Uniform Guidance: Introduction, Application, and Pre-Award Requirements
Uniform Guidance vs. OMB Circulars

- Prior to the Uniform Guidance, requirements governing cost principles, administrative requirements and single audit requirements were found in eight separate OMB Circulars.
- In addition to the Uniform Guidance, recipients and subrecipients of a DOL award must adhere to 2 CFR 2900 found at www.ecfr.gov.
- Adopted on December 19, 2014, includes a limited number of exceptions approved by OMB to ensure consistency with existing policy and procedures.
- Expanded at 2 CFR 2900.2, the exceptions’ definition of non-Federal entity includes for-profit or commercial and foreign entities.
- Grant recipients and subrecipients of DOL funds that are commercial or for-profit entities or foreign entities must adhere to 2 CFR 200 and 2 CFR 2900.

The Uniform Guidance can be found at http://www.doleta.gov/grants/resources.cfm
This course contains an overview of the revisions and new consolidated set of regulations, changes and exceptions for grant management.

- First consolidation in many years
- Important changes impacting Grant management
- OMB Rule adopted with Twenty-one exceptions
- Changes in Subpart A Definitions
- New pre-award requirements
Course Topics

SECTION 1: Genesis

SECTION 2: Uniform Guidance Structure

SECTION 3: Major Definitions

SECTION 4: Pre-Award Requirements

SECTION 5: Implementation
At the end of this course, you should be able to:

- Understand how and why the Uniform Guidance came about including the before and after rules.
- Describe the various subparts for 2 CFR Part 200 and 2 CFR Part 2900.
- Identify the various corrections and exceptions.
- List many of the new definitions and important changes.
- Identify the key pre-award provisions for funding, risk assessment and award structure.
SECTION 1: Genesis
Conflicts between the OMB guidance and Federal agency regulations.

Council on Financial Assistance Reform (COFAR) - created October 27, 2011
- Composed of 9 Federal awarding agencies

Completed in December of 2013
- Grant requirements were consolidated
Why Develop the Uniform Guidance?

Reduce administrative burden and fraud, waste, and abuse

Desire for Uniform Guidance in grant community

Need to leverage technology

Focus audits & monitoring on high risk areas
### Before Uniform Guidance

**Uniform Guidance**
**US Department of Labor - ETA Grant Recipients**

<table>
<thead>
<tr>
<th>Before December 26, 2014</th>
<th>Administrative Requirements</th>
<th>Audit Requirements</th>
<th>Cost Principles</th>
</tr>
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<tbody>
<tr>
<td>Commercial For-Profit Organizations</td>
<td>29 CFR Part 95</td>
<td>29 CFR Part 96</td>
<td>48 CFR 31.2</td>
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</tbody>
</table>

*Technical corrections contained in the Federal Register dated September 10, 2015 allow a grace period of two fiscal years from the effective date of the Uniform Guidance to implement the procurement standards at 2 CFR 200.317 to 300.336.*

**2 CFR 2000.2 expands the applicability of the Uniform Guidance to commercial for-profit and foreign entities.**

**After December 26, 2014**

<table>
<thead>
<tr>
<th>2 CFR Part 200 and 2 CFR Part 2900*</th>
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Before Uniform Guidance

2 CFR 200 and 2 CFR 2900

Uniform Guidance

Administrative Requirements

Cost Principles

Audit Requirements
Knowledge Check

Knowledge Check
The COFAR was formed to develop the Uniform Guidance.

- A) True
- B) False
The answer is False.

COFAR stands for the Council on Federal Acquisition Reform and encompasses more than the issuance of the Uniform Guidance. The COFAR addresses Federal policy for all aspects of Federal financial management.
The Uniform Guidance consolidates requirements from eight different OMB Circulars.

- A) True
- B) False
The answer is True.

The Uniform Guidance takes the eight existing Circulars on Administrative Requirements, Cost Principles, and Audit Requirements and houses them under one roof. There are no longer three different roads for Cost Principles. All entities now have a common path—the Uniform Guidance.
The sections of the Uniform Guidance contain consolidated requirements that apply separately to type of organization.

- A) True
- B) False
The answer is False.

The Uniform Guidance applies to all Federal agencies and all Federal assistance awards. In addition we have developed this training to link to the goals of which have been divided into subjects such as financial reporting and indirect costs.
The Uniform Guidance emphasizes accountability and performance.

A) True
B) False
The answer is True.

