

UNIFORM GUIDANCE

2 CFR, PART 200: Uniform Administrative Requirements,
Cost Principles, and Audit Requirements for Federal Awards



LEARNING OBJECTIVES



- In this lesson, you will learn:
- Recent audit findings stemming from non-compliance with the Uniform Guidance
- Relevant sections of the Uniform Guidance that apply to the cited deficiencies
- Remedies specified by the Uniform Guidance

UNIFORM GUIDANCE RECAP

- Consolidated legacy circulars into Uniform Guidance
- Found at Title 2, Code of Federal Regulations, Part 200
- UG components
- New requirements added

DEFICIENCIES CITED IN AUDITS

- Funding outside period of performance
- Liquidating obligations
- Subrecipient monitoring
- Inadequate supporting documentation
- Inventory management
- Equipment usage
- Procurement practices



FUNDING OUTSIDE PERIOD OF PERFORMANCE



- **DEFINITION:** 2 CFR, 200.77 *Period of Performance*. The time during which the non-Federal entity may incur new obligations to carry out work authorized under the Federal award.
- **FINDING:** Funds were disbursed for expenses incurred after the expiration date and before the funding period started, without prior approval.

THE REMEDY

The Uniform Guidance specifies that a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance. Guidance is found under Standards for Financial and Program Management (200.309).

Pre-award costs can be charged if they are authorized by the federal awarding agency or pass-through entity. (200.458)

LIQUIDATING OBLIGATIONS

- **DEFINITION:** 2 CFR, 200.71 *Obligation* Orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.
- **FINDING:** In this finding, grant recipients did not liquidate all obligations incurred for an award within the required timeframe.



THE REMEDY

- 2 CFR, 200.343 *Closeout* stipulates that all obligations incurred under an award must be liquidated no later than 90 calendar days after the funding period ends, unless an extension has been approved or the award terms specify something different.

SUBRECIPIENT MONITORING



- **DEFINITION:** 2 CFR 200.93 *Subrecipient*. A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.
- **FINDING:** Programmatic and financial problems related to ineffective sub-recipient monitoring have been documented in recent audits.

THE REMEDY

- 2 CFR, 200.330-331 *Subrecipient Monitoring & Management*. 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.

INADEQUATE SUPPORTING DOCUMENTATION

- 2 CFR, PART 200, Subpart D, *Post Federal Award Requirements, Standards for Financial & Program Management*
- FINDING: Missing or inadequate supporting documentation makes it difficult to substantiate reported grant program expenditures that are submitted by recipients.



THE REMEDY

- 2 CFR, PART 200 Subpart D, *Post Federal Award Requirements, Standards for Financial & Program Management*
- The financial management system must:
 - Identify all awards received and expended and the Federal programs under which they were received
 - The CFDA number, Federal award ID number and year, name of the Federal agency and name of the pass-through
 - Accurate, current, and complete disclosure of the financial results of each Federal award

INVENTORY MANAGEMENT

- **DEFINITION:** 2 CFR, 200.33 *Equipment*. Tangible personal property 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 \$5,000
- *2 CFR, 200.94 Supplies*. All tangible personal property other than those described in §200.33 Equipment
- **FINDING:** Non-compliance with federal regulations for inventory record-keeping, and reconciling physical inventory results with financial records.



THE REMEDY

- 2 CFR, Part 200, Subpart D Post Federal Award Requirements, Property Standards, Equipment
- 200.313(d) Management requirements:
 - Maintain property records including description, serial number, funding source, title holder, acquisition date and cost, % of Federal participation, location, use, condition and disposition data
 - Reconcile physical inventory with property records every 2 years
 - Implement a control system to prevent loss, damage or theft
 - Maintain procedures to keep property in good condition
 - Use proper sales procedures to ensure highest possible return

EQUIPMENT USAGE



- **DEFINITION:** 2 CFR, 200.33 *Equipment*. Tangible personal property 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 \$5,000
- **FINDING:** Equipment was not used in the federal program for which it was purchased. Equipment purchased with federal funds was not readily available for inspection.

THE REMEDY

- 2 CFR, PART 200 *Subpart D Post Federal Award Requirements, Equipment* 200.313
- Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project
- 200.313(d) Management requirements:
- Maintain property records including description, serial number, funding source, title holder, acquisition date and cost, % of Federal participation, location, use, condition and disposition data

PROCUREMENT PRACTICES

- 2 CFR, PART 200, *PROCUREMENT STANDARDS*, 2 CFR, 200.317 - 326
- FINDINGS: Recipients could not demonstrate that selected vendors were not suspended or debarred from doing business with the government Recipients lacked proper segregation of duties

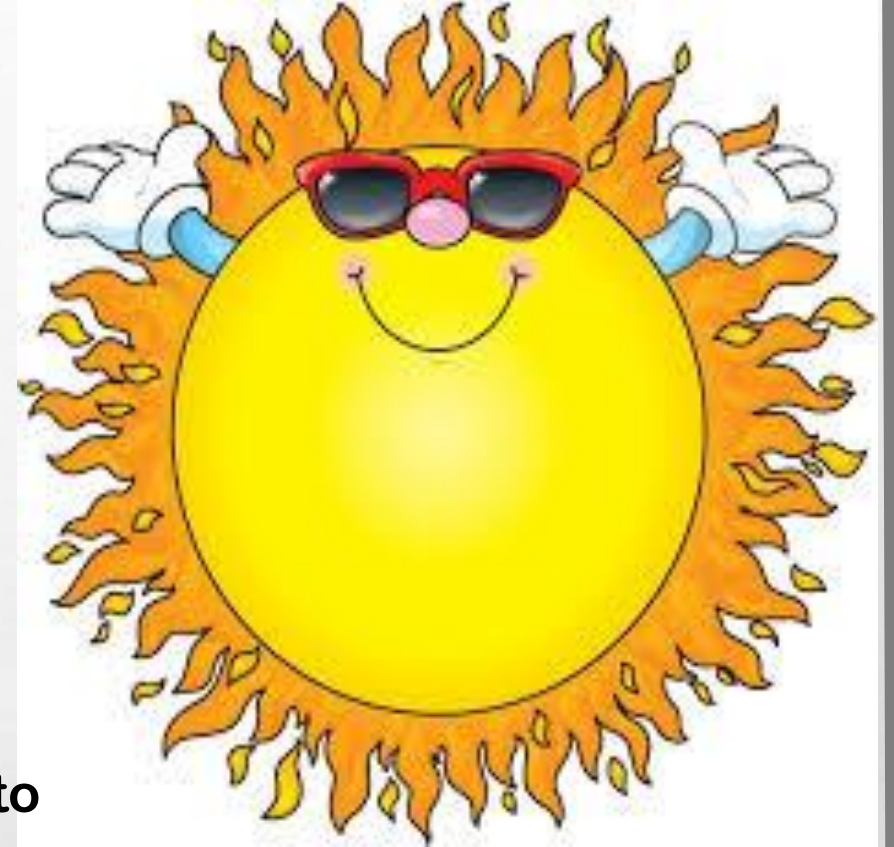


THE REMEDY

- 2 CFR, 200.318. *General procurement standards.* Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- 2 CFR, 200.213 *Suspension and debarment.* Restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

SUMMARY

- In this lesson you learned:
- Recent audit findings stemming from non-compliance with the Uniform Guidance
- Relevant sections of the Uniform Guidance that apply to the deficiencies
- Suggested remedies to address these deficiencies



FOR MORE INFORMATION

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