



Update on Federal Grants Management Requirements Under 2 CFR Part 200

for State Arts Agencies and Regional Arts Organizations

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Who We Are / What We Do

The Grants & Contracts Office is responsible for ensuring that awards made by the NEA are **compliant** with Agency policies and procedures, as well as with applicable Federal laws, executive orders, rules and regulations.

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Title 2 CFR



The Code of Federal Regulations is the codification of rules published by the Federal government.

- The regulations have the force and effect of law.
- Title 2 is the section that covers all grants and agreements made by the Federal government.
- This includes requirements for Federal agencies that make grants, as well as for non-Federal entities that receive Federal grants and cooperative agreements.

What is Part 200?

Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

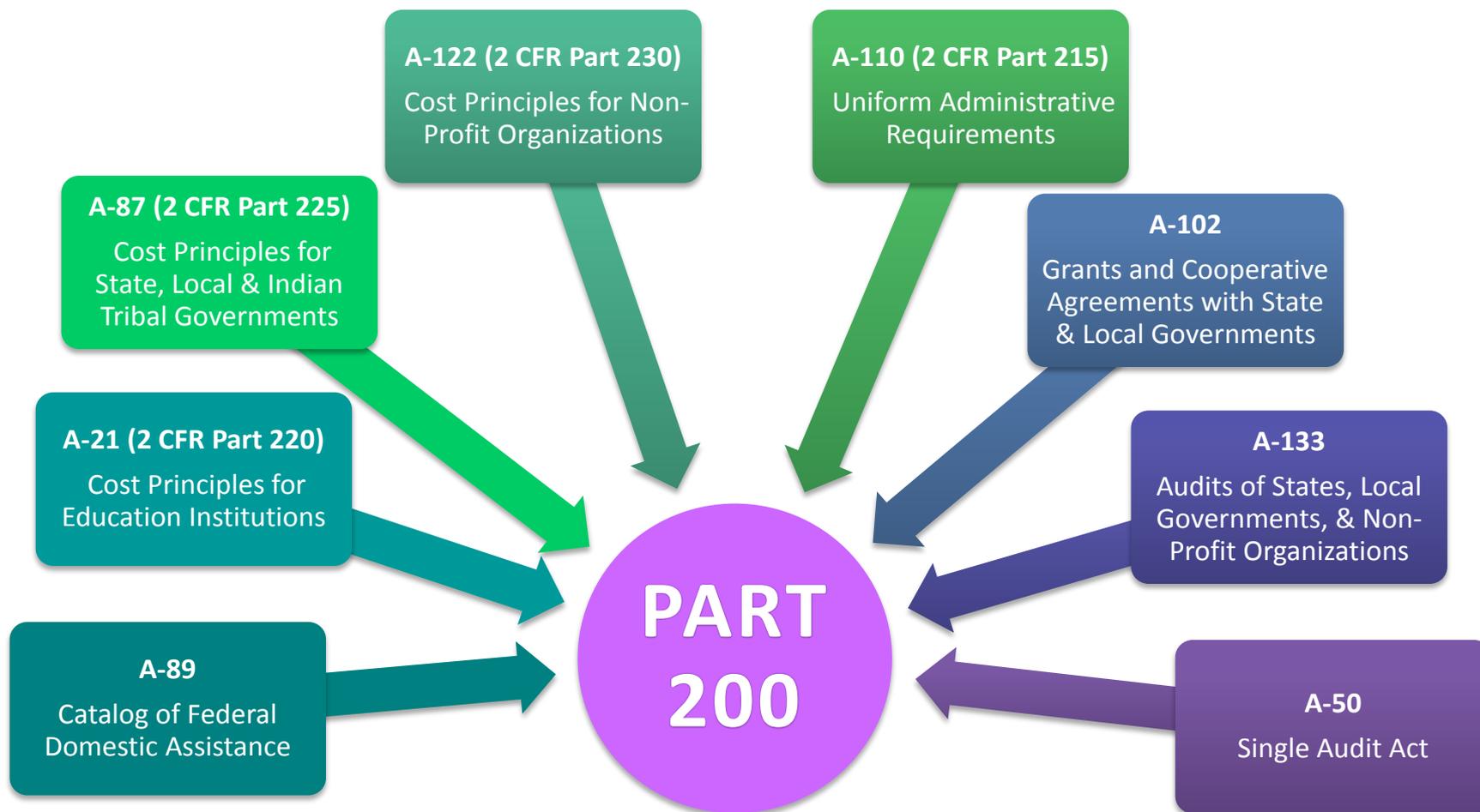
(aka the “Uniform Guidance” or “Omni-Circular”)

- Combines and streamlines eight previous federal financial assistance Circulars issued by OMB
- Formally goes into effect on **December 26, 2014**
- Requirements will apply to NEA partnership awards made after this date, and the subgrants issued from those awards



What is Part 200?

Part 200 supersedes and streamlines the previous OMB Circulars.

