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MEMORANDUM

November 9, 2020

TO: All Agencies
FROM: JoVon Sotak, Administrator
SUBJECT: Uniform Guidance for Grants and Agreements Update

The Office of Grant Procurement, Coordination, and Management (Grant Office) has complied the substantive updates made to the President's Office of Management and Budget (OMB) Uniform Guidance for Grants and Agreements. These updates have the potential to directly affect state policy and procedures with regards to grant oversight, subaward management, and purchasing procedures. The Grant Office is providing this document to mitigate the increased compliance risk directly resulting from the COVID-19 crisis and the influx of federal funding.

About the Uniform Guidance

The Uniform Guidance for Grants and Agreements, also known as chapter 200 within title 2 of the Code of Federal Regulations (CFR) or 2 CFR 200, is the regulatory guidance for the management of federal grants.

How the Information Impacts State Agencies

Both grant recipients and subrecipients receiving federal funding must follow these guidelines, which may determine state policies and procedures that align with federal requirements. Recent revisions to these OMB guidelines may require updates to internal policies and procedures to maintain compliance with federal requirements. The attached document provides a table of the changes with an explanation of the published revisions (if applicable) so that state agencies and subrecipient organizations throughout Nevada can better determine which of their policies and procedures to update accordingly; the Grant Office will be revising the state's [Grant Policy Manual](#). The document also includes the specific, redlined changes to Uniform Guidance language.

Effective Dates

The Uniform Guidance updates are effective starting **November 13, 2020**, with the exception of §§200.216 and 200.340, which both became effective on **August 13, 2020**.

AMENDMENTS TO UNIFORM GUIDANCE

The Uniform Guidance for Grants and Agreements, also known as chapter 200 within title 2 of the Code of Federal Regulations (CFR) or 2 CFR 200, is the regulatory guidance for the management of federal grants. Federal awarding agencies and grant recipients and subrecipients receiving federal funding must follow these guidelines, and these guidelines determine written state policies and procedures that align with federal requirements.

According to the U.S. Office of Management and Budget (OMB), these revisions are limited in scope to support implementation of the PMA, Results-Oriented Accountability for Grants Cross-Agency Priority Goal (Grants CAP Goal), and other administration priorities; implementation of statutory requirements and alignment of these sections with other authoritative source requirements; and clarifications of existing requirements in particular areas within these sections.

This document provides a table of substantive changes with an explanation of the published revisions (if applicable) to assist state agencies and subrecipient organizations throughout Nevada to better understand these changes and to determine if their policies and procedures need to be updated accordingly. State grant programs may also be affected as per grant best practices, legislatively mandated state grant funds should be treated like federal funds. This document also includes the specific, redlined changes to Uniform Guidance language. **Though every effort has been made to ensure this summary of guidance is accurate, this is meant as a resource to assist state agencies and only substantive changes have been highlighted. Agencies are responsible for the awareness and adherence of all changes and are encouraged to consult the final guidance, as needed, as published in the *Federal Register*.**

These amendments are effective starting **November 12, 2020**, except for amendments to §§200.216 and 200.340, which are effective as of **August 13, 2020**.

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SUMMARY OF SUBSTANTIVE CHANGES TABLE

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
200.1 (no hyperlink/redline included)	<p>Regarding definitions, section 200.1 has been updated with the below clarifications and additions (however, this extensive section has not been included within the redline section of this document).</p> <ul style="list-style-type: none"> • <i>Assistance listings</i> has replaced <i>CFDA</i> (Catalog of Domestic Federal Assistance) • <i>Budget period</i> is a new addition • <i>Discretionary award</i> is a new addition • <i>Highest-level owner</i> is a new addition • <i>Improper payment</i> has been reorganized, expanded, and clarified • <i>Non-discretionary award</i> is a new addition • <i>Notice of funding opportunity</i> is a new addition • <i>Renewal award</i> is a new addition • <i>Simplified acquisition threshold</i> has been clarified • <i>Subsidiary</i> is a new addition • <i>Telecommunications cost</i> is a new addition 	<ul style="list-style-type: none"> • The Catalog of Domestic Federal Assistance website (CFDA.gov) was deprecated and all assistance listing information was moved into beta.sam.gov. CFDA numbers are now referred to as <i>assistance listing numbers</i>. • Budget period has been defined as the time interval between the start date and end date of a funded portion of an award. • Discretionary awards that allow the awarding agency to exercise judgment (i.e., discretion) when selecting recipients; these awards may or may not be awarded competitively. • The highest-level owner is the entity that owns or controls other owners but that has no entity owning it (e.g., the State of Nevada is the highest-level owner of other state agencies). • The definition for improper payment now specifically includes any payments made to an ineligible recipient or for an ineligible purchase and excludes interest or other fees that result from an underpayment when the interest was paid correctly. • Non-discretionary awards were previously referred to as <i>mandatory</i> and mean that the funding is awarded according to specific statutory authority and that the awarding agency has no ability exercise judgement when selecting recipients; these awards may be determined specifically or by formula. • The notice of funding opportunity is any paper or electronic issuance that an agency uses to announce a funding opportunity, whether it is called a “program announcement,” “notice of funding availability,” “broad agency announcement,” “research announcement,” “solicitation,” or some other term. • A renewal award is 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.

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
		<ul style="list-style-type: none"> • A nonfederal entity is responsible for determining an appropriate simplified acquisition threshold based on the entity's internal controls, risk assessment, and documented procurement procedures; recipients determine if local purchasing laws apply. In no circumstances can the threshold exceed the dollar value establishes in 48 CFR 2.1. • A subsidiary is an entity that is more than 50 percent controlled or owned by another entity. • Telecommunications costs include communication and telephony technologies, including the internet, mobile phones, and land lines.
200.101	Regarding the applicability of Uniform Guidance, federal awarding agencies may apply subparts A through E to federal agencies, for-profit entities, foreign public entities, or foreign organizations, except where the federal awarding agency determines that the application of these subparts would be inconsistent with the international responsibilities of the United States or the statutes or regulations of a foreign government. Throughout 2 CFR 200, the word “must” indicates a requirement; the use of the word “should” or “may” indicates a best practice or recommended approach rather than a requirement and permits discretion.	The additional language allows federal awarding agencies to apply parts of this section to other types of organizations including some foreign organizations except when inconsistent with international responsibilities and statutes. Also, this change clarifies that the use of <i>must</i> and <i>should</i> indicate a best practice or recommended approach rather than a requirement. Individual discretion may be used.
200.102	Regarding exceptions, the federal awarding agency may adjust requirements to a class of federal awards or non-federal entities when approved by OMB. Federal awarding agencies may request exceptions in support of innovative program designs that apply a risk-based, data-driven framework to alleviate select compliance requirements and hold recipients accountable for good performance per §200.206 .	This change encourages federal awarding agencies to apply a risk-based, data-driven framework to reduce compliance requirements for programs that demonstrate results. It also emphasizes that federal awarding agencies are encouraged to request exceptions to certain provisions of 2 CFR 200 to support these innovative, results-driven programs.
200.105	Regarding the effect on other issuance and the imposition of requirements on recipients, agencies may impose legally binding requirements on recipients only through the notice and public comment process through an approved agency process authorized by	Per OMB, this change was intended to reduce recipient burden and prevent federal awarding agencies from imposing non-binding guidance as award requirements for recipients that have not gone through appropriate public notice and comment. The ability to institute any regulations must be authorized under the federal award.

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
	Uniform Guidance, other statutes or regulations, or as incorporated into the terms of a federal award.	
200.110	Regarding the effective/applicability date of the Uniform Guidance revisions, parts of (a) were removed and (b) was updated to clarify that existing negotiated indirect cost rates (as of Aug. 13, 2020) will remain in place until they expire.	Per OMB, the intent of this change is to retain the existing negotiated cost rates until they are renegotiated and incorporate the requirements from these Uniform Guidance revisions.
200.201	Regarding fixed amount awards, this change specifies that a federal award agency may use a fixed amount awards if the project scope “has measurable goals and objectives.”	Previously fixed amount awards could be used if the scope of work was <i>specific</i> , but not necessarily associated with performance-based measures. This revision aligns with other Uniform Guidance changes that emphasize the inclusion of performance measures.
200.202	Regarding program planning and design, this new sections states a federal awarding agency must design a program and create an assistance listing before announcing the notice of funding opportunity. 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. Further, program performance shall be measured based on the goals and objectives developed during program planning and design and align with the strategic goals and objectives within the federal awarding agency’s performance plan and the Program Management Improvement Accountability Act (Pub. L. 114- 264).	This new section does two things: first, it formalizes a requirement that is already expected of federal awarding agencies to develop a strong program design by establishing program goals, objectives, and indicators, to the extent permitted by law, before the applications are solicited. Second, it provides new guidance for program planning and places a focus on program design that facilitates results and cross-references performance measurement (§200.301).
200.204	Regarding notices of funding opportunities, part (7) was added to include applicable terms and conditions for resulting awards, including any exceptions from standard terms.	These changes clarify what information must be included in a notice of funding opportunity. Within the full text of each funding opportunity, the applicable terms and conditions for any resulting awards must be included within the notice. Any exceptions to the standard terms must be included.
200.205	Regarding the review of proposals, language requiring and defining a merit award process has been added. The federal awarding agency must design and execute this process for application and periodically review its merit review process.	This section strengthens the merit review process (2 CFR 200.301) by specifying that the goal is to select recipients based on their ability to deliver results based on program objectives and ensuring review criteria are revisited periodically. Previously, federal awarding agencies were not required to review their process.

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
200.206	Regarding the review of risk posed by applicants, part (a)(1) has been revised to include the Improper Payments Elimination and Recovery Improvement Act of 2012. Part (2) has been expanded to require that federal awarding agencies, prior to making a federal award, consider all of the information available through the Federal Awardee Performance and Integrity Information System (FAPIIS) with regard to the applicant, including the highest-level owner. Part (c) has been added to allow risk-based requirements to be adjusted either pre-award or post-award after a risk evaluation.	This amendment allows federal awarding agencies to adjust requirements when a risk assessment indicates that it may be merited. The federal awarding agency <i>must</i> consider <i>all</i> of the information available in FAPIIS for not only the applicant, but any predecessors, subsidiaries, and the highest-level owner. This means that any State of Nevada agency's failure to abide by the terms and conditions of an award, as reported in FAPIIS, may affect the risk position of all State of Nevada agencies applying for federal funding.
200.208	Regarding special conditions, part (a) has been added to clarify that federal awarding agencies are responsible for ensuring that specific federal award conditions are consistent with §200.202 and §200.301 . Part (b) has clarified the factors to be analyzed when determining specific conditions.	Several updates were made in this change: federal awarding agencies must ensure that any special conditions placed on awards are consistent with program design requirements reflected in §200.202 and include clear performance measures and expectations per §200.301 . Next, federal awarding agencies and pass-through entities are permitted to adjust special conditions of an award based on certain factors, including criteria within §200.206 and the applicant's history, ability to meet performance goals, and a "responsibility determination" of an applicant or recipient. Last, this section is no longer limited to <i>increasing</i> special conditions based on an applicant's <i>failures</i> .
200.211	Regarding federal awards, part (a) has been added to require that federal awards include the federal award performance goals, indicators, targets, and baseline data, where applicable. The terms and conditions of the federal award must specify how performance will be assessed and include the timing and scope of expected performance. Per the addition of (b)(6), each federal award must now include the budget period start and end date. The general terms and conditions of federal awards must include, if applicable, future budget periods and termination provisions in §200.340 , including the applicable termination provisions in the federal awarding agency's regulations or in each federal award. The federal award must incorporate by reference the general terms and conditions of the award, which must be maintained on the agency's website.	Federal awarding agencies must clearly and unambiguously articulate the conditions under which a federal award may be terminated in their applicable regulations and in the terms and conditions, which must be posted to the agency's website. The termination provisions and performance goals must be included in every federal award. Per OMB, the intent of this change is to ensure that federal awarding agencies prioritize ongoing support to federal awards that meet program goals. If evidence reveals that a specific award objective is ineffective at achieving program goals, it may be in the government's interest to terminate the federal award.

