

NAVIGATING THE MAGICAL, TACTICAL, AND OFTEN CONFUSING WORLD OF FEDERAL AWARDS!

- PRESENTED BY:
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- DELIVERED TO THE ARIZONA COMMUNITY ACTION ASSOCIATION /
WILDFIRE
- VIRTUAL DELIVERY – LIVE FORMAT
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MEET YOUR PRESENTER!

- Originally from Nashville, Tennessee;
- Favorite places include the Parthenon in Nashville, Istanbul, and Dubai;
- More than 15 years of experience in municipal budgeting, public financial management, governmental audit, and management consulting;
- Currently serving as a Director with Emy Neuman-Javornik PLLC (ENJ PLLC) responsible for public sector consulting client delivery and business development within his areas of specialization (grants management, municipal financial and program management, and internal control design, documentation, and testing/monitoring);
- Previously served as Deputy Finance Director for the City of Columbus, Ohio, responsible for Asset Management and Grants Management;
- Proud member of the Crowe LLP Public Sector Consulting and Government Audit groups for 13 years ultimately rising to the level of Senior Manager before departing to become Deputy Finance Director in Columbus;
- Immediate Past President of the National Grants Management Association (NGMA); and
- Currently serving as a Member of the Thompson Grants Advisory Board.

3 AGENDA

- Journey to the Uniform Guidance
- What are all these Rules?!?!
- Common Problems
- Questions
- Wrap-Up

4 KNOW BEFORE WE BEGIN...

- One of the things that keeps grant administration a fun, exciting career is that things change all the time and our roles evolve.
- 2025 has been indicative of this.
- We will discuss requirements, expectations, best practices, and strategies throughout our three-training session series, but be aware of the ever-evolving landscape.



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JOURNEY TO THE UNIFORM GUIDANCE

6 POLLING QUESTION I

- What is the “Uniform Guidance”?
 - A: Jargon
 - B: Really? Questions on a Monday?
 - C: General body of regulations presenting requirements for federal financial assistance awards
 - D: Rules that were superseded when 2 CFR 200 was adopted

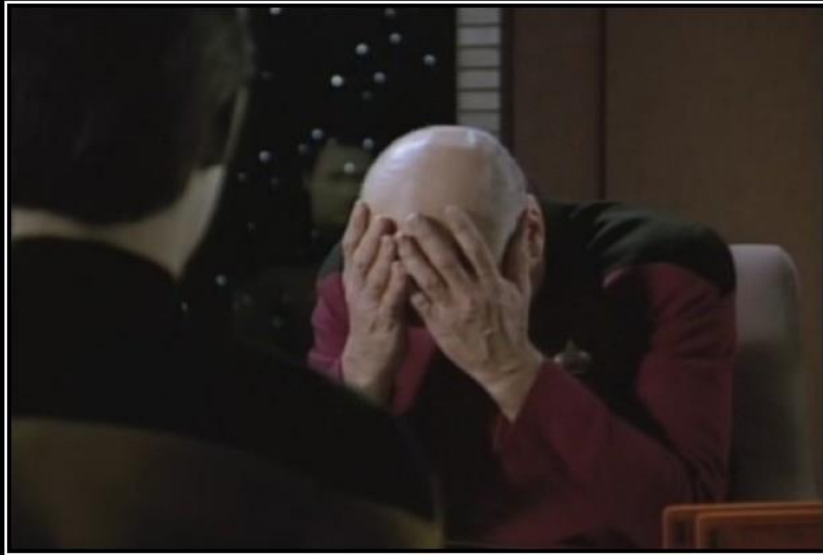


7 JOURNEY TO THE UNIFORM GUIDANCE

- The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance” or “UG”) was issued in 2013.
- Goals and objectives included improving efficiency, focusing implementers on performance, narrowing the focus of auditors and oversight to matters with financial risk, and more!
- While we use the term “uniform,” there are still exceptions. Why might this be?

JOURNEY TO THE UNIFORM GUIDANCE

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FACEPALM

When words fail to describe the dismay, there is always Facepalm.

