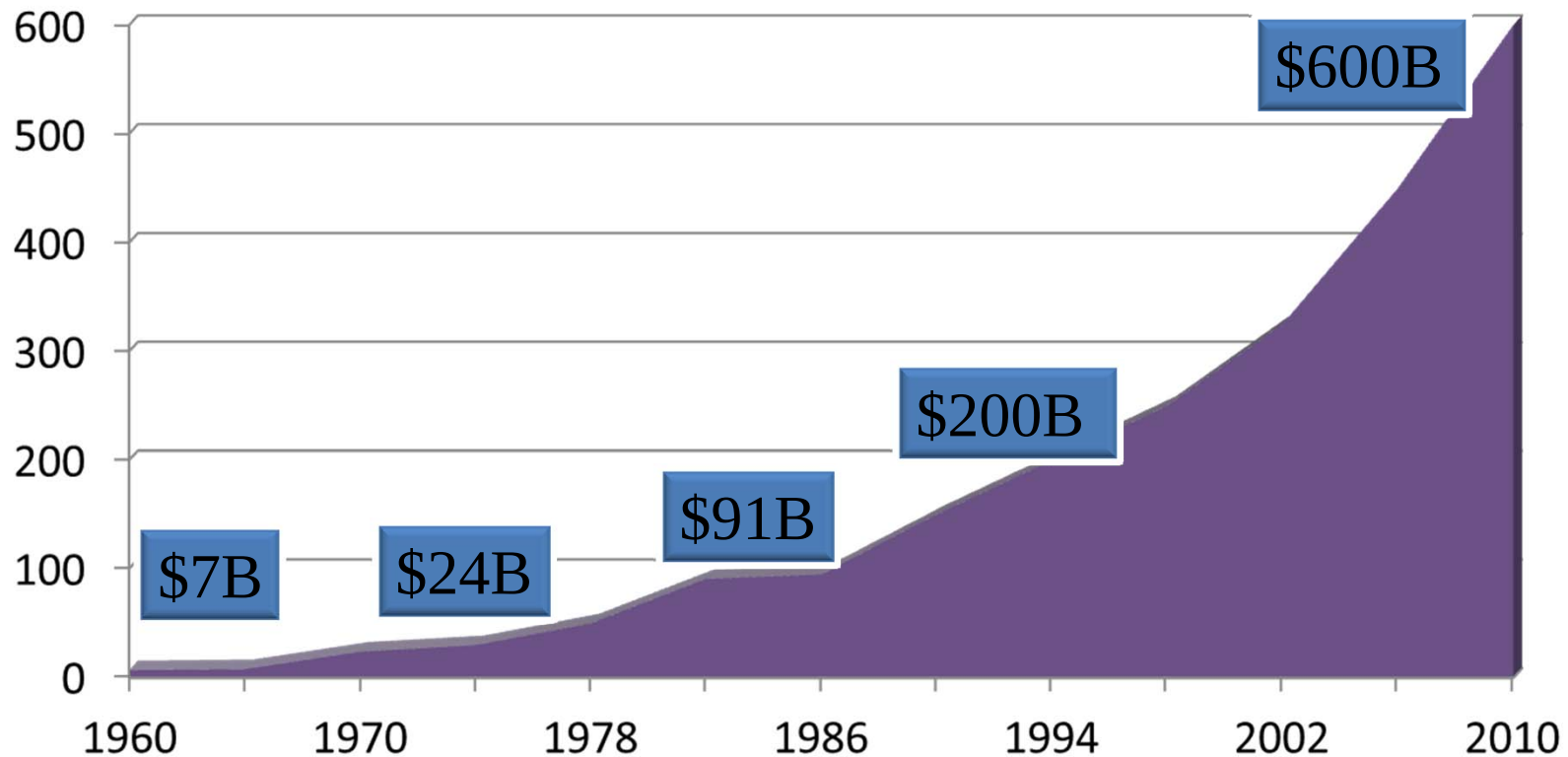
Council on Financial Assistance Reform's New Uniform Guidance

January, 2014

For more information visit www.cfo.gov/COFAR

Increase in Federal Grants Activity

The Catalog of Federal Domestic Assistance lists over 2,000 Federal grant programs