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
200.215	Regarding contracts, grants and cooperative agreements, a new regulation has been added to prevent contracting with the enemy.	This new regulation—never contract with the enemy—also references a new chapter (2 CFR 183). It affects contracts, grants, and cooperative agreements that are over \$50,000, are performed outside the United States and its territories, and are in support of a contingency operation. <i>This revision is effective August 13, 2020.</i>
200.216	Regarding prohibitions on telecommunications and video surveillance services or equipment, a new regulation has been added.	This prevents procurement/obtaining new contracts or extend existing contracts with Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision, Digital Technology Company, and Dahua Technology Company. <i>This revision is effective August 13, 2020.</i>
200.301	Regarding performance reporting requirements, part (a) has been added to require that a federal awarding agency measure the recipient’s performance for specific purposes, related to program goals (§200.202), performance measures, and program monitoring (§200.329). The federal awarding agency may include program-specific requirements, as applicable. Part (c) has been added to operate in tandem with evidence-related statutes (e.g., The Foundations for Evidence-Based Policymaking Act of 2018). The federal awarding agency should also specify any requirements of award recipients’ participation in a federally funded evaluation, and any evaluation activities required to be conducted by the federal award.	These changes to performance reporting requirements seek to reduce the burden on recipients while shifting the balance between compliance and performance. It additionally requires federal awarding agencies to provide clear goals, objectives, targets and baseline data, and requires agencies to measure recipient performance, share lessons learned, and share best practices. It also emphasizes program planning and design activities and requires federal awarding agencies to measure recipient performance based on program planning and design.
200.305	Regarding payment and remittance information, the threshold in (8)(1) that requires nonfederal entities maintain advance payments of federal awards in interest-bearing accounts has been increased and part (9)(i) regarding returning interest on federal awards paid through the Payment Management System has been added.	This amendment updates information related to payment and remittance and specifies that, for states, payments are now governed by the Treasury Financial Manual (in addition to 31 CFR 205). The threshold in (8)(1) that requires nonfederal entities to maintain advance payments of Federal awards in interest-bearing accounts has been changed from “less than \$120,000” to “less than \$250,000.” The new part (9)(i) provides the specific steps nonfederal entities must take for returning interest on Federal awards paid through the Payment Management System.

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
200.308	Regarding budget and program plans, performance and program evaluation considerations may be included as required by an award's terms and conditions. The changes also specify that federal awarding agency may waive "other cost-related and administrative prior written approvals" and that funds may be carried forward to another budget period.	This change updates budget and program plans to include considerations for performance and evaluation purposes in accordance with terms and conditions of the award. Federal awarding agencies may waive other cost related and administrative prior approvals, which is more specific and restrictive than before. It also says the award can be carried forward to subsequent budget periods (not the period of performance), with federal awarding agency approval.
200.309	Regarding extensions, this section specifies the circumstances that result in an award's period of performance being modified.	Previously, this section did not give specific guidance as to when a period of performance needed to be modified by an awarding agency. Now, if extensions are approved, the period of performance will be amended to end at the end of the extension. If an award is terminated, the period of performance will end upon the termination. A renewal award creates a distinct period of performance.
200.317	Regarding procurement standards, this changes adds that a state's procurement contracts will comply with §§200.321 and 200.322.	States should continue to follow the procurement standards it uses for non-federal funds and comply with two additional sections that require nonfederal entities to contract with minority businesses, women's business enterprises, and labor surplus firms when possible (§200.321); and provide a preference for U.S. goods, products, or materials (§200.322).
200.320	Regarding procurement procedures, nonfederal entities must have and use documented procurement procedures, consistent with the standards of this section and §§200.317, 200.318, and 200.319 for any of the methods of procurement within the section for both federal awards and subawards. The methods of procurement have been expanded to include informal procurement methods and expand and clarify formal procurement methods. The informal procurement section includes much new information on micro-purchases, micro-purchase thresholds, and simplified acquisition thresholds.	To minimize administrative burden and cost, informal procurements are allowed to expedite transactions when the value of goods or services don't exceed the simplified acquisition threshold established by an entity. These revisions allow the nonfederal entity to self-certify their own increases and establish a micro-purchase threshold higher than the one identified by Federal Acquisition Regulations (FAR) up to \$50,000. Micro-purchase thresholds over \$50,000 must be approved by the cognizant agency for indirect costs [per the Federal Acquisition Regulations (FAR), the micro-purchase threshold has increased as of August 31, 2020 to \$10,000 (previously \$3,500) and the simplified acquisition threshold is now \$250,000 (previously \$150,000). Nevada state agencies follow §200.317; §200.320 which applies to other nonfederal entities, including subrecipients of state agencies].

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
200.322	Regarding procurement, a new regulation has been added to provide domestic preferences for procurement.	To the greatest extent practicable, a nonfederal entity should provide a preference for goods, products, or materials produced in the United States. These same requirements must be included in all subawards, contracts, and purchase orders under the award.
200.328	Regarding financial reporting, more restrictive language has been used and new language has been added regarding information collection.	Before this change, federal awarding agencies were permitted, though not required, to solicit only OMB-approved data elements for financial reporting. However, federal awarding agencies are now required to use OMB-approved common information collection for financial and performance reporting. This change is intended to reduce the administrative burden on recipients.
200.329	Regarding reporting program performance requirements, a new section (b) was added. The federal awarding agency must use OMB-approved reporting information collections. The due date of final performance reports for pass-through entities have been updated from 90 days to 120 days after the period of performance end date.	This change also requires that any financial data and accomplishments reported be related to the performance goals and objectives of award. Additionally, pass-through entities have an additional 30 days to prepare final performance reports and are now due no later than 120 days after performance period end date. Subrecipient must still submit final performance reports at the same time (no later than 90 days after the end of the period of performance). Note that this change applies only to final performance reports, not annual reports.
200.332	Regarding indirect cost rates, requirements for pass-through entities have been revised to include specific guidance. If no approved cost rate exists, the pass-through entity must determine the appropriate rate, which can be either an indirect cost rate negotiated between the pass-through entity and the subrecipient or the de minimis indirect cost rate. (The pass-through entity must not require use of a de minimis indirect cost rate if the subrecipient has a federally approved rate. Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with §200.405(d). Additionally, monitoring requirements have been revised to require that audit finding follow-up must include written confirmation from the subrecipient, highlighting the status of actions planned or taken to address any findings related to the particular subaward. The pass-through entity is also responsible for resolving audit findings	This allows all non-federal entities to elect the de minimis rate regardless of whether they have previously negotiated an indirect cost rate. It also allows a pass-through entity to rely on the cognizant audit agency or oversight audit agency to perform audit finding follow-up and make management decisions related to cross-cutting findings. A pass-through entity must not require the use of a de minimis indirect rate if the subrecipient has a federally approved rate.

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
	specifically related to the subaward and not responsible for resolving cross-cutting findings).	
200.340	Regarding termination, new language has been added to allow the federal awarding agency or pass-through entity to terminate a federal award if that award no longer effectuates the program goals or agency priorities. An award may also be terminated per clear and unambiguous termination provisions included in the federal award.	This strengthens the ability of the federal awarding agency and pass-through entities to terminate federal awards that no longer advance an agency's priorities or a program's goals. Previously, this section allowed an awarding agency to terminate an award "for cause." The new language regarding termination provisions within the federal award align with changes to §200.211 .
200.344	Regarding closeouts, several requirements have been updated and new language has been added: 1) If a nonfederal entity fails to complete the requirements, the federal awarding agency or pass-through entity will proceed to close out the federal award with the available information. 2) Section (a) was updated to change recipient due date of final reporting from 90 to 120 days, though subrecipients must submit all final reports to the pass-through entity no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and subrecipient). 3) All financial obligations must be liquidated no later than 120 days of closing of the performance period. 4) Section (g) creates a new requirement for prompt closeout when a recipient or subrecipient completes all closeout requirements. 5) The federal awarding agency must make every effort to complete closeout actions (including federal awarding agency actions in the grants management and payment systems) no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes. 6) New section (h) indicates that if the nonfederal entity does not submit all reports in accordance with this section and the terms and conditions of the federal award, the federal awarding agency must proceed to close out with the information available within one year of the period of performance end date. 7) New section (i) indicates that if the nonfederal entity does not submit all reports within one year of the period of performance end date, the federal awarding agency must report the nonfederal entity's material	Additionally, a failure to submit final reports per the terms and conditions of the award will be reported in Federal Awardee Performance and Integrity Information System (FAPIIS). In consideration of the changes to §200.206 that indicate federal awarding agencies conducting risk assessments must consider all of the information available in FAPIIS for not only the applicant, but any predecessors, subsidiaries, and the highest-level owner. Failure of any State of Nevada agency to closeout federal awards timely may affect the risk position of all State of Nevada agencies applying for federal funding.

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
	failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS). 8) Agencies may also pursue other enforcement actions per §200.339.	
200.414	Regarding indirect costs, section (f) has been updated so that any entity without a current negotiated rate may use the 10% de minimis indirect cost rate. Documentation is not required to justify the use of the de minimis rate. A new section (h) requires that a nonfederal entity's negotiated indirect rate, distribution base, and rate type (excluding Indian tribes or tribal organizations, as defined in the Indian Self Determination, Education and Assistance Act, 25 U.S.C. 450b(1)) must be available publicly on an OMB designated federal website.	Entities can use the de minimis rate if their previously approved rate has expired (previously it could be used only if a rate had <i>never</i> been negotiated). Note that if an entity has a provisional rate that is not expired, that provisional rate must be used. If the current negotiated rate is less than 10%, the negotiated rate must be used. Unlike with a negotiated rate, entities do not need a letter or other formal documentation authorizing them to use the de minimis rate. The de minimis rate is 10% of the modified total direct costs, which is the most complex base to calculate properly—this has not changed.
200.419	Regarding special considerations for institutions of higher education (IHE), section (b)(1) specifies the disclosure statement (DS-2) must be submitted in coordination with the IHE's indirect rate proposal, unless an earlier submission is requested by the cognizant agency for indirect costs. Additionally, IHEs with Cost accounting Standards- (CAS) covered contracts or subcontracts must submit their DS-2 or revisions prior to the award of the contract or subcontract. Section (b)(2) was revised to require an IHE to maintain an accurate DS-2 and expands the timing requirements for implementing changes after a DS-2 amendment has been filed.	This change provides specific guidance for submitting the DS-2 and applies only to institutions of higher education. The most notable change is that six-month advance requirement has been changed for DS-2 amendments; now, an amendment must only be filed in advanced of a disclosed practice being changed.
200.461	Regarding charges associated with professional journal publication and printing, these costs can occur during closeout and must be charged to the final budget period of the award, unless otherwise specified by the federal awarding agency.	This change extends the period when non-federal entities may charge a federal award for the costs of publication or sharing of research results from “before closeout” to “during close out.” It also formalizes that such costs be charged to the “final budget period” of the award.
200.471	Regarding allowable costs, this is a new regulation specific to telecommunications and video surveillance that allows costs for services or equipment such as phones, internet, video surveillance and cloud servers(though obligating or expending covered	This is a new regulation that allows for telecommunication costs to be allowable under certain conditions.