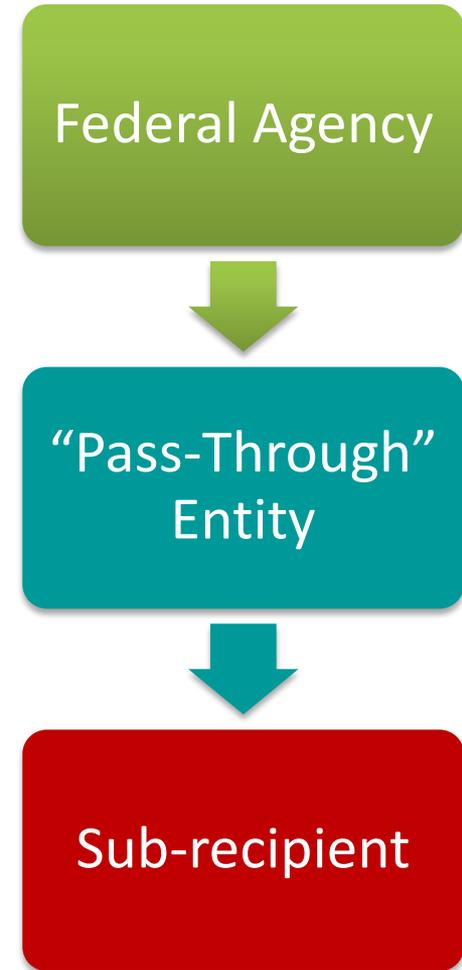


Part 200 and Pass-Through Entities



Part 200 includes Requirements for the “Prime” recipient and for Primes serving as Pass-through entities.

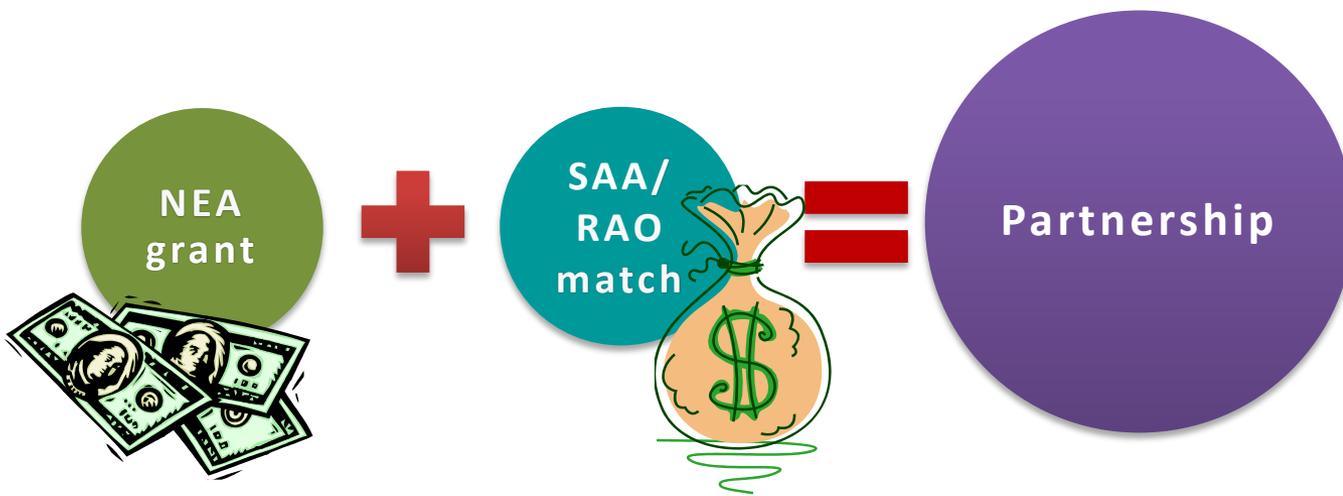
There is increased emphasis on the role that “pass-through” entities who subgrant play in monitoring Federal funds.





Defining the “Partnership” Award

Each Partnership grantee takes a slightly different approach to defining their Partnership activities.

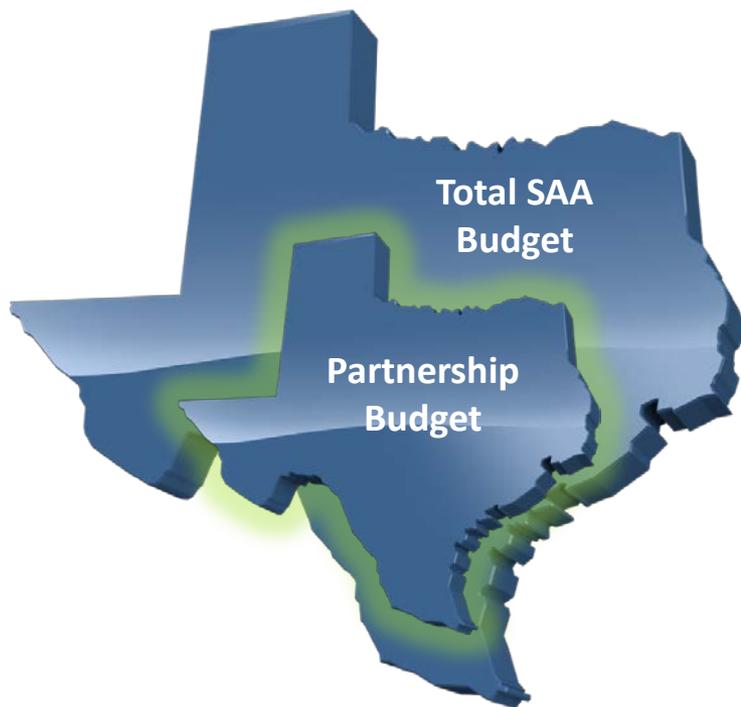


However your agency defines it, remember that **ALL** activities funded by Federal *and matching* dollars must comply with the administrative requirements and cost principles outlined in Part 200 as well as the NEA’s terms and conditions.