A primary goal of the consolidation of grant management requirements has been to emphasize performance accountability and focus audits and monitoring requirements on areas of high risk.
SECTION 2: Uniform Guidance Structure
Uniform Guidance Structure

**Subpart A**
Covers the list of acronyms used throughout the document, as well as the definitions of terms.

**Subpart B**
General Provisions that apply across the board. The effective dates of the Guidance are addressed.

**Subpart C**
Pre-Federal Award Requirements addresses responsibilities for issuing the Notice of Funding Opportunities.

**Subpart D**
Post Federal Award Requirements addresses the former Uniform Administrative requirements and management of Federal awards.
## Cost Provisions: Subpart E & 7 Appendices

<table>
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<tr>
<th>Appendix</th>
<th>Description</th>
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<td>Indirect (F&amp;A) Costs identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)</td>
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<td>IV</td>
<td>Indirect (F&amp;A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations</td>
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<td>V</td>
<td>State/Local Government- wide Central Service Cost Allocation Plans</td>
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<td>VIII</td>
<td>Nonprofit Organizations Exempted From Subpart E – Cost Principles of Part 200</td>
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<tr>
<td>IX to 200</td>
<td>Hospital Cost Principles</td>
</tr>
</tbody>
</table>
2 CFR 200 and 2 CFR Part 2900

Subpart F & 2 Appendices

Appendix X
Data Collection Form (Form SF–SAC)

Appendix XI
Compliance Supplement
Technical Corrections

Published December 19, 2014
September 10, 2015 and November 9, 2015

<table>
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<tr>
<th>Procurement Standard</th>
<th>Unique Entity Identifier</th>
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<td>Cost Sharing or Matching</td>
<td>Program Income</td>
</tr>
<tr>
<td>Modified Total Direct Costs</td>
<td>Clarification on Payments</td>
</tr>
<tr>
<td>Prior Approvals</td>
<td>Should vs. Must</td>
</tr>
</tbody>
</table>
The following are some notable DOL exceptions to the Uniform Guidance:

- 2900.2 Applicability: Non-Federal Entity
- Outside Findings: Merit Reviews
- 2900.14 Expenditures: Reporting
- Budget: Multiple Provisions
- 2900.7 Payments
- 2900.15 Closeout
DOL Exceptions

2900.17
Indirect Cost Rate
Negotiated

2900.18
Contingency provisions

Subpart F – Audit Requirements
(2900.20-.22)
SECTION 3: Major Definitions
Uniform Guidance Subpart A
Definitions

All definitions are now found in Subpart A of the Uniform Guidance. There are many changes including:

- Consolidations, updates, and clarifications.
- New definitions related to changes in communications and computing.

**DOL Exceptions**

- Budget
- Non-Federal entity
- Questioned costs

The term originally contained at 2 CFR 200.32 was removed in the 2014 Federal Register publication. 2 CFR 200.32 is now reserved as a placeholder for new terms or definitions.

Resource #1

www.cof.gov.cofar/RUUG
Definitions and New Items

- COSO
- Conflict of Interest
- Procurement Methods
- Support for Indirect Cost rates
- De minimis rate
- Computing Devices
- Improper Payments
- Internal Controls
New Definitions

Updated definitions can be found in the Uniform Guidance as follows:

- **200.8**: Budget
- **DOL clarification at 2 CFR 2900.1**
- **200.23**: Contractor
- **200.45**: Fixed Amount Awards
- **200.61**: Internal Controls
- **200.67**: Micro-Purchase
- **200.68**: Modified Total Direct Cost (MTDC)
New Definitions

- **200.69**: Non-Federal Entity – followed if you do not have a DOL award
- **2900.2**: Non-Federal Entity – followed if you have a DOL award
- **200.74**: Pass-through Entity
- **200.79**: PII and Protected PII
- **200.88**: Simplified Acquisition Threshold
- **200.92**: Subaward
The Uniform Guidance is divided into six subparts.

- A) True
- B) False
The answer is True.

There are also nine appendices that relate to requirements addressed in the Guidance.
Subpart B contains all the definitions.

- A) True
- B) False
The answer is False.

Subpart A contains the definitions while Subpart B refers to the general provisions including applicability and effective dates.
The simplified acquisition threshold is currently $150,000.

- A) True
- B) False
The answer is True.

However, this threshold may change over time.
Internal Controls are now defined as a system of oversight.

A) True
B) False
The answer is False.

Internal controls are defined as a system or processes that are in place to ensure accountability over the Federal funds. Oversight is just one component of an Internal Control system.
SECTION 4: Pre-Award Requirements
Notices of Funding Opportunity

2 CFR 200.203

Must be written in English and provide timely notification to public.

Link funds to a CFDA number, authorization, and type of assistance (formula or discretionary).

Describe the program’s purpose, goals, measurement, and eligibility requirements.
Notices of Funding Opportunity

2 CFR 200.203

- Applicability of Single Audit requirements
- Reference to merit review process
- ETA term is “Funding Opportunity Announcement” (FOA)
**Merit Review**

Applies to ETA discretionary awards

- Requires the criteria that the Federal awarding agency will use to evaluate all grant applications.
- **Appendix I** of the Uniform Guidance provides additional detail.
Risk Assessment Process

Conducted after the merit review but before Federal award is made. Considers these factors:

- Recipient’s ability to effectively implement requirements
- FAPIIS (Federal Awardee Performance and Integrity Information System)
- SAM (System for Award Management)
- FAPIIS and SAM – for debarment or Do Not Pay listing
- SAM replaces ETPLS or “excluded parties list system” and can be found at www.sam.gov.