Updated CFR Chapter (Press CTRL+ click link for language)	Substantive Changes	Further Explanation
	telecommunications and video surveillance services or equipment or services as described in §200.216 is unallowed).	
200.513	Regarding cognizant agencies for audit responsibilities, for federal agencies, section (a)(1) was revised. When the direct funding represents less than 25 percent of the total expenditures (both direct and subawards) by the nonfederal entity, then the federal agency with the predominant amount of total funding is the designated cognizant agency for audit. Additionally, when a cognizant agency cooperates and supports a governmentwide audit quality project, that project can rely on the current and on-going quality control review work performed by the agencies, state auditors, and professional audit associations.	This amendment clarifies how a cognizant agency for audit is determined when an entity receives more federal subawards than direct federal funding. Previously, the cognizant agency was determined only by the predominant amount of direct funding and offered no guidance for situations when the subawards from a federal agency exceeded the amount of direct funding. The change also formalizes what materials can be used on audit projects.
Appendix I	Regarding the appendix for notice of funding opportunities, the full text has been updated to incorporate all the amendments to Uniform Guidance. The program description (section A) must include program goals and objectives, a reference to the relevant assistance listings, a description of how the award will contribute to the achievement of the program's goals and objectives, and the expected performance goals, indicators, targets, baseline data, data collection, and other outcomes such federal awarding agency expects to achieve, and may include examples of successful projects that have been funded previously. The suggested relevant federal award information (section B) now includes performance indicators, targets, baseline data, and data collection.	This change formalizes best practices and requires that critical information be included in the notice of funding opportunity .

REDLINE OF AMENDMENTS BY CHAPTER²

§200.101 APPLICABILITY.

(a) *General applicability* to Federal agencies.

(1) The requirements established in this part apply to Federal agencies that make Federal awards to non-Federal entities. These requirements are applicable to all costs related to Federal awards.

(2) Federal awarding agencies may apply subparts A through E of this part to Federal agencies, for-profit entities, foreign public entities, or foreign organizations, except where the Federal awarding agency determines that the application of these subparts would be inconsistent with the international responsibilities of the United States or the statutes or regulations of a foreign government

~~(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.

(2) The following table describes what portions of this part apply to which types of Federal awards. The terms and conditions of Federal awards (including this part) flow down to subawards to subrecipients unless a particular section of this part or the terms and conditions of the Federal award specifically indicate otherwise. This means that non-Federal entities must comply with requirements in this part regardless of whether the non-Federal entity is a recipient or subrecipient of a Federal award. Pass-through entities must comply with the requirements described in ~~s~~Subpart D—**Post Federal Award Requirements** of this part, §§200.331~~0~~ **Subrecipient and contractor determinations** through 200.333~~2~~ **Fixed amount Subawards**, but not any requirements in this part directed towards Federal awarding agencies unless the requirements of this part or the terms and conditions of the Federal award indicate otherwise.

~~(2)(c)~~ *Federal award of cost-reimbursement contract under the FAR to a non-Federal entity.* When a non-Federal entity is awarded a cost-reimbursement contract, only ~~s~~Subpart D—**Post Federal Award Requirements** of this part, §§200.3310 Subrecipient and contractor **determinations** through 200.333~~2~~ **Fixed amount Subawards (in addition to any FAR related requirements for subaward monitoring)**, ~~s~~Subpart E—**Cost Principles** of this part and ~~s~~Subpart

² In this section, the stylistic preferences used in 2 CFR 200 have been retained so as not to cause confusion regarding the redline.

F—~~Audit Requirements~~ of this part are incorporated by reference into the contract, but the requirements of subparts D, E, and F are supplementary to the FAR and the contract. ~~However,~~ When the Cost Accounting Standards (CAS) are applicable to the contract, they take precedence over the requirements of this part, including except for Ssubpart F—~~Audit Requirements~~ of this part, which are supplementary to the CAS requirements. ~~when they are in conflict.~~ In addition, costs that are made unallowable under 10 U.S.C. 2324(e) and 41 U.S.C. 4304(a) as described in the FAR 48 CFR subpart 31.2 and ~~subpart 48 CFR~~ 31.603 are always unallowable. For requirements other than those covered in ~~s~~Subpart D—~~Post Federal Award Requirements~~ of this part, §§200.331~~0 Subrecipient and contractor determinations~~ through 200.332~~3 Fixed amount Subawards~~, sSubpart E—~~Cost Principles~~ of this part and sSubpart F—~~Audit Requirements~~ of this part, the terms of the contract and the FAR apply. Note that when a non-Federal entity is awarded a FAR contract, the FAR applies, and the terms and conditions of the contract shall prevail over the requirements of this part.

(3d) Governing provisions. With the exception of ~~S~~subpart F—~~Audit Requirements~~ of this part, which is required by the Single Audit Act, in any circumstances where the provisions of Federal statutes or regulations differ from the provisions of this part, the provision of the Federal statutes or regulations govern. This includes, for agreements with Indian tribes, the provisions of the Indian Self-Determination and Education and Assistance Act (ISDEAA), as amended, 25 U.S.C 450-458ddd-2.

~~(e) Federal awarding agencies may apply subparts A through E of this part to for-profit entities, foreign public entities, or foreign organizations, except where the Federal awarding agency determines that the application of these subparts would be inconsistent with the international obligations of the United States or the statutes or regulations of a foreign government.~~

~~(de)~~ Program applicability. Except for §200.202 203 ~~Requirement to provide public notice of Federal financial assistance programs~~ and §§200.331~~0 Subrecipient and contractor determinations~~ through 200.332~~3 Fixed amount Subawards~~ of sSubpart D—~~Post Federal Award Requirements of this part~~, the requirements in sSubpart C—~~Pre-Federal Award Requirements and Contents of Federal Awards~~, sSubpart D—~~Post Federal Award Requirements~~ of this part, and sSubpart E—~~Cost Principles~~ of this part do not apply to the following programs:

(1) The block grant awards authorized by the Omnibus Budget Reconciliation Act of 1981 (including Community Services), except to the extent that Subpart E—Cost Principles of this Part apply to subrecipients of Community Services Block Grant funds pursuant to 42 U.S.C. 9916(a)(1)(B);

- (2) Federal awards to local education agencies under 20 U.S.C. 7702-7703b, (portions of the Impact Aid program);
- (3) Payments under the Department of Veterans Affairs' State Home Per Diem Program (38 U.S.C. 1741); and
- (4) Federal awards authorized under the Child Care and Development Block Grant Act of 1990, as amended:
- (i) Child Care and Development Block Grant (42 U.S.C. 9858)
 - (ii) Child Care Mandatory and Matching Funds of the Child Care and Development Fund (42 U.S.C. 9858)
- (~~ef~~) [Additional program applicability](#). Except for §200.203~~2~~, ~~Requirement to provide public notice of Federal financial assistance programs~~ the guidance in [s](#)Subpart C—~~Pre-Federal Award Requirements and Contents of Federal Awards~~ of this part does not apply to the following programs:
- (1) Entitlement Federal awards to carry out the following programs of the Social Security Act:
 - (i) Temporary Assistance ~~to~~ [for](#) Needy Families (title IV-A of the Social Security Act, 42 U.S.C. 601-619);
 - (ii) Child Support Enforcement and Establishment of Paternity (title IV-D of the Social Security Act, 42 U.S.C. 651-669b);
 - (iii) Foster Care and Adoption Assistance (title IV-E of the Act, 42 U.S.C. 670-679c);
 - (iv) Aid to the Aged, Blind, and Disabled (titles I, X, XIV, and XVI-AABD of the Act, as amended);
 - (v) Medical Assistance (Medicaid) (title XIX of the Act, 42 U.S.C. 1396-1396w-5) not including the State Medicaid Fraud Control program authorized by section 1903(a)(6)(B) of the Social Security Act (42 U.S.C. 1396b(a)(6)(B)); and
 - (vi) Children's Health Insurance Program (title XXI of the Act, 42 U.S.C. 1397aa-1397mm).
 - (2) A Federal award for an experimental, pilot, or demonstration project that is also supported by a Federal award listed in paragraph (~~ef~~)(1) of this section;
 - (3) Federal awards under subsection 412(e) of the Immigration and Nationality Act and subsection 501(a) of the Refugee Education Assistance Act of 1980 (Pub. L. 96-422, 94 Stat. 1809), for cash assistance, medical assistance, and supplemental security income benefits to refugees and entrants and the administrative costs of providing the assistance and benefits (8 U.S.C. 1522(e));
 - (4) Entitlement awards under the following programs of The National School Lunch Act:
 - (i) National School Lunch Program (section 4 of the Act, 42 U.S.C. 1753),

- (ii) Commodity Assistance (section 6 of the Act, 42 U.S.C. 1755),
 - (iii) Special Meal Assistance (section 11 of the Act, 42 U.S.C. 1759a),
 - (iv) Summer Food Service Program for Children (section 13 of the Act, 42 U.S.C. 1761), and
 - (v) Child and Adult Care Food Program (section 17 of the Act, 42 U.S.C. 1766).
- (5) Entitlement awards under the following programs of The Child Nutrition Act of 1966:
- (i) Special Milk Program (section 3 of the Act, 42 U.S.C. 1772),
 - (ii) School Breakfast Program (section 4 of the Act, 42 U.S.C. 1773), and
 - (iii) State Administrative Expenses (section 7 of the Act, 42 U.S.C. section 1776).
- (6) Entitlement awards for State Administrative Expenses under The Food and Nutrition Act of 2008 (section 16 of the Act, 7 U.S.C. 2025).
- (7) Non-discretionary Federal awards under the following non-entitlement programs:
- (i) Special Supplemental Nutrition Program for Women, Infants and Children (section 17 of the Child Nutrition Act of 1966) 42 U.S.C. section 1786;
 - (ii) The Emergency Food Assistance Programs (Emergency Food Assistance Act of 1983) 7 U.S.C. section 7501 note; and
 - (iii) Commodity Supplemental Food Program (section 5 of the Agriculture and Consumer Protection Act of 1973) 7 U.S.C. section 612c note.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75880, Dec. 19, 2014; 80 FR 54407, Sept. 10, 2015]

§200.102 EXCEPTIONS.

(a) With the exception of ~~s~~Subpart F—**Audit Requirements** of this part, OMB may allow exceptions for classes of Federal awards or non-Federal entities subject to the requirements of this part when exceptions are not prohibited by statute. ~~However, i~~n the interest of maximum uniformity, exceptions from the requirements of this part will be permitted ~~only as described in this section. in unusual circumstances. Exceptions for classes of Federal awards or non-Federal entities will be published on the OMB Web site at www.whitehouse.gov/omb.~~

(b) Exceptions on a case-by-case basis for individual non-Federal entities may be authorized by the Federal awarding agency or cognizant agency for indirect costs, except where otherwise required by law or where OMB or other approval is expressly required by this part.

(c) The Federal awarding agency may ~~apply more restrictive~~ adjust requirements to a class of Federal awards or non-Federal entities when approved by OMB, or when, required by Federal statutes or regulations, except for the requirements in ~~s~~Subpart F—**Audit Requirements** of this part. A Federal awarding agency may apply less restrictive requirements when making fixed amount awards as defined in ~~S~~ubpart A—**Acronyms and Definitions** of this part, except for those requirements imposed by statute or in ~~s~~Subpart F—**Audit Requirements** of this part.

(d) Federal awarding agencies may request exceptions in support of innovative program designs that apply a risk-based, data-driven framework to alleviate select compliance requirements and hold recipients accountable for good performance. See also §200.206.

~~On a case-by-case basis, OMB will approve new strategies for Federal awards when proposed by the Federal awarding agency in accordance with OMB guidance (such as M-13-17) to develop additional evidence relevant to addressing important policy challenges or to promote cost-effectiveness in and across Federal programs. Proposals may draw on the innovative program designs discussed in M-13-17 to expand or improve the use of effective practices in delivering Federal financial assistance while also encouraging innovation in service delivery. Proposals submitted to OMB in accordance with M-13-17 may include requests to waive requirements other than those in Subpart F—Audit Requirements of this part.~~

~~[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75881, Dec. 19, 2014]~~

§200.105 EFFECT ON OTHER ISSUANCES.

(a) *Superseding inconsistent requirements*. For Federal awards subject to this part, all administrative requirements, program manuals, handbooks and other non-regulatory materials that are inconsistent with the requirements of this part must be superseded upon implementation of this part by the Federal agency, except to the extent they are required by statute or authorized in accordance with the provisions in §200.102 **Exceptions**.