Defining the Partnership Award

You may choose to allocate additional SAA /RAO resources beyond the required match, but remember that these expenditures must be allowable.



All Partnership award expenditures must be:

- part of the approved state plan
- incurred within the grant period
- not prohibited by federal or NEA statutes, regulations or NEA terms and conditions



Select Administrative and Cost Changes

- Requirement to assess the potential subrecipient's risk of noncompliance. (200.331(b))
- Requirement to accept Federally-negotiated indirect costs, and the new "de minimis" indirect cost rate of 10%. (200.331(a)(4))
- Requirement for standardized information/data elements in award notices. (200.331(a))
- Clarified procurement standards. (200.317-318)

Assessing risk of subrecipients

- Evaluate each subrecipient's risk. This can be done pre-award, before you decide to make an award, and as part of post-award monitoring.
- Have guidance or instructions that's transparent to you, (e.g, what do staff do when...), your applicants, and your subrecipients.
- As appropriate, consider imposing specific subaward conditions, providing training or technical assistance, or taking enforcement action as necessary.





Indirect costs

Federal agencies and pass-through entities must now:

- Accept the non-federal entity's or subrecipient's Federally-negotiated indirect cost rate; or
- Allow the entity to include a "de minimus" indirect cost rate, not to exceed 10% of total modified direct costs; or
- Negotiate an indirect cost rate with the subrecipient (this is up to the pass-through entity).
- Describe your parameters in your guidelines/notice of funding opportunities.

Indirect costs

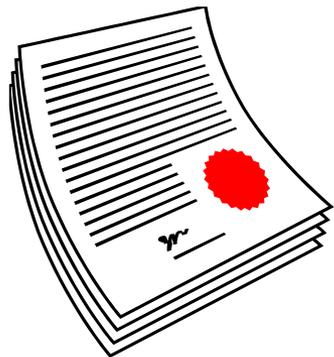
SECTION I: INDIRECT COST RATES

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FINAL	07/01/2010	06/30/2012	49.00	On-Campus	Organized Research
PRED.	07/01/2012	06/30/2016	51.50	On-Campus	Organized Research
FINAL	07/01/2010	06/30/2012	27.30	Off-Campus (1)	Organized Research
PRED.	07/01/2012	06/30/2013	26.90	Off-Campus (1)	Organized Research
PRED.	07/01/2013	06/30/2016	27.60	Off-Campus (1)	Organized Research
FINAL	07/01/2010	06/30/2012	26.00	Off-Campus	Organized Research
PRED.	07/01/2012	06/30/2016	26.00	Off-Campus	Organized Research
FINAL	07/01/2010	06/30/2012	47.00	On-Campus	Instruction
PRED.	07/01/2012	06/30/2016	52.00	On-Campus	Instruction
FINAL	07/01/2010	06/30/2012	26.00	Off-Campus	Instruction
PRED.	07/01/2012	06/30/2016	26.00	Off-Campus	Instruction
FINAL	07/01/2010	06/30/2012	35.00	On-Campus	Other Sponsored Activities

Award notices



All SAA notices to subrecipients for awards that are included as part of the defined “Partnership” activity must:

- Clearly identify that it is a Federal subaward
- Include the subrecipient’s name and DUNS
- Identify the amount of Federal funds being subawarded
- Reference information pertaining to the prime award (NEA agency name and grant number, prime award date, total amount of the prime award, purpose of the prime award, CFDA number, etc.)



A reminder about FFATA

The Federal Funding Accountability and Transparency Act requires that all sub-awards made with \$25,000 or more in Federal funds are reported via the Federal Subrecipient Reporting System (FSRS).

See www.fsrs.gov for more information

Clarifying Procurement Standards

- States must follow the same policies and procedures used for procurements with non-Federal funds.
- Subrecipients must use their own documented procedures. The procedures must include written standards of conduct covering conflict of interest.



- Prime and subrecipients must ensure that a contract will not be made to excluded parties – those that are under governmentwide suspension or debarment.

Conferences

- **Conferences:** Costs and activities must be appropriate, necessary, and managed in a manner that minimizes costs to the Federal award.



- **“Entertainment”:** Must be related to the project’s programmatic purpose.

Fundraising

- **Fundraising:** Fundraising costs for the purposes of meeting the Federal program objectives are allowable if approved by the Federal awarding agency.



Council on Financial Assistance Reform

www.cfo.gov/cofar

NEA

www.arts.gov/manageaward



Questions?



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