

# **Exploring the OMB Update - Revised Uniform Guidance 2 CFR 200**

*Thursday, October 15, 2020*



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# Housekeeping

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- Technical questions about the survey can be addressed to Nathan McElveen at [nmcelveen@grfcpa.com](mailto:nmcelveen@grfcpa.com).

# Housekeeping

## Additional Information

<b>Learning Objective</b> To provide an overview of the updates to Uniform Guidance 2 CFR 200	<b>Instructional Delivery Methods</b> Group Internet-based
<b>Recommended CPE</b> 1.0 CPE Credit	<b>Recommended Fields of Study</b> Auditing (Governmental) Technical
<b>Prerequisites</b> None required	<b>Advance Preparation</b> None
<b>Program Level</b> Basic	<b>Course Registration Requirements</b> None
<b>Refund Policy</b> No fee is required to participate in this session.	<b>Cancellation Policy</b> In the event that the presentation is cancelled or rescheduled, participants will be contacted immediately with details.
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# Presenters

## *Meet the Instructors*

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# Sources

- OMB Redlined Revision of 2 CFR 200 dated 8/13/2020, published in the Federal Register 85 FR 49506
- United States Chief Financial Officers Council
- [www.beta.sam.gov](http://www.beta.sam.gov)
- BDO Statement on Implementation of ASC 842 for private companies and nonprofits

# Revision Themes

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- Assistance listings name change
- Emphasis on period of performance
- New definitions and update ASC 842 labeling of finance leasing
- Understanding “must” versus “should” / “may” in the regulation
- Emphasis on performance and outcomes
- Prohibitions: Restrictions on Huawei and ZTE with new cost principle

# Revision Themes

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- Public Policy
- Management decisions: responsibility of PTE and Sub-Recipient
- Appendix IV clarification regarding SRE not having direct funding
- Specific guidance on close-outs of awards
- Emphasis on documenting procurement policies
- Significant changes to procurement standards
- An important change to NICRA vs. De Minimis Rate

# Possible Date Implementation\*

## *For the Revised Uniform Guidance*

- Federal agencies implement by 12/26/2014  
**[11/12/2020]**
- Subpart F Audit Requirements become applicable with audits of fiscal years beginning on or after 12/26/2014 or effectively 1/1/15 end 12/31/15 for audits and indirect proposals, rates and CAPs  
**[1/1/2021 to 12/31/2021] full fiscal year**
- **[7/1/2021 to 6/30/2022]**
- Administrative (pre/post award) requirements and cost principles apply on each **new award**, **sub-award** or additional / incremental funding **on or after** 12/26/14 **[11/12/2020]**
- Existing awards before 12/26/14 **[11/12/2020]** **follow existing terms and conditions** which are covered by the prior OMB Circulars A-110 and A-122

*\*Please note the contents of this slide involves conjecture as some aspects of the implementation are not known as of the date of this webinar presentation.*

# 200.110 Effective/Applicability Date

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## Impact on NICRA Rates & Cost Allocation Plans

(b) Existing negotiated indirect cost rates will remain in place until they expire.

The effective date of changes to indirect cost rates must be based upon the date that a newly re-negotiated rate goes into effect for a specific non-Federal entity's fiscal year. Same for cost allocation plans.

# 200.110 Effective/Applicability Date

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## Impact on Federal Awards Before Effective Date

- The revisions to 2 CFR are not applicable to Federal financial assistance awards issued prior to the effective dates provided in the Dates section of this Notice of Final Guidance,
- Including financial assistance awards issued prior to those dates under the Coronavirus Aid, Relief, and Economic Support (CARES) Act of 2020 (Pub. L. 116-136).

# Period

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## Period of performance

Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the Period of Performance in the Federal award per §200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.

## Budget period

Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to §200.308.

# Period

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## Renewal award

Means an award made subsequent to an expiring Federal award for which the start date is contiguous with, or closely follows, the end of the expiring Federal award. A renewal award's start date will begin a distinct period of performance.