(b) *Imposition of requirements on recipients*. Agencies may impose legally binding requirements on recipients only through the notice and public comment process through an approved agency process, including as authorized by this part, other statutes or regulations, or as incorporated into the terms of a Federal award.

§200.110 EFFECTIVE/APPLICABILITY DATE.

(a) The standards set forth in this part that affect the administration of Federal awards issued by Federal awarding agencies become effective once implemented by Federal awarding agencies or when any future amendment to this part becomes final. ~~Federal awarding agencies must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014, unless different provisions are required by statute or approved by OMB.~~

~~For the procurement standards in §§200.317 through 200.328, non-Federal entities may continue to comply with the procurement standards in previous OMB guidance (as reflected in §200.104) for a total of three fiscal years after this part goes into effect. As such, the effective date for implementation of the procurement standards for non-Federal entities will start for fiscal years beginning on or after December 26, 2017. If a non-Federal entity chooses to use the previous procurement standards for all or part of these three fiscal years before adopting the procurement standards in this part, the non-Federal entity must document this decision in its internal procurement policies.~~

~~(b) The standards set forth in Subpart F—Audit Requirements of this part and any other standards which apply directly to Federal agencies will be effective December 26, 2013 and will apply to audits of fiscal years beginning on or after December 26, 2014.~~

~~[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75882, Dec. 19, 2014; 80 FR 54408, Sept. 10, 2015; 82 FR 22609, May 17, 2017]~~

~~(c) (b) Existing negotiated indirect cost rates (as of the publication date of the revisions to the guidance) 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. Therefore, for indirect cost rates and cost allocation plans, the revised Uniform Guidance (as of the publication date for revisions to the guidance) become effective in generating proposals and negotiating a new rate (when the rate is re-negotiated) for non-Federal entities.~~

§200.201 USE OF GRANT AGREEMENTS (INCLUDING FIXED AMOUNT AWARDS), COOPERATIVE AGREEMENTS, AND CONTRACTS.

(a) Federal award instrument. The Federal awarding agency or pass-through entity must decide on the appropriate instrument for the Federal award (i.e., grant agreement, cooperative agreement, or contract) in accordance with the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6301-08).

(b) Fixed ~~a~~Amount ~~a~~Awards. In addition to the options described in paragraph (a) of this section, Federal awarding agencies, or pass-through entities as permitted in §200.33~~2~~~~Fixed amount subawards~~, may use fixed amount awards (see ~~§200.45~~ Fixed amount awards ~~in section §200.1 of this part Definitions~~) to which the following conditions apply:

(1) The Federal award amount is negotiated using the cost principles (or other pricing information) as a guide. The Federal awarding agency or pass-through entity may use fixed amount awards if the project scope has measurable goals and objectives ~~is specific~~ and if adequate cost, historical, or unit pricing data is available to establish a fixed amount award based on a reasonable estimate of actual cost. Payments are based on meeting specific requirements of the Federal award. Accountability is based on performance and results. Except in the case of termination before completion of the Federal award, there is no governmental review of the actual costs incurred by the non-Federal entity in performance of the award. Some of the ways in which the Federal award may be paid include, but are not limited to:

(i) In several partial payments, the amount of each agreed upon in advance, and the “milestone” or event triggering the payment also agreed upon in advance, and set forth in the Federal award;

(ii) On a unit price basis, for a defined unit or units, at a defined price or prices, agreed to in advance of performance of the Federal award and set forth in the Federal award; or,

(iii) In one payment at Federal award completion.

(2) A fixed amount award cannot be used in programs which require mandatory cost sharing or match.

(3) The non-Federal entity must certify in writing to the Federal awarding agency or passthrough entity at the end of the Federal award that the project or activity was completed or the level of effort was expended. If the required level of activity or effort was not carried out, the amount of the Federal award must be adjusted.

(4) Periodic reports may be established for each Federal award.

(5) Changes in principal investigator, project leader, project partner, or scope of effort must receive the prior written approval of the Federal awarding agency or pass-through entity.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75882, Dec. 19, 2014]

§200.202 PROGRAM PLANNING AND DESIGN.

The Federal awarding agency must design a program and create an Assistance Listing before announcing the Notice of Funding Opportunity. 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 Circular A-11 (Preparation, Submission, and Execution of the Budget). The program must also be designed to align with the Program Management Improvement Accountability Act (Pub. L. 114-264).

§200.2043 NOTICES OF FUNDING OPPORTUNITIES.

For discretionary competitive grants and cooperative agreements that are competed, the Federal awarding agency must announce specific funding opportunities by providing the following information in a public notice:

(a) Summary information in notices of funding opportunities. The Federal awarding agency must display the following information posted on the OMB-designated governmentwide ~~Web~~ site website for finding funding and applying for Federal financial assistance, in a location preceding the full text of the announcement:

(1) Federal Awarding Agency Name;

(2) Funding Opportunity Title;

(3) Announcement Type (whether the funding opportunity is the initial announcement of this funding opportunity or a modification of a previously announced opportunity);

(4) Funding Opportunity Number (required, if applicable). If the Federal awarding agency has assigned or will assign a number to the funding opportunity announcement, this number must be provided;

(5) Assistance listing Listings ~~Catalog of Federal Domestic Assistance (CFDA)~~ number Number(s);

(6) Key Dates. Key dates include due dates for applications or Executive Order 12372 submissions, as well as for any letters of intent or pre-applications. For any announcement issued before a program's application materials are available, key dates also include the date on which those materials will be released; and any other additional information, as deemed applicable by the relevant Federal awarding agency.

(b) Availability period. The Federal awarding agency must generally make all funding opportunities available for application for at least 60 calendar days. The Federal awarding agency may make a determination to have a less than 60 calendar day availability period but no funding opportunity should be available for less than 30 calendar days unless exigent circumstances require as determined by the Federal awarding agency head or delegate.

(c) Full text of funding opportunities. The Federal awarding agency must include the following information in the full text of each funding opportunity. For specific instructions on the content required in this section, refer to Appendix I to this Part 200—~~Full Text of Notice of Funding Opportunity to this part~~.

- (1) Full programmatic description of the funding opportunity.
- (2) Federal award information, including sufficient information to help an applicant make an informed decision about whether to submit an application. (See also §200.414 ~~Indirect (F&A) costs, paragraph~~ (c)(4)).
- (3) Specific eligibility information, including any factors or priorities that affect an applicant's or its application's eligibility for selection.
- (4) Application Preparation and Submission Information, including the applicable submission dates and time.
- (5) Application Review Information including the criteria and process to be used to evaluate applications. See also §§200.20~~54 Federal awarding agency review of merit proposals~~ and 200.~~205~~ 206 ~~Federal awarding agency review of risk posed by applicants.~~
- (6) Federal Award Administration Information. See also §200.21~~10 Information contained in a Federal award.~~
- (7) Applicable terms and conditions for resulting awards, including any exceptions from these standard terms.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75882, Dec. 19, 2014; 80 FR 43308, July 22, 2015; 80 FR 54408, Sept. 10, 2015]

§200.2054 FEDERAL AWARDING AGENCY REVIEW OF MERIT OF PROPOSALS.

For ~~competitive~~ discretionary Federal awards, ~~grants or cooperative agreements~~, unless prohibited by Federal statute, the Federal awarding agency must design and execute a merit review process for applications, with the objective of selecting the recipients most likely to be successful in delivering results based on the program objectives outlined in section §200.202. A merit review is an objective process of evaluating Federal award applications in accordance with written standards set forth by the Federal awarding agency. This process must be described or incorporated by reference in the applicable funding opportunity. (~~See a~~ Appendix I to this part.) See also §200.204.~~to this part , Full text of the Funding Opportunity.) See also §200.2043 Notices of funding opportunities.~~ The Federal awarding agency must also periodically review its merit review process.

§200.20~~6~~⁵ FEDERAL AWARDING AGENCY REVIEW OF RISK POSED BY APPLICANTS.

(a) Review of OMB-designated repositories of governmentwide data.

(1) Prior to making a Federal award, the Federal awarding agency is required by [the Improper Payments Elimination and Recovery Improvement Act of 2012](#), 31 U.S.C. 3321, [note](#), and 41 U.S.C. 2313 [note](#) to review information available through any OMB-designated repositories of governmentwide eligibility qualification or financial integrity information as appropriate. See also suspension and debarment requirements at 2 CFR part 180 as well as individual Federal agency suspension and debarment regulations in title 2 of the Code of Federal Regulations.

(2) In accordance 41 U.S.C. 2313, the Federal awarding agency is required to review the nonpublic segment of the OMB-designated integrity and performance system accessible through SAM (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) prior to making a Federal award where the Federal share is expected to exceed the simplified acquisition threshold, defined in 41 U.S.C. 134, over the period of performance. [As required by Public Law 112-239, National Defense Authorization Act for Fiscal Year 2013, prior to making a Federal award, the Federal awarding agency must consider all of the information available through FAPIIS with regard to the applicant and any immediate highest level owner, predecessor \(i.e.; a non-Federal entity that is replaced by a successor\), or subsidiary, identified for that applicant in FAPIIS, if applicable.](#) At a minimum, the information in the system for a prior Federal award recipient must demonstrate a satisfactory record of executing programs or activities under Federal grants, cooperative agreements, or procurement awards; and integrity and business ethics. The Federal awarding agency may make a Federal award to a recipient who does not fully meet these standards, if it is determined that the information is not relevant to the current Federal award under consideration or there are specific conditions that can appropriately mitigate the effects of the non-Federal entity's risk in accordance with §200.20~~8~~⁷ [Specific conditions.](#)

(b) [Risk evaluation.](#)

(1) ~~In addition, for competitive grants or cooperative agreements, t~~The Federal awarding agency must have in place a framework for evaluating the risks posed by applicants before they receive Federal awards. This evaluation may incorporate results of the evaluation of the applicant's eligibility or the quality of its application. If the Federal awarding agency determines that a Federal award will be made, special conditions that correspond to the degree of risk assessed may be applied to the Federal award. Criteria to be evaluated must be described in the

announcement of funding opportunity described in §200.204~~3~~ ~~Notices of funding opportunities.~~

(2~~e~~) In evaluating risks posed by applicants, the Federal awarding agency may use a risk-based approach and may consider any items such as the following:

(i~~1~~) Financial stability. Financial stability;

(ii~~2~~) Management systems and standards. Quality of management systems and ability to meet the management standards prescribed in this part;

(iii~~3~~) History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;

(viiv~~4~~) Audit reports and findings. Reports and findings from audits performed under ~~s~~Subpart F—~~Audit Requirements~~ of this part or the reports and findings of any other available audits; and

(v~~5~~) Ability to effectively implement requirements. The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

(c) Risk-based requirements adjustment. The Federal awarding agency may adjust requirements when a risk-evaluation indicates that it may be merited either pre-award or post-award.

(d) Suspension and debarment compliance.

(1) ~~In addition to this review, t~~The Federal awarding agency must comply with the guidelines on governmentwide suspension and debarment in 2 CFR part 180, and must require non-Federal entities to comply with these provisions. These provisions restrict Federal awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75882, Dec. 19, 2014; 80 FR 43308, July 22, 2015; 80 FR 69111, Nov. 9, 2015]

§200.20~~8~~⁷ SPECIFIC CONDITIONS.

(a) Federal awarding agencies are responsible for ensuring that specific Federal award conditions are consistent with the program design reflected in §200.202 and include clear performance expectations of recipients as required in §200.301.