Grants Circular Reform: Background

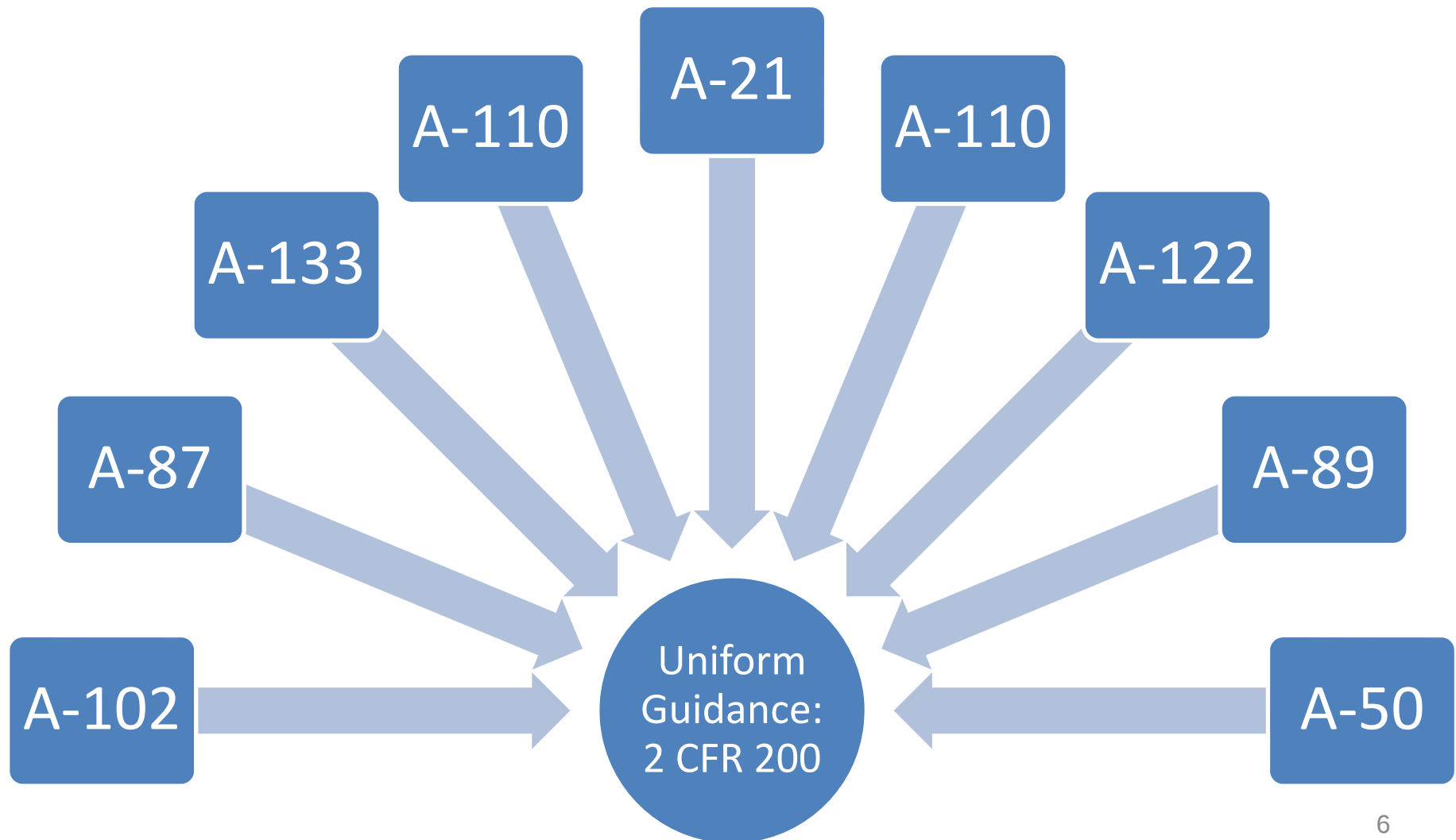
- Presidential Directives for Reform:
 - November 2009 EO 13520 on Reducing Improper Payments
 - February 2011 Presidential Memorandum
- Public Comments from Stakeholders:
 - February 2012 Advance Notice of Proposed Guidance (over 350 comments received)
 - February 2013 Notice of Proposed Guidance (over 350 diverse public comments received)