## §200.211.b.6 Information contained in a Federal award

### (6) Budget Start and End Date;

## §200.211.c(iv) Future budget periods

If it is anticipated that the period of performance will include multiple budget periods, the Federal awarding agency must indicate that subsequent budget periods are subject to the availability of funds, program authority, satisfactory performance, and compliance with the terms and conditions of the Federal award.

# Period

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## §200.309 Modifications to Period of Performance

If a Federal awarding agency or pass-through entity approves an extension, or if a recipient extends under §200.308(e)(2), the Period of Performance will be amended to end at the completion of the extension. If a termination occurs, the Period of Performance will be amended to end upon the effective date of termination. If a renewal award is issued, a distinct Period of Performance will begin.

# Period

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## §200.458 Pre-award costs

Pre-award costs are those incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency.

If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by the Federal awarding agency.

# Period

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## §200.461 Publication and printing costs

(3) The non-Federal entity may charge the Federal award during closeout before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the Federal award. If charged to the award, these costs must be charged to the final budget period of the award, unless otherwise specified by the Federal awarding agency.

# Polling Question #1

Which of the following statements is correct?

- A. *A budget period does not commit the awarding agency to fund the period but does include the carry-forward of cost.*
- B. *Only the performance period may fund an award.*
- C. *Publishing and printing costs must be assigned to the initial period or else not receiving funding due to the close-out of an award.*
- D. *Pre-award costs can be funded before the initial period can begin.*
- E. *All of the statements are correct.*
- F. *None of the statements are correct.*

# Updating Finance Lease per ASC 842

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## Capital assets means:

(1) Tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- (a) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease\* under Financial Accounting Standards Board (FASB) standards...

# Updating Finance Lease per ASC 842

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## §200.465(d)

Rental or lease payments are allowable under lease contracts where the non-Federal entity is required to recognize an intangible right-to-use lease asset (per GASB) or **right of use operating lease asset** (per FASB) for purposes of financial reporting in accordance to with GAAP.

# Definitions

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## §200.53 Improper payment

Improper payment means:

- (1) Any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.
  - (i) Incorrect amounts are overpayments or underpayments that are made to eligible recipients (including inappropriate denials of payment or service, any payment that does not account for credit for applicable discounts, payments that are for an incorrect amount, and duplicate payments). An improper payment also includes any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods or services not received (except for such payments authorized by law).

# Definitions

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## §200.53 Improper payment

Note 1 to paragraph (1)(i) of this definition. Applicable discounts are only those discounts where it is both advantageous and within the agency's control to claim them.

(ii) When an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment should also be considered an improper payment.

When establishing documentation requirements for payments, agencies should ensure that all documentation requirements are necessary and should refrain from imposing additional burdensome documentation requirements.

- Lack of documentation formula:
  - Unsupported cost = questioned cost = disallowed cost.
  - Credit card charges.
  - Most common and most expensive missing document is a consultant agreement especially in foreign efforts

# Definitions

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## §200.53 Improper payment

- (iii) Interest or other fees that may result from an underpayment by an agency are not considered an improper payment if the interest was paid correctly. These payments are generally separate transactions and may be necessary under certain statutory, contractual, administrative, or other legally applicable requirements.
- (iv) A “questioned cost” (as defined in this section) should not be considered an improper payment until the transaction has been completely reviewed and is confirmed to be improper.

# Should vs. Must

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## §200.101

### (b)(1) Applicability to different types of Federal awards.

(1) Throughout 2 CFR part 200 when the word “must” is used it indicates a requirement. Whereas, use of the word “should” or “may” indicates a best practice or recommended approach rather than a requirement and permits discretion.

# Emphasis on Performance

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## §200.201 (b) Fixed Amount Awards

The Federal awarding agency or pass-through entity may use fixed amount awards if the project scope has measurable goals and objectives.

## §200.202 Program planning and design

The program must be designed with clear **goals and objectives** that facilitate the delivery of meaningful results consistent with the Federal authorizing legislation of the program.

**Program performance shall be measured based on the goals and objectives developed during program planning and design.** See §200.301 for more information on performance measurement.