(b~~a~~) The Federal awarding agency or pass-through entity may ~~impose additional~~ adjust specific Federal award conditions as needed, in accordance with ~~paragraphs (eb) and (de) of~~ this section, based on an analysis of the following factors: ~~under the following circumstances:~~

(1) Based on the criteria set forth in §200.20~~6~~⁵ ~~Federal awarding agency review of risk posed by applicants;~~

(2) ~~When The an~~ applicant or recipient~~t's~~ ~~has a~~ history of ~~failure to~~ compl~~iance~~ly with the general or specific terms and conditions of a Federal award;

(3) ~~When-an~~ The applicant or recipient's ~~fails~~ ability to meet expected performance goals as described in §200.21~~1~~⁰ ~~Information contained in a Federal award;~~ or

(4) A responsibility determination of ~~When~~ an applicant or recipient. ~~is not otherwise responsible.~~

(b~~c~~) These Aadditional Federal award conditions may include items such as the following:

(1) Requiring payments as reimbursements rather than advance payments;

(2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period ~~period of performance;~~

(3) Requiring additional, more detailed financial reports;

(4) Requiring additional project monitoring;

(5) Requiring the non-Federal entity to obtain technical or management assistance; or

(6) Establishing additional prior approvals.

(d~~e~~) If Tthe Federal awarding agency or pass-through entity is imposing additional requirements, they must notify the applicant or non-Federal entity as to:

(1) The nature of the additional requirements;

(2) The reason why the additional requirements are being imposed;

(3) The nature of the action needed to remove the additional requirement, if applicable;

(4) The time allowed for completing the actions if applicable, and

(5) The method for requesting reconsideration of the additional requirements imposed.

(~~e~~d) Any additional requirements ~~specific conditions~~ must be promptly removed once the conditions that prompted them have been satisfied ~~corrected~~.

[79 FR 75882, Dec. 19, 2014]

§200.21 ~~10~~ INFORMATION CONTAINED IN A FEDERAL AWARD.

A Federal award must include the following information:

(a) Federal award performance goals.

Performance goals, indicators, targets, and baseline data must be included in the Federal award, where applicable. The Federal awarding agency must also specify how performance will be assessed in the terms and conditions of the Federal award, including the timing and scope of expected performance. See §§200.202 and 200.301 for more information on Federal award performance goals.

~~(b)~~ General Federal ~~a~~Award ~~i~~Information. The Federal awarding agency must include the following general Federal award information in each Federal award:

(1) Recipient name (which must match the name associated with its unique entity identifier as defined at 2 CFR 25.315);

(2) Recipient's unique entity identifier;

(3) Unique Federal Award Identification Number (FAIN);

(4) Federal Award Date (see ~~§200.39~~ Federal award date in §200.201.);

(5) Period of Performance Start and End Date;

(6) Budget Period Start and End Date;

~~(7)~~ Amount of Federal Funds Obligated by this action;

~~(8)~~ Total Amount of Federal Funds Obligated;

~~(10)~~ Total Approved Cost Sharing or Matching, where applicable;

(10) Total Amount of the Federal Award including approved Cost Sharing or Matching;

(11) Budget Approved by the Federal Awarding Agency;

~~(10) Total Approved Cost Sharing or Matching, where applicable;~~

(11) Federal award ~~project~~ description, (to comply with statutory requirements (e.g., FFATA));

(12) Name of Federal awarding agency and contact information for awarding official,

(13) ~~CFDA~~ Assistance Listings Number and ~~Name~~ Title;

(14) Identification of whether the award is R&D; and

(15) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 ~~Indirect (F&A) costs~~).

(~~c~~**b**) General ~~T~~**erms** and ~~C~~**onditions**. (1) Federal awarding agencies must incorporate the following general terms and conditions either in the Federal award or by reference, as applicable:

(i) Administrative requirements. Administrative requirements implemented by the Federal awarding agency as specified in this part.

(ii) National policy requirements. These include statutory, executive order, other Presidential directive, or regulatory requirements that apply by specific reference and are not program-specific. See §200.300 Statutory and national policy requirements.

(iii) Recipient integrity and performance matters. If the total Federal share of the Federal award may include more than \$500,000 over the period of performance, the Federal awarding agency must include the term and condition available in Appendix XII of this part.—~~Award Term and Condition for Recipient Integrity and Performance Matters~~. See also §200.113 ~~Mandatory disclosures~~.

(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.

(v) Termination provisions. Federal awarding agencies must make recipients aware, in a clear and unambiguous manner, of the termination provisions in §200.340, including the applicable termination provisions in the Federal awarding agency's regulations or in each Federal award.

(2) The Federal award must ~~include wording to~~ incorporate, by reference, ~~the applicable set of all~~ general terms and conditions of the award, which must be maintained on the agency's website. ~~The reference must be to the Web site at which the Federal awarding agency maintains the general terms and conditions.~~

(3) If a non-Federal entity requests a copy of the full text of the general terms and conditions, the Federal awarding agency must provide it.

(4) Wherever the general terms and conditions are publicly available, the Federal awarding agency must maintain an archive of previous versions of the general terms and conditions, with effective dates, for use by the non-Federal entity, auditors, or others.

(~~d~~**e**) Federal ~~a~~**warding** ~~A~~**gency**, ~~P~~**rogram**, or Federal ~~A~~**ward** ~~S~~**pecific** ~~T~~**erms** and

Conditions. The Federal awarding agency ~~must~~ **may** include with each Federal award any terms and conditions necessary to communicate requirements that are in addition to the requirements outlined in the Federal awarding agency's general terms and conditions. [See also §200.208.](#) Whenever practicable, these specific terms and conditions also should be shared on [the agency's a public Web site website](#) and in notices of funding opportunities (as outlined in §200.2043 **Notices of funding opportunities**) in addition to being included in a Federal award. See also §200.2067 Standard application requirements.

~~(d) Federal Award Performance Goals. The Federal awarding agency must include in the Federal award an indication of the timing and scope of expected performance by the non-Federal entity as related to the outcomes intended to be achieved by the program. In some instances (e.g., discretionary research awards), this may be limited to the requirement to submit technical performance reports (to be evaluated in accordance with Federal awarding agency policy). Where appropriate, the Federal award may include specific performance goals, indicators, milestones, or expected outcomes (such as outputs, or services performed or public impacts of any of these) with an expected timeline for accomplishment. Reporting requirements must be clearly articulated such that, where appropriate, performance during the execution of the Federal award has a standard against which non-Federal entity performance can be measured. The Federal awarding agency may include program-specific requirements, as applicable. These requirements should be aligned with agency strategic goals, strategic objectives or performance goals that are relevant to the program. See also OMB Circular A-11, Preparation, Submission and Execution of the Budget Part 6 for definitions of strategic objectives and performance goals.~~

(e) [Federal awarding agency requirements](#). Any other information required by the Federal awarding agency.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75882, Dec. 19, 2014; 80 FR 43308, July 22, 2015]

§200.21~~5~~⁴ 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.

§200.216 PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.

(a) Recipients and subrecipients 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, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(i)(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(b) 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.

(c) See Public Law 115-232, section 889 for additional information.

(d) See also §200.471.

§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. These requirements must be aligned, to the extent permitted by law, with the Federal awarding agency strategic goals, strategic objectives or performance goals that are relevant to the program. See also OMB Circular A-11, Preparation, Submission, and Execution of the Budget Part 6.](#)

(b) The Federal awarding agency should provide recipients with clear performance goals, indicators, [targets](#), and [baseline data milestones](#) as described in §200.2101 ~~Information contained in a Federal award~~. Performance reporting frequency and content should be established to not only allow the Federal awarding agency to understand the recipient progress but also to facilitate identification of promising practices among recipients and build the evidence upon which the Federal awarding agency's program and performance decisions are made. [See §200.328 for more information on reporting program performance.](#)

(c) [This provision is designed to operate in tandem with evidence-related statutes \(e.g.: The Foundations for Evidence-Based Policymaking Act of 2018, which emphasizes collaboration and coordination to advance data and evidence-building functions in the Federal government\). The Federal awarding agency should also specify any requirements of award recipients' participation in a federally funded evaluation, and any evaluation activities required to be conducted by the Federal award.](#)

~~require the recipient to use OMB-approved standard information collections when providing financial and performance information. As appropriate and in accordance with above mentioned information collections, the Federal awarding agency must require the recipient to relate financial data to performance accomplishments of the Federal award. Also, in accordance with~~

~~above mentioned standard information collections, and when applicable, recipients must also provide cost information to demonstrate cost effective practices (e.g., through unit cost data). The recipient's performance should be measured in a way that will help the Federal awarding agency and other non-Federal entities to improve program outcomes, share lessons learned, and spread the adoption of promising practices.~~

§200.305 FEDERAL ~~PAYMENT~~ PAYMENT.

(a) For states, payments are governed by Treasury-State [Cash Management Improvement Act \(CMIA\)](#) agreements and default procedures codified at 31 CFR ~~part~~ 205 “~~Rules and Procedures for Efficient Federal-State Funds Transfers~~” and [Treasury Financial Manual \(TFM\)](#) 4A-2000, “~~Overall Disbursing Rules for All Federal Agencies~~”.

(b) For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. See also §200.302 ~~Financial management paragraph~~ (b)(6). Except as noted elsewhere in this part, Federal agencies must require recipients to use only OMB-approved, ~~standard government-wide~~ [governmentwide](#) information collection requests to request payment.

(1) The non-Federal entity must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in this part. Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The non-Federal entity must make timely payment to contractors in accordance with the contract provisions.

(2) Whenever possible, advance payments must be consolidated to cover anticipated cash needs for all Federal awards made by the Federal awarding agency to the recipient.

(i) Advance payment mechanisms include, but are not limited to, Treasury check and electronic funds transfer and must comply with applicable guidance in 31 CFR part 208, “~~Management of Federal Agency Disbursements~~”.

(ii) Non-Federal entities must be authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as they like when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

(3) Reimbursement is the preferred method when the requirements in [this](#) paragraph (b) cannot be met, when the Federal awarding agency sets a specific condition per §200.208~~7~~ **Specific conditions**, or when the non-Federal entity requests payment by reimbursement. This method may be used on any Federal award for construction, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal award constitutes a minor portion of the project. When the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.

(4) If the non-Federal entity cannot meet the criteria for advance payments and the Federal awarding agency or pass-through entity has determined that reimbursement is not feasible because the non-Federal entity lacks sufficient working capital, the Federal awarding agency or pass-through entity may provide cash on a working capital advance basis. Under this procedure, the Federal awarding agency or pass-through entity must advance cash payments to the non-Federal entity to cover its estimated disbursement needs for an initial period generally geared to the non-Federal entity's disbursing cycle. Thereafter, the Federal awarding agency or passthrough entity must reimburse the non-Federal entity for its actual cash disbursements. Use of the working capital advance method of payment requires that the pass-through entity provide timely advance payments to any subrecipients in order to meet the subrecipient's actual cash disbursements. The working capital advance method of payment must not be used by the passthrough entity if the reason for using this method is the unwillingness or inability of the passthrough entity to provide timely advance payments to the subrecipient to meet the subrecipient's actual cash disbursements.

(5) ~~Use of resources before requesting cash advance payments.~~ To the extent available, the non-Federal entity must disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

(6) Unless otherwise required by Federal statutes, payments for allowable costs by non-Federal entities must not be withheld at any time during the period of performance unless the conditions of §§200.208~~7~~ **Specific conditions**, sSubpart D—**Post Federal Award Requirements** of this part, including §200.~~338~~ 339 **Remedies for Noncompliance**, or one or more of the following applies:

(i) The non-Federal entity has failed to comply with the project objectives, Federal statutes, regulations, or the terms and conditions of the Federal award.

(ii) The non-Federal entity is delinquent in a debt to the United States as defined in OMB

Guidance Circular A-129, “Policies for Federal Credit Programs and Non-Tax Receivables.”

Under such conditions, the Federal awarding agency or pass-through entity may, upon reasonable notice, inform the non-Federal entity that payments must not be made for [financial](#) obligations incurred after a specified date until the conditions are corrected or the indebtedness to the Federal Government is liquidated.