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- If you thought the “Uniform Guidance” would inherently make things easier, hold for a second...
 - Federal awards come in the form of federal financial assistance.
 - Federal financial assistance is funded by Congress through program appropriations.
 - Programs are established through legislative action, which means there will always be different requirements.
 - Naturally, each type of organization receiving funding for program implementation has unique requirements, standards, missions and goals, and operating models.
 - This gave rise to the plethora of similar, but different rules and regulations the Uniform Guidance was intended to clean up.
 - What types of issues do you think arose?

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PICTURE
IT...WASHINGTON,
D.C...AT THE U.S.
CAPITOL 😊



10 JOURNEY TO THE UNIFORM GUIDANCE



1977

Federal Grant and Cooperative Agreements Act

Provides consistent direction and guidance from Congress to federal agencies.



2013

Uniform Guidance is issued and supersedes the Circulars noted at left.

OMB is, by federal code, the responsible implementing federal agency.

OMB reviews the UG for potential revisions at least once every five years.

Somewhere along the road from 1977 – 2013

- OMB Circulars were issued: A-102, A-89, A-87, A-133, A-50, A-110, A-122, A-133, and more.
- Agency and program guidance documents are issued.
- The Code of Federal Regulations expands.



1977–2013



POLLING QUESTION 2

- Do you know where to find the Uniform Guidance?
- Yes
- No
- It's on my desktop, silly!
- Who in their right mind would ever want to go looking for it?

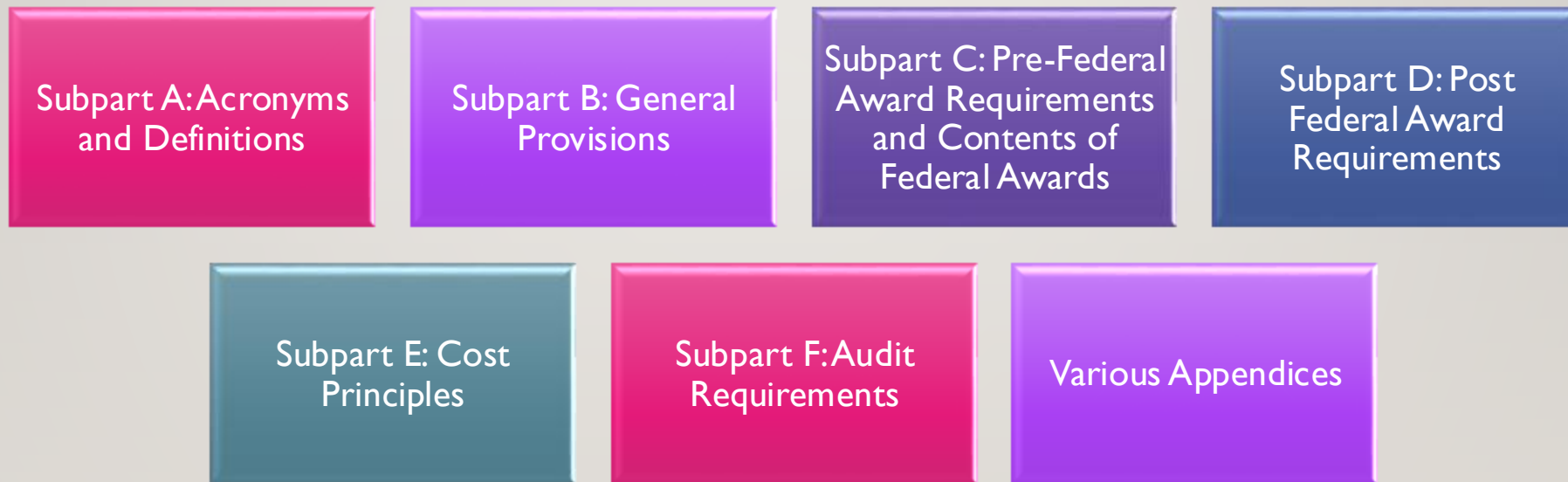


12 JOURNEY TO THE UNIFORM GUIDANCE

- The Uniform Guidance is codified at 2 CFR Part 200, or Title 2, Part 200 of the United States Code of Federal Regulations.
- The current version may be accessed via the ecf at www.ecfr.gov
- Try to avoid maintaining a version on your desktop for over a year – and always try to avoid doing a web search for regulations in lieu of traveling to the source.