Performance measures may differ depending on the type of program. The program must align with the strategic goals and objectives within the Federal awarding agency's performance plan and should support the Federal awarding agency's performance measurement, management, and reporting as required by Part 6 of OMB.

# Emphasis on Performance

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## §200.301 Performance measurement

(a) The Federal awarding agency must measure the recipient's performance to show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster adoption of promising practices. Program goals and objectives should be derived from program planning and design. See §200.202 for more information. Where appropriate, the Federal award may include specific program goals, indicators, targets, baseline data, data collection, or expected outcomes (such as outputs, or services performance or public impacts of any of these) with an expected timeline for accomplishment. Where applicable, this should also include any performance measures or independent sources of data that may be used to measure progress. The Federal awarding agency will determine how performance progress is measured, which may differ by program. Performance measurement progress must be both measured and reported. See §200.329 for more information on monitoring program performance. The Federal awarding agency may include program-specific requirements, as applicable.

# Sample Performance Form

	U.S. Department of Education Grant Performance Report (ED 524B) Project Status Chart			OMB No. 1894-0003 Exp. 06/30/2017		
PR/Award # <u>111111111111111</u> (11 characters): _____						
<b>SECTION A - Performance Objectives Information and Related Performance Measures Data (See Instructions. Use as many pages as necessary.)</b>						
2. Project Objective	[ <input type="checkbox"/> Check if this is a status update for the previous budget period.					
2.a. Performance Measure  The percentage of participating 8 <sup>th</sup> grade students who meet or exceed proficiency on State reading or language arts assessments under section 1111(b)(3) of the ESEA.	Measure Type	Quantitative Data				
		Target			Actual Performance Data	
		Raw Number	Ratio	%	Raw Number	Ratio
	/	70		/		
2.b. Performance Measure  The percentage of high school students who meet or exceed proficiency on State reading or language arts assessments under section 1111(b)(3) of the ESEA.	Measure Type	Quantitative Data				
		Target			Actual Performance Data	
		Raw Number	Ratio	%	Raw Number	Ratio
	/	70		/		
Explanation of Progress (Include Qualitative Data and Data Collection Information)						

# Prohibitions

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## §200.215 Never contract with the enemy.

Federal awarding agencies and recipients are subject to the regulations implementing Never Contract with the Enemy in 2 CFR part 183. These regulations affect covered contracts, grants and cooperative agreements that are expected to exceed \$50,000 within the period of performance, are performed outside the United States and its territories, and are in support of a contingency operation in which members of the Armed Forces are actively engaged in hostilities.

New Cost Principle:

## §200.471 Telecommunications and video surveillance costs

(a) Costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, cloud servers are allowable except for the following circumstances:

(b) Obligating or expending covered telecommunications and video surveillance services or equipment or services as described in §200.216 to:

- (1) Procure or obtain, extend or renew a contract to procure or obtain; (2) Enter into a contract (or extend or renew a contract) to procure; or (3) Obtain the equipment, services, or systems.

# Prohibitions

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## §200.216 Prohibition on certain telecommunications and video surveillance services or equipment.

- (a) Recipients and sub-recipients are prohibited from obligating or expending loan or grant funds to:
  - (1) Procure or obtain,
  - (2) Extend or renew a contract to procure or obtain, or
  - (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

- (i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes.

# Prohibitions

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## §200.216 Prohibition on certain telecommunications and video surveillance (continued)

In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

# Public Policy

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## §200.322 Domestic preferences for procurements.

- (a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all sub-awards including all contracts and purchase orders for work or products under this award.
- (b) For purposes of this section:
- (1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

## Polling Question #2

Although there is a preference to procure goods and services manufactured in the U.S., we also can procure telecommunications video and surveillance equipment from the Peoples Republic of China per the new telecommunications cost principle, as long as we disclose and enter the transaction information in the FAPIIS database found at [www.beta.sam.gov](http://www.beta.sam.gov).

- A. *True*
- B. *False*

# Pass-Through Entity Responsibilities

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## §200.332d

- (1) Following-up and ensuring that the sub-recipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the sub-recipient from the pass-through entity detected through audits, on-site reviews, and ~~other means~~: written confirmation from the sub-recipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular sub-award.
- (2) Issuing a **management decision** for **applicable** audit findings pertaining **only** to the Federal award provided to the sub-recipient from the pass-through entity as required by §200.521 **Management decision**.