Goal For Reform:
Reduce Both
Administrative Burden &
Risk of Waste, Fraud,
and Abuse

Impacts of Reform

- Eliminating Duplicative and Conflicting Guidance
- Performance Over Compliance for Accountability
- Efficient Use of IT and Shared Services
- Consistent and Transparent Treatment of Costs
- Limiting Costs for Best Use of Federal Resources
- Standard Business Processes & Data Definitions
- Family-Friendly Policies
- Stronger Oversight
- Target Audits on Risk of Waste, Fraud, and Abuse⁵

Eliminating Duplicative and Conflicting Guidance



Performance Over Compliance for Accountability

- 200.102 Alignment with M-13-17 – waivers for cost effective program design
- 200.201 Fixed Amount Awards
- 200.301 Performance Measurement – share lessons learned, goals, indicators, milestones
- 200.419 CAS & DS-2 – Streamlined approval for changes
- 200.430 Time and Effort Reporting – standards for internal controls instead of examples

Efficient IT and Shared Services

- 200.94 Supplies- Consistent \$5,000 threshold for computing devices
- 200.303 Internal Controls for sensitive information
- 200.318 Procurement Standards encourage use of shared services and avoid duplicative purchases
- 200.335 Record Retention – Electronic, open & machine-readable data
- 200.446 Idle capacity- allows for fluctuations
- 200.449 Interest- allows financing for software capitalized in accordance with GAAP after January 2016

Consistent and Transparent Treatment of Costs

- 200.306 Voluntary Committed Cost Sharing
- 200.331 Requires Pass-through entities to provide an indirect cost rate
- 200.413 Standards for treating admin costs as direct
- 200.414 Indirect costs:
 - De Minimis 10% rate
 - One-time 4-year extension
 - Agency acceptance of negotiated rates
- 200.433 Clarification of budgeting for contingency
- Appendix III – Utility Cost Adjustment

Limiting Costs for Best Use of Federal Resources

- 200.432 Conferences- not meetings
- 200.437 Employee Health and Welfare (not Morale)
- 200.464 Relocation Costs of Employees – six month limit on vacant homes
- 200.469 Student Activity Costs – consistent language across entities

Standard Business Processes & Data Definitions

- Subpart A- Standard definitions
- 200.203 – Standard Notices of funding opportunities w/60 days to apply
- OMB Approved standard information Collections:
 - 200.206 Application Requirements
 - 200.301 Performance Measurement
 - 200.328 Monitoring and Reporting Program Performance
- 200.210 Information in a Federal Award
- 200.305 Payment- interest earned paid annually to HHS
- 200.407 Prior Written Approval- one-stop list

Family-Friendly Policies

- 200.432 Conferences - allows costs of hosts identifying locally available child care
- 200.474 Travel Costs- allows temporary dependent care costs that meet specified standards

Stronger Oversight

- 200.112 Mandatory disclosures for conflict of interest and criminal violations
- 200.204 and 200. 205 Pre-award review of merit of proposal and risk of applicant
- 200.207 Specific conditions for awards based on risk
- 200.303 Internal controls as post award requirement

Stronger Oversight -Cont'd

- 200.331 Requirements for pass-through entities to structure oversight based on risk
- 200.338 Remedies for noncomplicance-
200.343 Closeout – clear tools for enforcing compliance
- 200.400 Expressly prohibits profit
- 200.415 Stronger language for certifications

Targeting Audits to Highest Risk of Waste, Fraud, and Abuse

- 200.501 Single Audit Threshold raised from \$500,000 to \$750,000 – reducing burden for 5,000 entities while maintaining coverage for 99% of current dollars covered.
- 200.512 Report Submission- Publication of single audit reports online with safeguards for PII and optional exception for Indian tribes

Targeting Audits to Highest Risk of Waste, Fraud, and Abuse - Cont'd

- 200.513 Responsibilities strengthens audit resolution to reduce repeat findings by creating Senior Accountable Official to implement metrics and encourage cooperative resolution
- 200.518 Major Program Determination focuses audits on internal control deficiencies identified as material weaknesses
- 2015 Compliance Supplement to further focus audit footprint

