



Uniform Guidance/What's Next for the Seasoned Title III Directors

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Uniform Guidance

On April 4, 2024, the OMB released the final guidance for changes that will be made to the Uniform Guidance. These changes are aimed to reduce agency and recipient burden, enhance transparency, and improve oversight of Federal financial assistance. The revisions include both policy changes and clarifications, as well as plain language revisions.

Specific revisions include:

- **Reduced Burden:** The changes intend to reduce both agency and recipient burden. By streamlining processes and clarifying requirements, the goal is to make compliance more efficient for all parties involved.
- **Policy Changes and Clarifications:** The final guidance includes policy adjustments and clarifications to previous guidance. These changes address various aspects of grants and agreements, ensuring better alignment with current practices and priorities.
- **Plain Language Revisions:** The final guidance seeks to improve readability by incorporating plain language revisions. Clearer instructions will enhance understanding and compliance.
- **Reflecting Recent Priorities:** The revisions align with recent priorities set by the OMB related to Federal financial assistance. This ensures that the guidance remains up-to-date and relevant.
- **Improved Accessibility:** The OMB aims to make the guidance more accessible and readily comprehensible. By enhancing transparency, recipients and agencies can navigate the requirements more effectively.

Changes of note include:

2 CFR 200, Subpart A — Acronyms and Definitions

- Increased the threshold for equipment and supplies to \$10,000
- Revised the definition of “Modified Total Direct Costs,” which now excludes subaward costs above \$50,000, as compared to \$25,000 in the previous guidance
- Uses the terms “recipient,” “subrecipient,” or both in place of “non-Federal entity”

2 CFR 200, Subpart B — General Provisions

- Requires an applicant, recipient, or subrecipient of a Federal award to promptly disclose whenever, in connection with the Federal award, it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations
- The disclosure must be made in writing to the Federal agency, the agency’s Office of Inspector General, and pass-through entity (if applicable)

Changes of note include (continued):

2 CFR 200, Subpart C — Pre-Federal Award Requirements and Contents of Federal Awards

- Revised the section regarding risk evaluation by using the term risk assessment as a standard term and clarifying agency requirements to appropriately review eligibility qualifications and financial integrity information
- Clarified that agency processes may consider any risk criteria pertinent to a program, such as cybersecurity risk or impacts on local jobs and the community
- Included several additions on the prohibition of certain telecommunications and video surveillance services or equipment
- Included a new section to expand on the whistleblower protections and requirements for recipients of Federal financial assistance

Changes of note include (continued):

2 CFR 200, Subpart D — Post Federal Award Requirements

- Revised the section on cost sharing, as well as the definition of cost sharing itself, to clarify that “matching” is one category of cost sharing overall thus eliminating the need to repeat the term “matching” throughout
- Revised section on program income by providing clarifications regarding use and expenditure of program income
- Increased the threshold values for equipment and supplies from \$5,000 to \$10,000
- Reinforced the responsibility of recipients to maintain updated records regarding equipment
- Clarified that the requirements for unused supplies apply to the aggregate value of all supply types, and not just like-item supplies
- Included a definition of “unused supplies” as supplies that are in new condition, not having been used or opened before
- Revisions that contractors appropriately classify employees consistent with the Fair Labor Standards Act
- Removed the prohibition in the Uniform Guidance on using geographic preference requirements
- included that subpart D does not prohibit recipients and subrecipients from incorporating a scoring mechanism that rewards bidders committing to specific numbers and types of U.S. jobs, as well as certain compensation and benefits
- Changed “small purchases” to “simplified acquisitions” to further align with standard terminology
- Clarified that “micro-purchases” and “simplified acquisitions” are types of “informal procurement methods for small purchases”

Changes of note include (continued):

2 CFR 200, Subpart D — Post Federal Award Requirements (continued)

- Added “veteran-owned business” to the types of businesses that recipients and subrecipients are encouraged to consider for procurement contracts under a Federal award
- Added a new paragraph encouraging Federal award recipients, to the extent permitted by law, to purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable
- Deleted the paragraph requiring the recipient to negotiate profit as a separate element of the price for each contract in which there is no price competition
- Provided additional clarity on required deadlines for financial reporting to align with performance reporting requirements
- Included the requirement for pass-through entities to confirm that potential subrecipients are not suspended, debarred, or otherwise excluded from receiving Federal funds

Changes of note include (continued):

2 CFR 200, Subpart E — Cost Principles

- Clarified that the cost principles in subpart E do not apply to grants and cooperative agreements for food commodities
- Clarified when allowable administrative closeout costs may be incurred
- Removed items from the prior written approval requirements to reduce Federal agency and recipient burden; revisions include no longer requiring prior written approval for such items as, real property, equipment, direct costs, entertainment costs, memberships, participant support costs, selling and marketing costs, and taxes
- Raised the *de minimis* rate from 10 percent to 15 percent
- Revised the section on fringe benefits to require recipients and subrecipients to allocate payments for unused leave as general administrative expenses for all activities
- Clarified guidance on the allocability of pension plan costs and post-retirement health plan costs

Changes of note include (continued):

2 CFR 200, Subpart F — Audit Requirements

- Raised the audit threshold from \$750,000 to \$1,000,000
- Revised compliance requirements to specify that compliance testing must include tests of transactions or other auditing procedures necessary to provide the auditor with sufficient appropriate audit evidence to support an opinion on compliance
- Revised the definitions of known questioned costs and likely questioned costs and provided further clarity on how they are identified in an audit report

Effective Date:

The effective date for the final guidance is October 1, 2024. Federal agencies may elect to apply the final guidance to Federal awards issued prior to October 1, 2024, but they are not required to do so.

Reference:

Garcia, L (2024 April 10). Understanding the Revisions: Uniform Guidance for Federal Awards. tsabo.org.
<https://www.tasbo.org/news/understanding-the-revisions-uniform-guidance-for-federal-awards#:~:text=Understanding%20the%20Revisions%3A%20Uniform%20Guidance%20for%20Federal%20Awards&text=On%20April%204%2C%202024%2C%20the,oversight%20of%20Federal%20financial%20assistance>

Q&A

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FLORIDA A&M UNIVERSITY

Founded in 1887 as the State Normal College for Colored Students, Florida Agricultural and Mechanical University (FAMU) is the only historically state supported educational facility for African Americans in Florida. It has always been co-educational. In 1890, the second Morrill Act was passed. This enabled the school to become the Black Land Grant College for the State of Florida. In 1891, the college was moved from its original location west of town to its present location which was once the site of "Highwood," Territorial Governor W.P. Duval's slave plantation. The school was known as Florida A&M College from 1909 until 1953 when it attained university status.