**Management decision** means the **Federal awarding agency's** or pass-through entity's written determination, provided to the auditee, of the adequacy of the auditee's proposed corrective actions to address the findings, based on its evaluation of the audit findings and proposed corrective actions.

# Pass-Through Entity Responsibilities

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## §200.332d

(3) The pass-through entity is responsible for resolving audit findings specifically related to the sub-award and not responsible for resolving \*cross-cutting findings.

If a sub-recipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the sub-recipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section §300.513(a)(3)(vii).

Such reliance does not eliminate the responsibility of the pass-through entity to issue sub-awards that conform to agency and award-specific requirements, to manage risk through ongoing sub-award monitoring, and to monitor the status of the findings that are specifically related to the sub-award.

*\*Cross-cutting audit finding* means an audit finding where the same underlying condition or issue affects all Federal awards (including Federal awards of more than one Federal awarding agency or pass-through entity).

# Pass-Through Entity Responsibilities

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Appendix IV.C2, same below:

Where a non-Federal entity only receives funds as a sub-recipient, see the requirements of §200.332 Requirements for pass-through entities.

If the nonprofit does not receive any [direct] funding from any Federal agency, the pass-through entity is responsible for the negotiation of the indirect cost rates in accordance with §200.332(a)(4).

# Cognizant Agencies

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## Appendix IV.C2:

Once an agency is assigned cognizance for a particular nonprofit organization, the assignment will not be changed unless there is a shift in the dollar volume of the Federal awards directly funded to the organization for at least three years.

### Oversight agency for audit

Means the Federal awarding agency that provides the predominant amount of funding directly ([direct funding](#)) (as listed on the schedule of expenditures of Federal awards, see §200.510(b)) to a non-Federal entity ~~unless OMB designates a specific~~ [not assigned](#) a cognizant agency for audit. When the direct funding represents less than 25 percent of the total Federal expenditures (as direct and sub-awards) by the non-Federal entity, then the Federal agency with the predominant amount of total funding is the designated cognizant agency for audit. When there is no [direct](#) funding, the Federal awarding agency which is the predominant source of pass-through funding must assume the oversight responsibilities.

# Close-Out Requirements

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## §200.344 Closeout.

The Federal awarding agency or pass-through entity will **close out** the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity. **If the non-Federal entity fails to complete the requirements, the Federal awarding agency or pass-through entity will proceed to close out the Federal award with the information available.**

a) The **non-Federal entity recipient must submit, no later than 90 120 calendar days after the end date of** the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award.

**A sub-recipient must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and sub-recipient) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award.**

# Close-Out Requirements

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## §200.344 Closeout.

(b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all financial obligations incurred under the Federal award not later than 90 ~~120~~ calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

(i) If the non-Federal entity does not submit all reports in accordance with this section within one year of the period of performance end date, the Federal awarding agency must report the non-Federal entity's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS). Federal awarding agencies may also pursue other enforcement actions per §200.339.

## §200.345 Post-closeout adjustments and continuing responsibilities.

(3) The ability of the Federal awarding agency to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments.

# Procurement Changes

## *Definition*

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### Micro-purchase threshold

Means the dollar amount at or below which a non-Federal entity may purchase property or services using micro-purchase procedures (see §200.320). Generally, the micro-purchase threshold for procurement activities administered under Federal awards is **not to exceed the amount set by the Federal Acquisition Regulation (FAR) at 48 CFR subpart 2.1 unless a higher threshold is requested by the non-Federal entity and approved by the cognizant agency for indirect costs.**

FAR 2.101 – Definitions:

“Micro-purchase threshold means \$10,000”

# Procurement Changes

## *Modified Definition*

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### Simplified acquisition threshold

Means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods (see §200.320). Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items ~~costing less~~ than at or below the simplified acquisition threshold. The simplified acquisition threshold for procurement activities administered under Federal awards is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1.