Timeline for Implementation

Short Term Deliverables

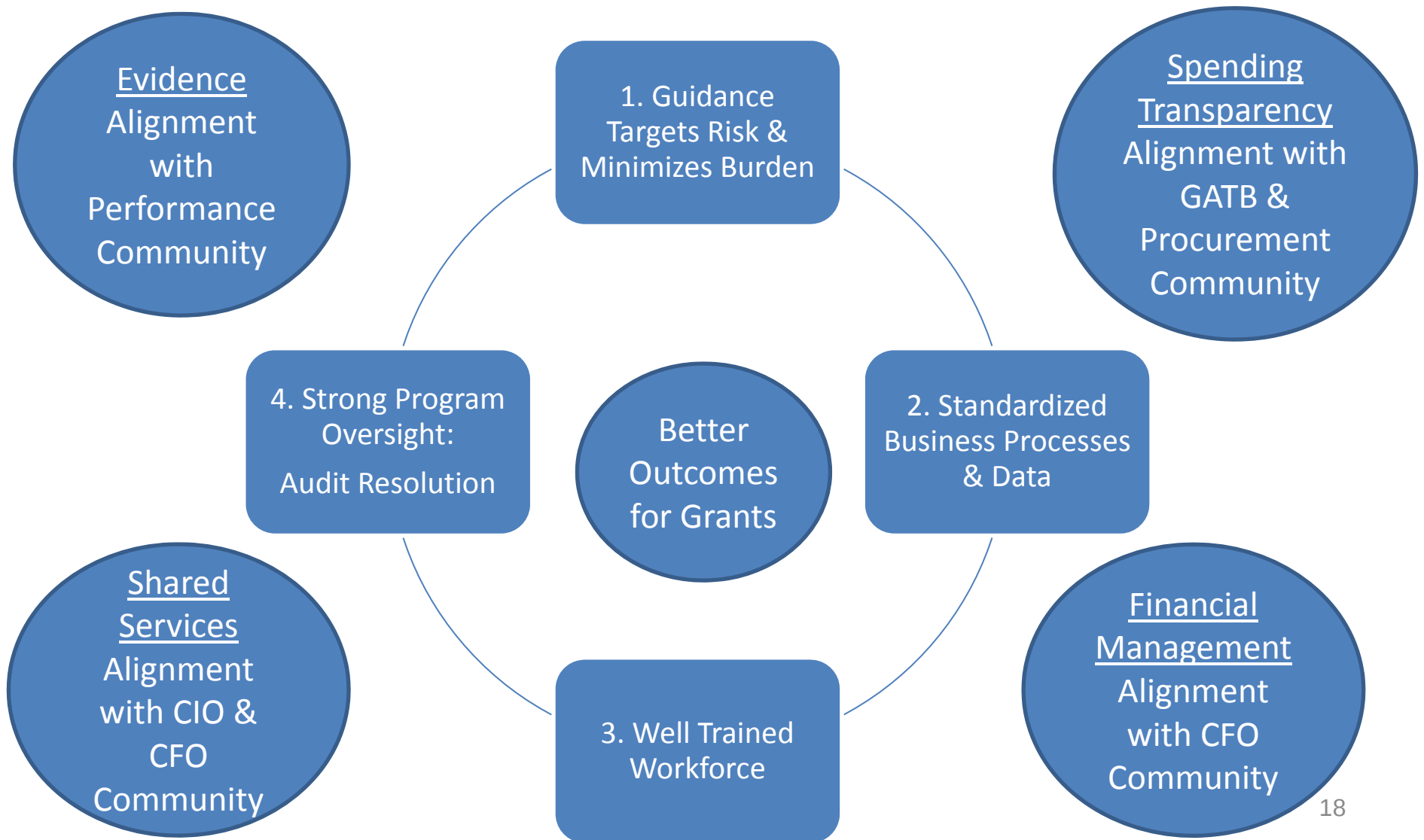
- January 2014: Training webcast conducted
- March 2014: Establish metrics for guidance
- June 2014: Federal agencies submit draft regulations to OMB
- June 2014: Additional training webcasts planned/conducted as needed

