

# REVISIONS TO THE UNIFORM GUIDANCE AFFECTING RECIPIENTS

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On Aug. 13, 2020, the Office of Management and Budget (OMB) issued Final Guidance on amendments to the OMB Guidance for Grants and Agreements (Uniform Guidance). This reflects the first revisions to this guidance since they were originally issued in 2013. The impact from these revisions range from minor and unique circumstances to large-scale changes that affect all recipients. Thus, if you receive federal funding, it is important that you review the OMB revisions in their entirety to ensure you are familiar with these changes and implement necessary changes to your systems and provide appropriate training to your grants management and accounting personnel.

The revisions are generally effective for new awards issued on or after Nov. 12, 2020.

Following is a high level summary of certain of the noteworthy administrative type changes:

- 2 CFR 200.414(f) *De Minimis Rate* – this section permits entities with negotiated indirect cost rate agreements (NICRA) that have expired to use the 10% de minimis rate to calculate indirect costs.
- 2 CFR 200.414(h) *Publication of NICRAs* – this is a new section that requires certain information related to NICRAs to be collected and displayed on a public website. The information is limited to the indirect negotiated rate, distribution base and the rate type.
- 2 CFR 200.322 *Domestic Preferences* – this section encourages recipients to “maximize use of goods, products and materials produced in the United States.”
- 2 CFR 200.320 *Methods of Procurement* – this section was amended to reflect the revised thresholds for micro-purchases at \$10,000 and the simplified acquisition threshold at \$250,000. This also permits recipients to request higher micro-purchase thresholds up to \$50,000 from the agencies.
- 2 CFR 200.244 *Closeout* – OMB revised the time period for recipients to submit closeout reports and liquidate all financial obligations from 90 days to 120 days.

There were also certain clarifications of existing provisions that were made to provide clarity related to a pass-through entity’s responsibilities. These revisions clarified that:

- Pass-through entities are responsible for addressing only a subrecipient’s audit findings specifically related to its award.
- OMB directs pass-through entities to use a subrecipient’s NICRA but, if none exists, the parties are to either negotiate a rate, use the de minimis rate, or subrecipient may use the cost allocation method to account for indirect costs.

As part of the update, the provisions of the National Defense Authorization Act for FY 2019 were incorporated which prohibit the obligation or expenditures of federal funds and awards for the use of “covered telecommunications equipment or services.” (See 2 CFR 200.216) This prohibition is effective Aug. 13, 2020.