The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. However, in no circumstances can this threshold exceed the dollar value established in the FAR (48 CFR subpart 2.1) for the simplified acquisition threshold. Recipients should determine if local government laws on purchasing apply.

FAR 2.101 – Definitions:

“Simplified acquisition threshold means \$250,000”

# Procurement Changes

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## §200.318 General procurement standards.

(a) The non-Federal entity must have and use **documented** procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or sub-award. The non-Federal entity's **documented procurement procedures must conform to the procurement standards identified in §§200.317 through 200.327 of this subpart.**

# Procurement Changes

## *Methods of Procurement*

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### §200.319 Competition.

(a) All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and §200.320.

### §200.320 Methods of Procurement.

(i) Micro-purchase awards. Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity.

# Procurement Changes

## *Methods of Procurement*

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### (a) **Informal procurement methods.**

When the value of the procurement for property or services under a Federal award does not exceed the simplified acquisition threshold (SAT), as defined in §200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required.

The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

#### Distribution.

The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold ([§200.67](#)). See the definition of micro-purchase in [§200.1](#)). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.

# Procurement Changes

## *Micro Purchase Awards*

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### (ii) Micro-purchase thresholds.

The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures.

Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.

The micro-purchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.

# Procurement Changes

## *Micro Purchase Awards*

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(iv) Non-Federal entity increase to the micro-purchase threshold up to \$50,000.

Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section.

The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with §200.334.

The self certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

- (A) A qualification as a low-risk auditee, in accordance with the criteria in §200.520 for the most recent audit;
- (B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
- (C) For public institutions, a higher threshold consistent with State law

# Procurement Changes

## *Micro Purchase Awards*

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### **(v) Non-Federal entity increase to the micro-purchase threshold over \$50,000.**

Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The non-federal entity must submit a request with the requirements included in paragraph (a)(1)(iv) of this section. The increased threshold is valid until there is a change in status in which the justification was approved.

# Procurement Changes

## *Small Purchase Procedures*

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### (i) **Small purchase procedures.**

The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold.

If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.

# Procurement Changes

## *Simplified Acquisition Threshold (SAT)*

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### **Simplified acquisition thresholds.**

The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR.

When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.

# Procurement Changes

## *Simplified Acquisition Threshold (SAT)*

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### **(b) Formal procurement methods.**

When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required.

Formal procurement methods require the following documented procedures.

Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with §200.319 or paragraph (c) of this section.

The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:

Procurement by Sealed Bids

Procurement by Competitive Proposals.

# Procurement Changes

## Sole Source

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### (c) Noncompetitive procurement.

There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement only be awarded if when one or more of the following circumstances apply:

- (1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);
- (2) The item is available only from a single source;
- (3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation.



# Polling Question #3

Based on the numerous changes to the procurement standards my organization will address a revision and upgrade to our SOP for Federal awards:

- A. *Only when our awards exceed \$750,000 in incurred cost per year,*
- B. *Some time in the future as we would do a re-write in-house,*
- C. *In-house as we have had bad experiences with outside consultants.*
- D. *Since it has a significant impact on our procurement procedures as well as other aspects of our grants manual. We plan to put out an RFP for services in the near future.*
- E. *Since we view this revision as an immediate compliance requirement, we are open to unsolicited proposals to assist with a upgrade to our grants manual.*
- F. *Don't know as we do not have the internal expertise nor the funds to utilize an outside expert.*

# No Restriction on Using the 10% De Minimis Rate

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## §200.414(f)

(f) In addition to the procedures outlined in the appendices in paragraph (e) of this section, any non-Federal entity that does not have a current negotiated (including provisional) rate ~~that has never received a negotiated indirect cost rate~~, except for those non-Federal entities described in Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, par. D.1.b,

- May elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. No documentation is required to justify the 10% de minimis indirect cost rate.

(h) ~~The federally negotiated indirect rate, distribution base, and rate type for a non-Federal entity (except for the Indian tribes or tribal organizations, as defined in the Indian Self Determination...~~

- Must be available publicly on an OMB-designated Federal Web site.

# Questions?

Contact Us

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