Long Term Deliverables

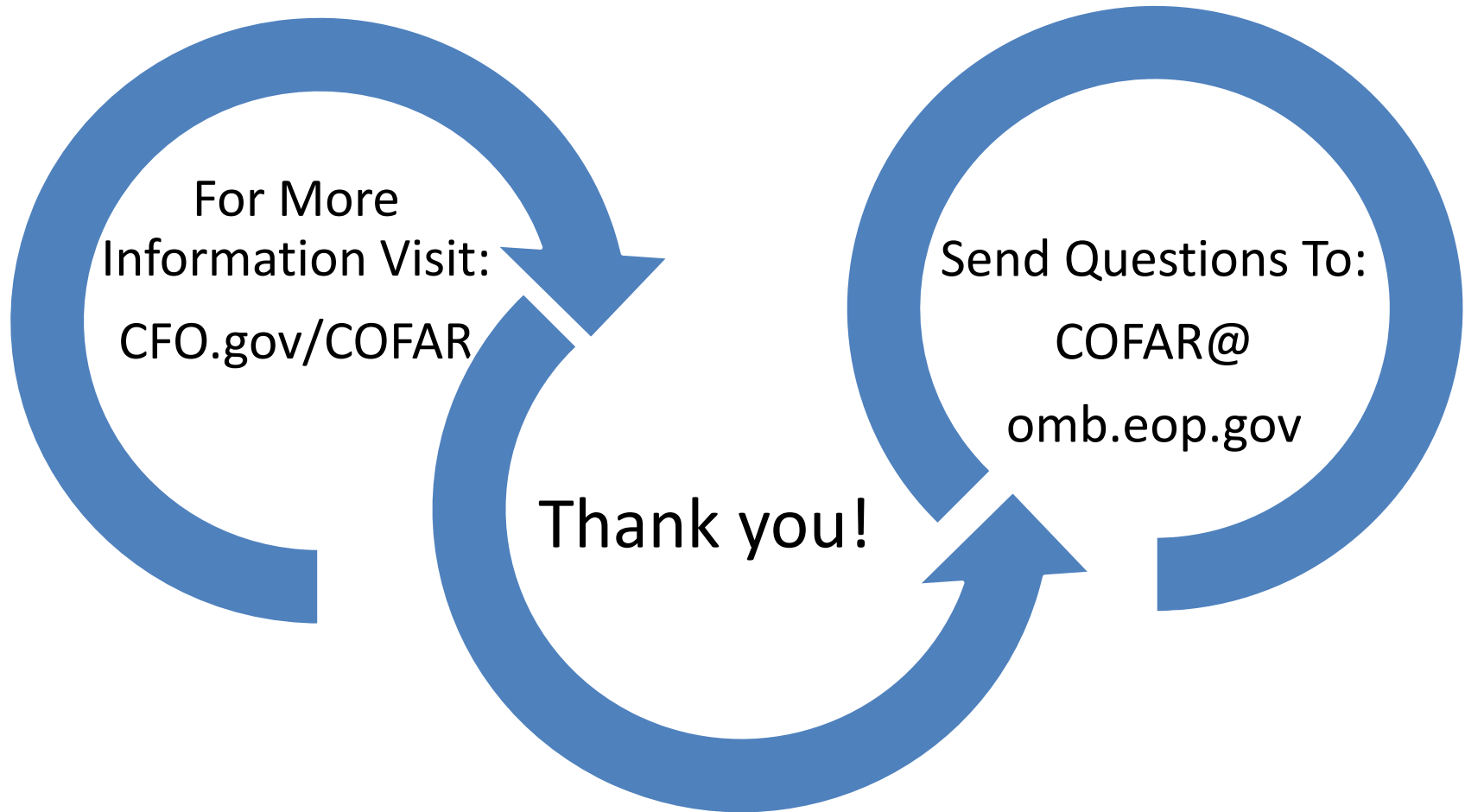
- December 2014: Final guidance effective
- December 2014: Baseline metrics collected
- December 2014: Case studies of evidence/risk best practices

COFAR Priorities:

Strong Controls Yield Better Outcomes



Next Steps: Engage With COFAR



Please visit [CFO.gov/COFAR](https://cfo.gov/COFAR) to register for a training webcast on January 27th.