13 JOURNEY TO THE UNIFORM GUIDANCE

- Components of the UG!



14 JOURNEY TO THE UNIFORM GUIDANCE

- The UG includes:
 - Guidance regarding the allowability of costs and activities, prior approval requirements, and payment terms (referred to as “cash management”), which dictate what is reimbursable up to the amount of actual costs incurred;
 - Procurement, equipment and property management, and performance measurement;
 - Subrecipient monitoring, real property acquisition and relocation assistance
 - Audit requirements, including the Single Audit (or Subpart F audit);
 - Requirements and restrictions pertaining to types of awards that may be issued and required content of contracts and subawards; and
 - Indirect cost proposal and cost allocation plan requirements and guidance.
- Agencies supplement the UG with additional financial assistance regulations as well as their own terms and conditions. *For example, HHS’s Uniform Guidance document appears in Title 45, Part 75 of the CFR, and USDA significantly expands on the UG in the 2 CFR Part 400 series.*



WHAT ARE ALL THESE
RULES?!?!

15



16 WHAT ARE ALL THESE RULES?

- As previously mentioned, the Uniform Guidance serves as the foundation for our financial assistance award administration matters.
- Given the volume of laws, rules, regulations, and guidance, one cannot be expected to memorize all of the content.
- We are, however, expected to know what resources are available to us.
 - Congress.gov
 - SAM.gov
 - ECFR.gov
 - Agency and Program websites
- **Major Rule: Whatever is more restrictive is the requirement to follow.**





WHAT ARE ALL THESE RULES? 17

- Applicability is one of the most significant matters to be aware of in the grants world.
- Why might applicability be a challenge?
- To whom does the Uniform Guidance apply?
 - Recipients and subrecipients of federal financial assistance.
 - Subpart F applies to Non-Federal Entities, which are defined as: “a State, local government, Indian Tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.”
 - All federal financial assistance programs, unless an exception applies.
 - In all cases, Federal statutes or regulations govern when in conflict with the UG as per 2 CFR Part 200.101(d).

18 WHAT ARE ALL THESE RULES?

- Federal financial assistance awards include (not all-inclusive):
 - Grants;
 - Cooperative agreements;
 - Loans and loan guarantees with continuing responsibilities;
 - Non-cash assistance (e.g., food or equipment/vehicles);
 - Free rent;
 - Medicare;
 - Medicaid;
 - Endowment funds; and
 - Federal cost reimbursement contracts issued under the Federal Acquisition Regulation (FAR).

19 WHAT ARE ALL THESE RULES?

- Grants and Cooperative Agreements are intended for the implementation of programs and execution of projects that serve a public purpose and/or provide public benefits.
 - Grants are intended to be implemented in relative autonomy subject to federal or pass-through entity oversight.
 - Cooperative agreements are intended to be implemented with ongoing federal collaboration and involvement.
 - Funds are received through applications and may only be submitted by eligible entities (applies to both recipients and subrecipients)
 - Both grants and cooperative agreements fall into the category of ***federal financial assistance***.
- Entities receiving grants and cooperative agreements are considered ***recipients*** or ***subrecipients***.
- Profit is expressly prohibited from being earned by recipients and subrecipients.