(iii) A payment withheld for failure to comply with Federal award conditions, but without suspension of the Federal award, must be released to the non-Federal entity upon subsequent compliance. When a Federal award is suspended, payment adjustments will be made in accordance with §200.34~~23~~ **Effects of suspension and termination.**

(iv) A payment must not be made to a non-Federal entity for amounts that are withheld by the non-Federal entity from payment to contractors to assure satisfactory completion of work. A payment must be made when the non-Federal entity actually disburses the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(7) Standards governing the use of banks and other institutions as depositories of advance payments under Federal awards are as follows.

(i) The Federal awarding agency and pass-through entity must not require separate depository accounts for funds provided to a non-Federal entity or establish any eligibility requirements for depositories for funds provided to the non-Federal entity. However, the non-Federal entity must be able to account for ~~the receipt, obligation and expenditure of funds~~ [funds received, obligated, and expended.](#)

(ii) Advance payments of Federal funds must be deposited and maintained in insured accounts whenever possible.

(8) The non-Federal entity must maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply.:

(i) The non-Federal entity receives less than \$~~120~~ [250](#),000 in Federal awards per year.

(ii) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.

(iii) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

(iv) A foreign government or banking system prohibits or precludes ~~interest-bearing~~ interest-bearing accounts.

(9) Interest earned amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. **Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as “addenda records” by Financial Institutions) as that will assist in the timely posting of interest earned on federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF or another federal agency payment system. The remittance must be submitted as follows:**

(i) For returning interest on Federal awards paid through PMS, the refund should:

(A) Provide an explanation stating that the refund is for interest;

(B) List the PMS Payee Account Number(s) (PANs);

(C) List the Federal award number(s) for which the interest was earned; and

(D) Make returns payable to: Department of Health and Human Services.

(ii) For returning interest on Federal awards not paid through PMS, the refund should:

(A) Provide an explanation stating that the refund is for interest;

(B) Include the name of the awarding agency;

(C) List the Federal award number(s) for which the interest was earned; and

(D) Make returns payable to: Department of Health and Human Services.

(10) Funds, principal, and excess cash returns must be directed to the original Federal agency payment system. The non-Federal entity should review instructions from the original Federal agency payment system. Returns should include the following information:

(i) Payee Account Number (PAN), if the payment originated from PMS, or Agency information to indicate whom to credit the funding if the payment originated from ASAP, NSF, or another Federal agency payment system.

(ii) PMS document number and subaccount(s), if the payment originated from PMS, or relevant account numbers if the payment originated from another Federal agency payment system.

(iii) The reason for the return (e.g., excess cash, funds not spent, interest, part interest part other, etc.)

(11) When returning funds or interest to PMS you must include the following as applicable:

(i) For ACH Returns:

Routing Number: 051036706

Account number: 303000

Bank Name and Location: Credit Gateway—ACH Receiver St. Paul, MN

(ii) For Fedwire Returns*:

Routing Number: 021030004

Account number: 75010501

Bank Name and Location: Federal Reserve Bank Treas NYC/Funds Transfer Division New York, NY

(* Please note that the organization initiating payment is likely to incur a charge from ~~your~~ their Financial Institution for this type of payment)

(iii) For International ACH Returns:

Beneficiary Account: Federal Reserve Bank of New York/ITS (FRBNY/ITS)

Bank: Citibank N.A. (New York)

Swift Code: CITIUS33

Account Number: 36838868

Bank Address: 388 Greenwich Street, New York, NY 10013 USA

Payment Details (Line 70): Agency Locator Code (ALC): 75010501

Name (abbreviated when possible) and ALC Agency POC: ~~Michelle Haney, (301) 492-5065~~

(iv) For recipients that do not have electronic remittance capability, please make check**

payable to: “The Department of Health and Human Services.”

Mail Check to Treasury approved lockbox:

HHS Program Support Center, P.O. Box 530231, Atlanta, GA 30353-0231

(** Please allow 4-6 weeks for processing of a payment by check to be applied to the appropriate PMS account)

(v) Questions can be directed to PMS at 877-614-5533 or PMSSupport@psc.hhs.gov ~~Any additional information/instructions may be found on the PMS Web site at <http://www.dpm.psc.gov/>~~

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75883, Dec. 19, 2014; 80 FR 54408, Sept.

10, 2015]

§200.308 REVISION OF BUDGET AND PROGRAM PLANS.

(a) The approved budget for the Federal award summarizes the financial aspects of the project or program as approved during the Federal award process. It may include either the Federal and non-Federal share (see ~~§200.43~~ [definition for](#) Federal share in §200.1) or only the Federal share, depending upon Federal awarding agency requirements. [The budget and program plans](#) ~~It must be related to~~ [include considerations for](#) performance [and](#) ~~for~~ program evaluation purposes whenever [required in accordance with the terms and conditions of the award](#). ~~appropriate.~~

(b) Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from Federal awarding agencies for budget and program plan revisions, in accordance with this section.

(c) ~~(1)~~ For non-construction Federal awards, recipients must request prior approvals from Federal awarding agencies for ~~one or more of~~ the following program or budget-related reasons:

~~(i)~~ [\(1\)](#) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

~~(ii)~~ [\(2\)](#) Change in a key person specified in the application or the Federal award.

~~(iii)~~ [\(3\)](#) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

~~(iv)~~ [\(4\)](#) The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with sSubpart E [of this part](#) ~~—Cost Principles of this part or 45 CFR part 75 Appendix IX, “Principles for Determining Costs Applicable to Research and Development under Awards and Contracts with Hospitals,” or 48 CFR part 31, “Contract Cost Principles and Procedures,”~~ as applicable.

~~(v)~~ [\(5\)](#) The transfer of funds budgeted for participant support costs as defined in §200.75 Participant support costs to other categories of expense.

~~(vi)~~ [\(6\)](#) Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award, including fixed amount subawards as described in §200.33~~32~~ ~~Fixed amount subawards~~. This provision does not apply to the acquisition of supplies, material, equipment or general support services.

~~(vii)~~ [\(7\)](#) Changes in the approved cost-sharing or matching provided by the non-Federal entity.

~~(viii)~~ [\(8\)](#) The need arises for additional Federal funds to complete the project.

~~(2)~~ [\(d\)](#) No other prior approval requirements for specific items may be imposed unless an exception

has been approved by OMB. See also §§200.102 **Exceptions** and 200.407 **Prior-written-approval** **(prior approval)**.

(~~d~~e) Except for requirements listed in paragraphs (c)(1) through (8) of this section, the Federal awarding agency is authorized, at its option, to waive other cost-related and administrative prior written approvals **required contained in sSubparts D and E. by paragraph (e) this section**. Such waivers may include authorizing recipients to do any one or more of the following:

(1) Incur project costs 90 calendar days before the Federal awarding agency makes the Federal award. Expenses more than 90 calendar days pre-award require prior approval of the Federal awarding agency. All costs incurred before the Federal awarding agency makes the Federal award are at the recipient's risk (i.e., the Federal awarding agency is **under** not required obligation to reimburse such costs if for any reason the recipient does not receive a Federal award or if the Federal award is less than anticipated and inadequate to cover such costs). See also §200.458 **Pre-award costs**.

(2) Initiate a one-time extension of the period of performance by up to 12 months unless one or more of the conditions outlined in paragraphs (de)(2)(i) through (iii) of this section apply. For one-time extensions, the recipient must notify the Federal awarding agency in writing with the supporting reasons and revised period of performance at least 10 calendar days before the end of the period of performance specified in the Federal award. This one-time extension **may** must not be exercised merely for the purpose of using unobligated balances. Extensions require explicit prior Federal awarding agency approval when:

(i) The terms and conditions of the Federal award prohibit the extension.

(ii) The extension requires additional Federal funds.

(iii) The extension involves any change in the approved objectives or scope of the project.

(3) Carry forward unobligated balances to subsequent budget periods **of performance**.

(4) For Federal awards that support research, unless the Federal awarding agency provides otherwise in the Federal award or in the Federal awarding agency's regulations, the prior approval requirements described in this paragraph (~~d~~e) are automatically waived (i.e., recipients need not obtain such prior approvals) unless one of the conditions included in paragraph (~~d~~e)(2) of this section applies.

(~~e~~f) The Federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for Federal awards in which the Federal share of the project exceeds the **Simplified Acquisition Threshold** simplified acquisition

[threshold](#) and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency. The Federal awarding agency cannot permit a transfer that would cause any Federal appropriation to be used for purposes other than those consistent with the appropriation.

(~~f~~[g](#)) All other changes to non-construction budgets, except for the changes described in paragraph (c) of this section, do not require prior approval (see also §200.407 ~~Prior-written approval (prior approval)~~)).

(~~g~~[h](#)) For construction Federal awards, the recipient must request prior written approval promptly from the Federal awarding agency for budget revisions whenever paragraph (~~g~~[h](#))(1), (2), or (3) of this section applies.:

- (1) The revision results from changes in the scope or the objective of the project or program.
- (2) The need arises for additional Federal funds to complete the project.
- (3) A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in [s](#)Subpart E—~~Cost Principles of this part~~.
- (4) No other prior approval requirements for budget revisions may be imposed unless an exception has been approved by OMB.
- (5) When a Federal awarding agency makes a Federal award that provides support for construction and non-construction work, the Federal awarding agency may require the recipient to obtain prior approval from the Federal awarding agency before making any fund or budget transfers between the two types of work supported.

(~~h~~[i](#)) When requesting approval for budget revisions, the recipient must use the same format for budget information that was used in the application, unless the Federal awarding agency indicates a letter of request suffices.

(~~i~~[j](#)) Within 30 calendar days from the date of receipt of the request for budget revisions, the Federal awarding agency must review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 calendar days, the Federal awarding agency must inform the recipient in writing of the date when the recipient may expect the decision.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75884, Dec. 19, 2014; 80 FR 54409, Sept. 10, 2015]

§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.

~~A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (except as described in §200.461 Publication and printing costs) and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.~~

§200.317 PROCUREMENTS BY STATES.

When procuring property and services under a Federal award, a Sstate must follow the same policies and procedures it uses for procurements from its non-Federal funds. The Sstate will comply with §§200.321, 200.322, and 200.323 ~~Procurement of recovered materials~~ and ensure that every purchase order or other contract includes any clauses required by ~~section~~ §200.3267 ~~Contract provisions~~. All other non-Federal entities, including subrecipients of a Sstate, ~~will~~ must follow the procurement standards in §§200.318 through 200.327 of this subpart. ~~General procurement standards through 200. Contract provisions.~~

§200.320 METHODS OF PROCUREMENT TO BE FOLLOWED.

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(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:

(1) ~~Procurement by micro~~ Micro-purchases.

(i) ~~Procurement by micro-purchase is the~~ 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 ~~must~~ should distribute micro-purchases equitably among qualified suppliers.

(ii) 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.

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

(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.

(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.

(b2) Procurement by small *Small purchases* procedures.

(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. ~~Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than 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.

(ii) 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.

(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 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:

~~(e1) Procurement by s~~Sealed bids ~~(formal advertising). A procurement method in which Bids~~ bids are publicly solicited and a firm fixed- price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions. ~~in paragraph (e)(1) of this section apply.~~

~~(1i)~~ In order for sealed bidding to be feasible, the following conditions should be present:

~~(iA)~~ A complete, adequate, and realistic specification or purchase description is available;

~~(iiB)~~ Two or more responsible bidders are willing and able to compete effectively for the business; and

~~(iiiC)~~ The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

~~(2ii)~~ If sealed bids are used, the following requirements apply:

~~(iA)~~ Bids must be solicited from an adequate number of qualified sources, ~~known suppliers~~, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

~~(iiB)~~ The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

~~(iiiC)~~ All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

~~(ivD)~~ A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

~~(vE)~~ Any or all bids may be rejected if there is a sound documented reason.