Applies to ETA discretionary awards
Federal Award Instruments

Use of grant agreements, cooperative agreements, and contracts

- Grant Agreement
  - Formula Grants
  - Discretionary Grants
  - Including Fixed Amount Awards
    - Not used in ETA grants
- Cooperative Agreement
- Contract
  - Is not a Federal assistance award
Notice of Award Structure

2 CFR 200.210

- Recipient name, period of performance, CFDA #, unique entity identifier, and more
- Budget
- Performance Goals
- Terms and Conditions
- Indirect cost rate including 10% de minimis rate
- Match or cost sharing requirements
- National policy requirements
Certifications and Disclosures

- To be submitted annually unless otherwise noted.
- Including written disclosure of all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

ETA’s “Standard Terms and Conditions” can be found at www.doleta.gov/grants/resources.cfm
The pre-award requirements apply to both recipients and the Federal awarding agency.

- A) True
- B) False
The answer is False.

As specified in the Uniform Guidance, these requirements apply to the Federal agency making an award. However, pass-through entities should review these requirements carefully to update their own procedures as appropriate, especially as it relates to risk assessment.
Performance is an integral part of the merit review process.

- A) True
- B) False
The answer is True.

Performance is an integral part of the award process. Prior performance may be reviewed, as well as financial stability or prior audit and monitoring findings.
ETA uses the term "Funding Opportunity Announcement" for all award solicitations.

A) True
B) False
The answer is True.

As issued, they will be available through grants.gov.
SECTION 5: Applicability and Implementation
All new grant awards or grant modifications released on or after December 26, 2014, MUST adhere to the Uniform Guidance.

Options A and B require grant modification.

**Formula (Option A)**

- Formula recipients may request authorization to apply the Uniform Guidance to existing grants or grants awarded before December 26, 2014.

**Discretionary (Option B)**

- Discretionary recipients may request authorization to apply the Uniform Guidance to existing grant awards.
Selection - Options A and B

1. Submit modification request in writing to your Federal Project Officer.
2. Include a list of grants (by grant number) for which the Uniform Guidance will be applicable.

Selection – Neither Option A nor B

1. Uniform Guidance applies to all new grant awards or funding released on or after December 26, 2014.
2. Previously awarded funds must follow terms of their grant agreement.
3. This may mean maintaining two sets of policies and procedures!
• Effective date for implementation is revised
  - 200.110

• Allows a grace period of two fiscal years to implement
  200.317 through 200.336

Federal Register Technical Corrections
• December 19, 2014
• September 10, 2015
The following is a suggested quick start action planner to support your agency's implementation of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (Uniform Guidance) at 2 CFR Part 200 and OMB's approved exceptions for DOL at 2 CFR Part 2900.

### Policies and Procedures (Subpart A through Subpart C)

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>DUE DATE</th>
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- Develop or update financial and administrative policies and procedures to implement the requirements in the Uniform Guidance and OMB's approved exceptions for DOL.
- Obtain management and/or board approval of all new or updated policies and procedures.
- Communicate and train all staff on new and updated policies and procedures.
- Incorporate the standards for documentation supporting the reasonableness, allocability, allowability, and consistent treatment of costs (200.302).
- Incorporate the tracking, spending and disbursement of program income using the addition method and ETA-9130 reporting requirements (200.80 and 200.306) into accounting procedures.

- Notify non-Federal entities or subrecipients that adherence to the Uniform Guidance is required, including for-profit and commercial entities (2900.2).
- Update contract boilerplate, terms and conditions to include the Uniform Guidance requirements, including the OMB approved exception at 2900.2 that expands the definition of non-Federal entities to include for-profit and commercial entities.
# Resources

## UNIFORM GUIDANCE

**US DEPARTMENT OF LABOR GRANT RECIPIENTS**

### AFTER December 26, 2014

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### BEFORE December 26, 2014

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## USEFUL LINKS

1. UNDOL-ETA website: [http://www.doleta.gov/grants/resources.cfm](http://www.doleta.gov/grants/resources.cfm)
9. Resources for understanding the Uniform Guidance: [https://erefed.gov/article/#RUGS](https://erefed.gov/article/#RUGS)
SUMMARY
Section 1: Genesis

- Why the Uniform Guidance came about?
- Recognized the overall new organization of the Uniform Guidance.

Section 2: Uniform Guidance Structure

- Discussed organizational structure and applicability of the Uniform Guidance.
- Defined DOL exceptions and technical corrections approved by OMB.
Key Points by Lesson (cont’d)

Section 3: Major Definitions for Subpart A
- Definitions and new items outlined.
- DOL exceptions

Section 4: Pre-Award Requirements Subpart C
- List the key pre-award provisions to award grants and sub-grants.

Section 5: Applicability and Implementation
- Implementation options for DOL-ETA.
- Grace period for procurement standards.
- Quick Start Action Planner.
This presentation is complete.