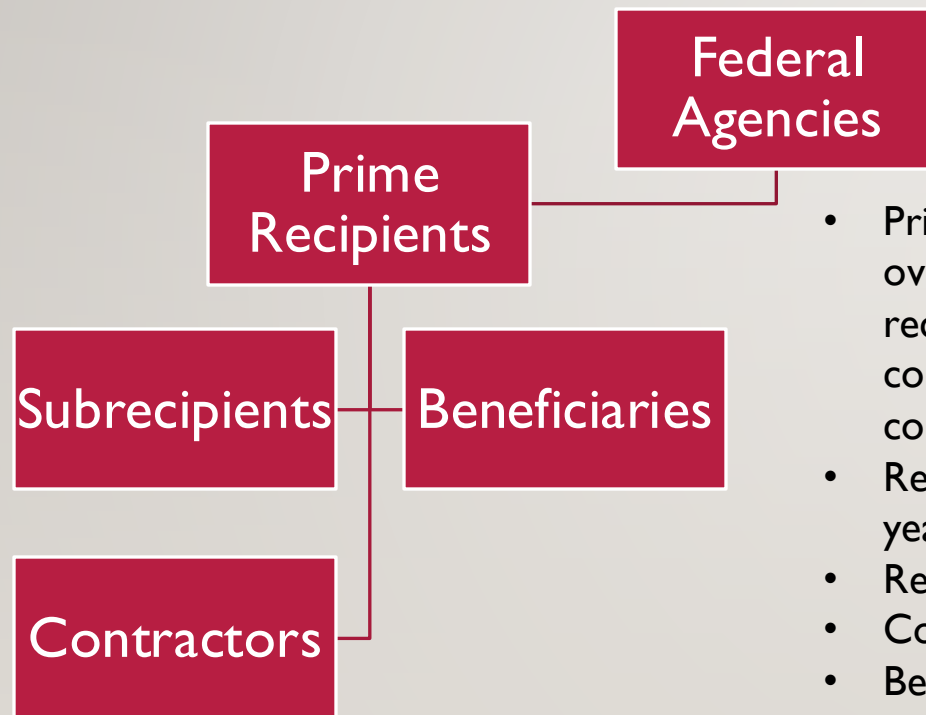
<i>Characteristics of Subrecipients and Contractors</i>	
Subrecipient	Contractor
Determines who is eligible to receive what Federal assistance	Provides the goods and services within normal business operations
Has its performance measured in relation to whether objectives of a Federal program were met	Provides similar goods or services to many different purchasers
Has responsibility for programmatic decision-making	Normally operates in a competitive environment
Is responsible for adherence to applicable Federal program requirements specific in the Federal award	Provides goods or services that are ancillary to the operation of the Federal program
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.	Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons

WHAT ARE ALL THESE RULES?

20

- The characteristics are expected to be applied and to serve as a guide for making determinations; however, judgement may still be required.
- It is highly recommended that each determination be formally documented in a memorandum to the file.

21 WHAT ARE ALL THESE RULES?



- Federal agencies award funds to prime recipients and are responsible for overseeing the prime recipient.
- Agencies issue guidance that applies to prime and subrecipients.
- Prime recipients are responsible for program management, implementation, oversight of subrecipients, communicating regulatory and program requirements to subrecipients, ensuring subrecipients are audited, monitoring contractors, and appropriately classifying entities as subrecipients or contractors.
- Recipients and subrecipients that expend more than \$1 million in a single fiscal year are subject to Single Audit or other agency equivalent.
- Recipients and subrecipients are ineligible to earn a profit.
- Contractors may earn a profit.
- Beneficiaries receive funding from programs as benefits (e.g., rental assistance), but are not subject to compliance requirements or audit.

22 WHAT ARE ALL THESE RULES?

- Let's look at some highlights within each section of the Uniform Guidance.

Subpart A: Definitions

- OMB is shifting to use of “cost sharing” only, which includes “matching.” The term “matching” is being phased out (lofty goal!).
- Equipment is now defined as tangible personal property (including information technology) with a useful life more than one year and per unit acquisition cost equal to or exceeding \$10,000 or the recipient or subrecipient's capitalization threshold, whichever is lesser.
- The modified total direct cost base has been revised to permit up to \$50,000 per subaward to be included.

Subpart B: General Provisions

- This section includes applicability, exceptions, conflicts of interest, and English language regulations.
- Mandatory disclosures are now subject to the credible evidence standard and disclosures must also be submitted to the applicable office of the inspector general.