~~(d2) Procurement by competitive p~~Proposals. ~~The technique of competitive proposals is normally conducted with more than one source submitting an offer, and~~ A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are

generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with . ~~It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used,~~ the following requirements **apply**:

(~~1~~) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified ~~sources~~ offerors; Any response to publicized requests for proposals must be considered to the maximum extent practical;

(~~3~~ii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and ~~for selecting recipients~~ making selections;

(~~4~~iii) Contracts must be awarded to the responsible firm offeror whose proposal is most advantageous to the ~~program~~ non-Federal entity, with price and other factors considered; and

(~~5~~iv) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby ~~competitors~~² offeror's qualifications are evaluated and the most qualified ~~competitor~~ offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms that are a potential source to perform the proposed effort.

~~(e) [Reserved]~~

~~(c)(f3) Noncompetitive Procurement procurement.~~ There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used can only be awarded if ~~when~~ one or more of the following circumstances apply:

(~~1~~i) 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~~i) The item is available only from a single source;

(~~3~~2) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;

(~~4~~3) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive ~~proposals~~ procurement in response to a written request from the non-Federal entity; or

(~~5~~4) After solicitation of a number of sources, competition is determined inadequate.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 80 FR 54409, Sept. 10, 2015]

§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 subawards 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.

(2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

§200.~~327~~ 328 FINANCIAL REPORTING.

Unless otherwise approved by OMB, the Federal awarding agency ~~may~~ must solicit only the ~~standard~~, OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future, OMB-approved, governmentwide data elements available from the OMB-designated standards lead ~~collections as may be approved by OMB and listed on the OMB Web site~~). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting. The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information.

§200.328 329 MONITORING AND REPORTING PROGRAM PERFORMANCE.

(a) *Monitoring by the non-Federal entity.* The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. See also §200.3312 ~~Requirements for pass-through entities.~~

(b) Reporting program performance. The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information. As appropriate and in accordance with above mentioned information collections, the Federal awarding agency must require the recipient to relate financial data and accomplishments to performance goals and objectives of the Federal award. Also, in accordance with above mentioned common information collections, and when required by the terms and conditions of the Federal award, recipients must provide cost information to demonstrate cost effective practices (e.g., through unit cost data). In some instances (e.g., discretionary research awards), this will be limited to the requirement to submit technical performance reports (to be evaluated in accordance with Federal awarding agency policy). Reporting requirements must be clearly articulated such that, where appropriate, performance during the execution of the Federal award has a standard against which non-Federal entity performance can be measured.

~~(c)~~ Non-construction performance reports. The Federal awarding agency must use standard, governmentwide OMB-approved data elements for collection of performance information ~~(including performance progress reports, Research Performance Progress Reports., or such future collections as may be approved by OMB and listed on the OMB Web site).~~

(1) The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes. Reports submitted annually by the non-Federal entity and/or pass-through entity ~~Annual reports~~ must be due no later than 90 calendar days after the reporting period.; Reports submitted quarterly or semiannually ~~reports~~ must be due no later than 30 calendar days after the reporting period. Alternatively, the Federal awarding agency or pass-through entity may require annual reports before the anniversary dates of multiple year Federal awards. The final performance report submitted by the non-Federal entity and/or pass-through entity must be due

no later than ~~will be due 90~~ 120 calendar days after the period of performance end date. A subrecipient must submit to the pass-through entity, no later than 90 calendar days after the period of performance end date, all final performance reports as required by the terms and conditions of the Federal award. See also §200.344. If a justified request is submitted by a non-Federal entity, the Federal agency may extend the due date for any performance report.

(2) ~~The non-Federal entity must submit performance reports using OMB-approved governmentwide standard information collections when providing performance information.~~ As appropriate in accordance with above mentioned performance reporting ~~information collections~~, these reports will contain, for each Federal award, brief information on the following unless other data elements ~~collections~~ are approved by OMB in the agency information collection request:

(i) A comparison of actual accomplishments to the objectives of the Federal award established for the period. Where the accomplishments of the Federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful. Where performance trend data and analysis would be informative to the Federal awarding agency program, the Federal awarding agency should include this as a performance reporting requirement.

(ii) The reasons why established goals were not met, if appropriate.

(iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

~~(d)~~ *Construction performance reports.* For the most part, onsite technical inspections and certified percentage of completion data are relied on heavily by Federal awarding agencies and pass-through entities to monitor progress under Federal awards and subawards for construction. The Federal awarding agency may require additional performance reports only when considered necessary.

~~(e)~~ *Significant developments.* Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity. In such cases, the non-Federal entity must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

(2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

(~~f~~) [Site visits](#). The Federal awarding agency may make site visits as warranted by program needs.

(~~g~~) [Performance report requirement waiver](#). The Federal awarding agency may waive any performance report required by this part if not needed.

§200.~~334~~ 332 REQUIREMENTS FOR PASS-THROUGH ENTITIES.

All pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:
 - (1) Federal ~~a~~Award ~~i~~Identification.
 - (i) Subrecipient name (which must match the name associated with its unique entity identifier);
 - (ii) Subrecipient's unique entity identifier;
 - (iii) Federal Award Identification Number (FAIN);
 - (iv) Federal Award Date (see [the definition for of §200.39 Federal award date in §200.1 of this part Definitions](#)) of award to the recipient by the Federal agency;
 - (v) Subaward Period of Performance Start [and End Date](#);
 - (vi) Subaward Budget Period Start and End Date;
 - (vii) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
 - (viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current [financial](#) obligation;
 - ~~(viii)~~(ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
 - ~~(ix)~~(x) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
 - ~~(x)~~(xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
 - ~~(xi)~~(xii) [CFDA Assistance listing Listings nNumber](#) and [Name Title title](#); the pass-through entity must identify the dollar amount made available under each Federal award and the [CFDA Assistance listing Listings Number number](#) at time of disbursement;
 - ~~(xii)~~(xiii) Identification of whether the award is R&D; and

(~~xiii~~xiv) Indirect cost rate for the Federal award (including if the de minimis rate is charged) per §200.414 ~~Indirect (F&A) costs~~.

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

(4)(i) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government. If no approved rate exists, the pass-through entity must determine the appropriate rate in collaboration with the subrecipient, which is either: ~~or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f);;~~

(A)i) The negotiated indirect cost rate between the pass-through entity and the subrecipient; which can be based on a prior negotiated rate between a different PTE and the same subrecipient. If basing the rate on a previously negotiated rate, the pass-through entity is not required to collect information justifying this rate, but may elect to do so;

(B) The de minimis indirect cost rate.

(ii) The pass-through entity must not require use of a de minimis indirect cost rate if the subrecipient has a Federally approved rate. Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with §200.405(d).

(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and

(6) Appropriate terms and conditions concerning closeout of the subaward.

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

(1) The subrecipient's prior experience with the same or similar subawards;

(2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—**Audit Requirements** of this part, and the extent to which the same or similar subaward has been audited as a major program;

(3) Whether the subrecipient has new personnel or new or substantially changed systems; and

(4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

(c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.208 **Specific conditions.**

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

(1) Reviewing financial and performance reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and **other means.** written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.

(3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 **Management decision.**

(4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving cross-cutting findings. If a subrecipient 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 passthrough entity may rely on the subrecipient'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 subawards that conform to agency and award specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as

described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters; and
- (2) Performing on-site reviews of the subrecipient's program operations;
- (3) Arranging for agreed-upon-procedures engagements as described in §200.425 ~~Audit services.~~
- (f) Verify that every subrecipient is audited as required by Subpart F—~~Audit Requirements~~ of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 ~~Audit requirements.~~
- (g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
- (h) Consider taking enforcement action against noncompliant subrecipients as described in §200.3328 ~~Remedies for noncompliance~~ of this part and in program regulations.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 80 FR 54409, Sept. 10, 2015]

§200.~~339~~340 TERMINATION.

(a) The Federal award may be terminated in whole or in part as follows:

(1) By the Federal awarding agency or pass-through entity, if a non-Federal entity fails to comply with the terms and conditions of a Federal award;

(2) By the Federal awarding agency or pass-through entity, to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities; ~~for cause~~;

(3) By the Federal awarding agency or pass-through entity with the consent of the non-Federal entity, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; ~~or~~

(4) By the non-Federal entity upon sending to the Federal awarding agency or pass-through entity written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if the Federal awarding agency or pass-through entity determines in the case of partial termination that the reduced or modified portion of the Federal award or subaward will not accomplish the purposes for which the Federal award was made, the Federal awarding agency or pass-through entity may terminate the Federal award in its entirety; or.

(5) By the Federal awarding agency or pass-through entity pursuant to termination provisions included in the Federal award.

(b) A Federal awarding agency should clearly and unambiguously specify termination provisions applicable to each Federal award, in applicable regulations or in the award, consistent with this section.

~~(c)~~ When a Federal awarding agency terminates a Federal award prior to the end of the period of performance due to the non-Federal entity's material failure to comply with the Federal award terms and conditions, the Federal awarding agency must report the termination to the OMB-designated integrity and performance system accessible through SAM (currently FAPIIS).

(1) The information required under paragraph ~~(c)~~ of this section is not to be reported to designated integrity and performance system until the non-Federal entity either—

(i) Has exhausted its opportunities to object or challenge the decision, see §200.34~~2~~1 ~~Opportunities to object, hearings and appeals~~; or

(ii) Has not, within 30 calendar days after being notified of the termination, informed the Federal awarding agency that it intends to appeal the Federal awarding agency's decision to terminate.

(2) If a Federal awarding agency, after entering information into the designated integrity and performance system about a termination, subsequently:

(i) Learns that any of that information is erroneous, the Federal awarding agency must correct the information in the system within three business days;

(ii) Obtains an update to that information that could be helpful to other Federal awarding agencies, the Federal awarding agency is strongly encouraged to amend the information in the system to incorporate the update in a timely way.

(3) Federal awarding agencies, ~~shall~~ must not post any information that will be made publicly available in the non-public segment of designated integrity and performance system that is covered by a disclosure exemption under the Freedom of Information Act. If the non-Federal entity asserts within seven calendar days to the Federal awarding agency who posted the information, that some of the information made publicly available is covered by a disclosure exemption under the Freedom of Information Act, the Federal awarding agency who posted the information must remove the posting within seven calendar days of receiving the assertion. Prior to reposting the releasable information, the Federal agency must resolve the issue in accordance with the agency's Freedom of Information Act procedures.

~~(d)~~ When a Federal award is terminated or partially terminated, both the Federal awarding agency or pass-through entity and the non-Federal entity remain responsible for compliance with the requirements in §§200.34³⁴ ~~Closeout~~ and 200.34⁴⁵ ~~Post-closeout adjustments and continuing responsibilities.~~

[78 FR 78608, Dec. 26, 2013, as amended at 80 FR 43309, July 22, 2015]

§200.34~~43~~ CLOSEOUT.

The Federal awarding agency or pass-through entity will ~~close-out~~ 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 ~~closeout~~ close out the Federal award with the information available. This section specifies the actions the non-Federal entity and Federal awarding agency or pass-through entity must take to complete this process at the end of the period of performance.

(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 subrecipient 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 subrecipient) 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. The Federal awarding agency or pass-through entity may approve extensions when requested and justified by the non-Federal entity, as applicable.

(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.

(c) The Federal awarding agency or pass-through entity must make prompt payments to the non-Federal entity for ~~allowable-reimbursable~~ costs meeting the requirements in Subpart E of this part under the Federal award being closed out.

(d) The non-Federal entity must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that are not authorized to be retained by the non-Federal entity for use in other projects. See OMB Circular A-129 and see §200.34~~56~~ ~~Collection of amounts due~~, for requirements regarding unreturned amounts that become delinquent debts.

(e) Consistent with the terms and conditions of the Federal award, the Federal awarding agency or pass-through entity must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.

(f) The non-Federal entity must account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with §§200.310 through 200.316

~~Insurance coverage through 200.316 Property trust relationship~~ and 200.~~329~~330 ~~Reporting on real property.~~

(g) When a recipient or subrecipient completes all closeout requirements, ~~t~~The Federal awarding agency or pass-through entity must ~~should~~ promptly complete all closeout actions for Federal awards. The Federal awarding agency must make every effort to complete closeout actions no later than one year after ~~receipt and acceptance of all required final reports~~ the end of the period of performance unless otherwise directed by authorizing statutes. Closeout actions include Federal awarding agency actions in the grants management and payment systems.