23 WHAT ARE ALL THESE RULES?

Subpart C: Pre-Federal Award Requirements

- Section is geared primarily toward federal agencies.
- Includes requirements regarding when to use different contractual instruments, required components of instruments and solicitations, and expectations related to program planning.
- New whistleblower protection regulation appears at Part 200.217.
- Rules regarding specific conditions, restrictions on telecommunications and video surveillance purchases, and the regulation prohibiting contracting with the enemy are included in Subpart C.

Subpart D: Post Federal Award Requirements

- Addresses financial and non-financial requirements pertinent to award implementation through closeout.
- Highlights include:
 - Internal Controls: Must now be documented, prompt corrective action is required for all identified instances of noncompliance, and the information security requirement has been modified;
 - Federal payments on advance, reimbursement, or working capital bases along with withheld payments;
 - Financial management and procurement systems, including Build America Buy America Act requirements;
 - Cost sharing requirements include use of only allowable costs, proper valuation pursuant to the applicable accounting standards, adequate documentation, and inclusion of sources of cost in the approved budget;
 - Subrecipient monitoring and mandatory subaward components, including changes to risk assessment requirements and indirect cost matters; and
- Closeout.

24 WHAT ARE ALL THESE RULES?

Subpart E: Cost Principles

- Addresses the holy trinity of grant finance: costs must be allowable, allocable, and reasonable in order to be considered reimbursable;
- Direct vs indirect cost guidance is presented in this section;
- Guidance regarding the allowability of select items of cost is included;
- Federal agencies may decide to apply these cost principles to for-profit entities rather than commercial entity cost principles at FAR 31;
- Added standard closeout costs and allowable data management costs as of October 1, 2024.

Subpart F: Audit Requirements

- Implements the Single Audit Act (as amended);
- Modifies the GAAP financial statement requirement to permit OCBOAs;
- Includes requirements applicable to auditors and auditees;
- Increased the audit requirement threshold from \$750,000 in expenditures to \$1 million in federal expenditures in a non-federal entity's fiscal year.

Appendices

- State and Local Governments (SLGs) are ineligible to use the de minimis indirect cost rate;
- Appendix VII addresses SLG indirect cost rate proposals.
- Non-profit organizations' indirect cost rate proposals are addressed in Appendix IV.

25 DISCUSSION QUESTIONS

HOW DO YOU KNOW WHICH RULES AND REGULATIONS APPLY TO YOU?

WHERE DO FOR-PROFIT ENTITIES FALL WITH REGARD TO THE UNIFORM GUIDANCE REQUIREMENTS?

HOW DO WE BRING CLARITY TO APPLICABILITY QUESTIONS?

HAS YOUR ORGANIZATION TAKEN STEPS TO REVISE WRITTEN POLICIES AND PROCEDURES FOR UG CHANGES AND TO DOCUMENT INTERNAL CONTROLS?



COMMON ERRORS



COMMON ERRORS

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- First and foremost, take a deep breath and accept that we all make mistakes!
- Our obligation is to make timely corrections and to be transparent with colleagues and partners to the extent appropriate.
- As we discuss common errors, take note of those items that may pose a risk to your organization so that a more thorough assessment of risk exposure may be completed.

MY FAVORITE COMMON ERROR



- “WE’VE ALWAYS DONE IT THIS WAY, AND THE AUDITORS NEVER WROTE A FINDING.”
- “OUR FEDERAL AGENCY CONTACT SAID WE COULD DO X OR HAD TO DO Y.”
 - WHERE IS THE WRITTEN INSTRUCTION?
 - IS THERE A REGULATION, FAQ, AGENCY MEMORANDUM, OR OTHER SOURCE TO SUPPORT THE STATEMENT?

29 COMMON ERRORS

- Fear not, there are ways to fix issues.
- General Matters
 - Uncertified claims, applications, invoices, proposals, etc.
 - Not applying the most restrictive rule when stacking funds;
 - Written procedures that do not align with current practice OR people do not know exist;
 - Lack of awareness of requirements (e.g., HHS has a 90 day closeout period, which is more restrictive than the UG);
 - Failure to read and analyze the federal award or subaward agreement prior to signing;
 - Having the right people in the wrong positions;
 - The rubber stamp internal control; and
 - Copy-paste-itis.

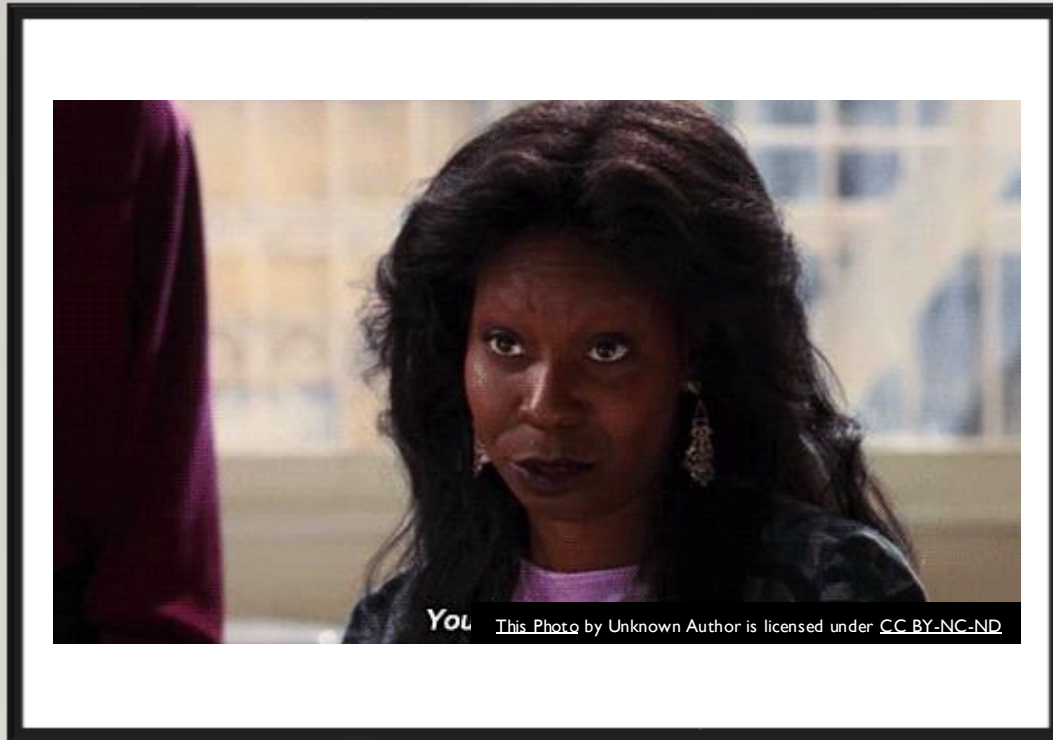


30 COMMON ERRORS



- Financial Matters
 - Accurately and adequately calculating the cost share (e.g., currency translation issues, questionable valuation of in-kind contributions);
 - Indirect Cost Rate Proposals (“ICRPs”) not being completed;
 - Entities using the de minimis indirect cost rate when they are ineligible to do so;
 - Contaminated indirect cost pools;
 - Reconciliations not performed between draws/claims, federal financial reports, and the Schedule of Expenditures of Federal Awards (“SEFA”);
 - Lost documentation;
 - Closeouts (including subawards) not occurring or not occurring timely; and
 - Inadequate lead time for procurement processes resulting in either ineligible sole/single source purchases or program performance issues up to and including deobligations of funds.

3 | COMMON ERRORS



- Performance/Programmatic
 - Performance data and financial data may not align or reconcile;
 - Supporting documentation for eligibility is either inadequate or missing;
 - Monitoring does not address programmatic matters;
 - Not performing monitoring of subrecipients, contractors, or the program;
 - Not following-up on corrective action and subrecipient issues; and
 - Not acting on suspected fraud, waste, or abuse.



QUESTIONS

THANK YOU!!!

Contact Me

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