(h) If the non-Federal entity does not submit all reports in accordance with this section and the terms and conditions of the Federal Award, the Federal awarding agency must proceed to close out with the information available within one year of the period of performance end date.

(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.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

§200.414 INDIRECT (F&A) COSTS.

(a) *Facilities and Administration Classification.* For major [Institutions of Higher Education \(IHE\)s](#) and major nonprofit organizations, indirect (F&A) costs must be classified within two broad categories: “Facilities” and “Administration.” “Facilities” is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. “Administration” is defined as general administration and general expenses such as the director’s office, accounting, personnel and all other types of expenditures not listed specifically under one of the subcategories of “Facilities” (including cross allocations from other pools, where applicable). For nonprofit organizations, library expenses are included in the “Administration” category; for [IHEs institutions of higher education](#), they are included in the “Facilities” category. Major IHEs are defined as those required to use the Standard Format for Submission as noted in [Appendix III to Part 200—Indirect \(F&A\) Costs Identification and Assignment](#), and Rate Determination for Institutions of Higher Education (IHEs) paragraph C. 11. Major nonprofit organizations are those which receive more than \$10 million dollars in direct Federal funding.

(b) *Diversity of nonprofit organizations.* Because of the diverse characteristics and accounting practices of nonprofit organizations, it is not possible to specify the types of cost which may be classified as indirect (F&A) cost in all situations. Identification with a Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards. However, typical examples of indirect (F&A) cost for many nonprofit organizations may include depreciation on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

(c) *Federal Agency Acceptance of Negotiated Indirect Cost Rates.* (See also §200.306 ~~Cost sharing or matching~~.)

(1) The negotiated rates must be accepted by all Federal awarding agencies. A Federal awarding agency may use a rate different from the negotiated rate for a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by a Federal awarding agency head or delegate based on documented justification as described in paragraph (c)(3) of this section.

(2) The Federal awarding agency head or delegate must notify OMB of any approved deviations.

(3) The Federal awarding agency must implement, and make publicly available, the policies, procedures and general ~~decision-making~~ [decision-making](#) criteria that their programs will follow

to seek and justify deviations from negotiated rates.

(4) As required under §200.20~~43~~ ~~Notices of funding opportunities~~, the Federal awarding agency must include in the notice of funding opportunity the policies relating to indirect cost rate reimbursement, matching, or cost share as approved under paragraph (e)(1) of this section. As appropriate, the Federal agency should incorporate discussion of these policies into Federal awarding agency outreach activities with non-Federal entities prior to the posting of a notice of funding opportunity.

(d) Pass-through entities are subject to the requirements in §200.33~~21~~ ~~Requirements for passthrough entities, paragraph~~ (a)(4).

(e) Requirements for development and submission of indirect (F&A) cost rate proposals and cost allocation plans are contained in Appendices III-VII and Appendix IX as follows:

(1) Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs);

(2) Appendix IV to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;

(3) Appendix V to Part 200—State/Local Governmentwide Central Service Cost Allocation Plans;

(4) Appendix VI to Part 200—Public Assistance Cost Allocation Plans;

(5) Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals; and

(6) Appendix IX to Part 200—Hospital Cost Principles.

(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, paragraph 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. As described in §200.403 ~~Factors affecting allowability of costs~~, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

(g) Any non-Federal entity that has a current federally~~-~~negotiated indirect cost rate may apply for a one-time extension of the rates in that agreement for a period of up to four years. This extension will be subject to the review and approval of the cognizant agency for indirect costs. If an extension is granted the non-Federal entity may not request a rate review until the extension period ends. At the end of the 4-year extension, the non-Federal entity must re-apply to negotiate a rate. Subsequent one-time extensions (up to four years) are permitted if a renegotiation is completed between each extension request.

(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, Education and Assistance Act, 25 U.S.C. 450b(1)) must be available publicly on an OMB-designated Federal Web site.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75886, Dec. 19, 2014]

§200.419 COST ACCOUNTING STANDARDS AND DISCLOSURE STATEMENT.

(a) An IHE that receives [an](#) aggregate **Federal awards** totaling \$50 million or more in Federal awards [and instruments](#) subject to this [subpart \(as specified in §200.101\)](#) in its most recently completed fiscal year must comply with the Cost Accounting Standards Board's cost accounting standards located at 48 CFR 9905.501, 9905.502, 9905.505, and 9905.506. CAS-covered contracts [and subcontracts](#) awarded to the IHEs are subject to the [broader range of](#) CAS requirements at 48 CFR 9900 through 9999 and 48 CFR part 30 (FAR Part 30).

(b) Disclosure statement. An IHE that receives [an](#) aggregate Federal awards totaling \$50 million or more [in Federal awards and instruments](#) subject to this [subpart \(as specified in §200.101\)](#) during its most recently completed fiscal year must disclose their cost accounting practices by filing a Disclosure Statement (DS-2), which is reproduced in Appendix III to Part 200—**Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)**. With the approval of the cognizant agency for indirect costs, an IHE may meet the DS-2 submission by submitting the DS-2 for each business unit that received \$50 million or more in Federal awards [and instruments](#).

(1) The DS-2 must be submitted to the cognizant agency for indirect costs with a copy to the IHE's cognizant agency for audit. [The initial DS-2 and revisions to the DS-2 must be submitted in coordination with the IHE's indirect \(F&A\) rate proposal, unless an earlier submission is requested by the cognizant agency for indirect costs. IHEs with CAS-covered contracts or subcontracts meeting the dollar threshold in 48 CFR 9903.202-1\(f\) must submit their initial DS-2 or revisions no later than prior to the award of a CAS-covered contract or subcontract.](#)

(2) An IHE ~~is responsible for~~ [must](#) maintaining an accurate DS-2 and complying with disclosed cost accounting practices. An IHE must file amendments to the DS-2 to the cognizant agency for indirect costs ~~six months~~ in advance of a disclosed practice being changed to comply with a new or modified standard, or when a practice is changed for other reasons. ~~An IHE may proceed with implementing the change only if it has not been notified by the Federal cognizant agency for indirect costs that either a longer period will be needed for review or there are concerns with the potential change within the six months period.~~ [An IHE may proceed with implementing the change after it has notified the Federal cognizant agency for indirect costs. If the change represents a variation from 2 CFR part 200, the change may require approval by the Federal cognizant agency for indirect costs, in accordance with §200.102\(b\).](#) Amendments of a DS-2 may be submitted at any time. Resubmission of a complete, updated DS-2 is discouraged except when there are extensive changes to disclosed practices.

(3) Cost and funding adjustments. Cost adjustments must be made by the cognizant agency for indirect costs if an IHE fails to comply with the cost policies in this part or fails to consistently follow its established or disclosed cost accounting practices when estimating, accumulating or reporting the costs of Federal awards, and the aggregate cost impact on Federal awards is material. The cost adjustment must normally be made on an aggregate basis for all affected Federal awards through an adjustment of the IHE's future F&A costs rates or other means considered appropriate by the cognizant agency for indirect costs. Under the terms of CAS covered contracts, adjustments in the amount of funding provided may also be required when the estimated proposal costs were not determined in accordance with established cost accounting practices.

(4) Overpayments. Excess amounts paid in the aggregate by the Federal Government under Federal awards due to a noncompliant cost accounting practice used to estimate, accumulate, or report costs must be credited or refunded, as deemed appropriate by the cognizant agency for indirect costs. Interest applicable to the excess amounts paid in the aggregate during the period of noncompliance must also be determined and collected in accordance with applicable Federal agency regulations.

(5) Compliant cost accounting practice changes. Changes from one compliant cost accounting practice to another compliant practice that are approved by the cognizant agency for indirect costs may require cost adjustments if the change has a material effect on Federal awards and the changes are deemed appropriate by the cognizant agency for indirect costs.

(6) Responsibilities. The cognizant agency for indirect cost must:

(i) Determine cost adjustments for all Federal awards in the aggregate on behalf of the Federal Government. Actions of the cognizant agency for indirect cost in making cost adjustment determinations must be coordinated with all affected Federal awarding agencies to the extent necessary.

(ii) Prescribe guidelines and establish internal procedures to promptly determine on behalf of the Federal Government that a DS-2 adequately discloses the IHE's cost accounting practices and that the disclosed practices are compliant with applicable CAS and the requirements of this part.

(iii) Distribute to all affected Federal awarding agencies any DS-2 determination of adequacy or noncompliance.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75886, Dec. 19, 2014]

§200.461 PUBLICATION AND PRINTING COSTS.

(a) Publication costs for electronic and print media, including distribution, promotion, and general handling are allowable. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the non-Federal entity.

(b) Page charges for professional journal publications are allowable where:

(1) The publications report work supported by the Federal Government; and

(2) The charges are levied impartially on all items published by the journal, whether or not under a Federal award.

(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.

§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) Obligor 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.

§200.513 RESPONSIBILITIES.

- (a) (1) Cognizant agency for audit responsibilities. A non-Federal entity expending more than \$50 million a year in Federal awards must have a cognizant agency for audit. The designated cognizant agency for audit must be the Federal awarding agency that provides the predominant amount of ~~direct~~ 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 cognizant agency for audit. When the direct funding represents less than 25 percent of the total expenditures (as direct and subawards) by the non-Federal entity, then the Federal agency with the predominant amount of total funding is the designated cognizant agency for audit.
- (2) To provide for continuity of cognizance, the determination of the predominant amount of direct funding must be based upon direct Federal awards expended in the non-Federal entity's fiscal years ending in ~~2009, 2014,~~ 2019, and every fifth year thereafter. ~~For example, audit cognizance for periods ending in 2011 through 2015 will be determined based on Federal awards expended in 2009.~~
- (3) Notwithstanding the manner in which audit cognizance is determined, a Federal awarding agency with cognizance for an auditee may reassign cognizance to another Federal awarding agency that provides substantial funding and agrees to be the cognizant agency for audit. Within 30 calendar days after any reassignment, both the old and the new cognizant agency for audit must provide notice of the change to the FAC, the auditee, and, if known, the auditor. The cognizant agency for audit must:
- (i) Provide technical audit advice and liaison assistance to auditees and auditors.
 - (ii) Obtain or conduct quality control reviews on selected audits made by non-Federal auditors, and provide the results to other interested organizations. Cooperate and provide support to the Federal agency designated by OMB to lead a governmentwide project to determine the quality of single audits by providing a ~~statistically~~ reliable estimate of the extent that single audits conform to applicable requirements, standards, and procedures; and to make recommendations to address noted audit quality issues, including recommendations for any changes to applicable requirements, standards and procedures indicated by the results of the project. The governmentwide project can rely on the current and on-going quality control review work performed by the agencies, State auditors, and professional audit associations. This governmentwide audit quality project must be performed once every 6 years (or at such other interval as determined by OMB) ~~beginning in 2018 or at such other interval as determined by OMB,~~ and the results must be public.

- (iii) Promptly inform other affected Federal agencies and appropriate Federal law enforcement officials of any direct reporting by the auditee or its auditor required by GAGAS or statutes and regulations.
- (iv) Advise the community of independent auditors of any noteworthy or important factual trends related to the quality of audits stemming from quality control reviews. Significant problems or quality issues consistently identified through quality control reviews of audit reports must be referred to appropriate state licensing agencies and professional bodies.
- (v) Advise the auditor, Federal awarding agencies, and, where appropriate, the auditee of any deficiencies found in the audits when the deficiencies require corrective action by the auditor. When advised of deficiencies, the auditee must work with the auditor to take corrective action. If corrective action is not taken, the cognizant agency for audit must notify the auditor, the auditee, and applicable Federal awarding agencies and pass-through entities of the facts and make recommendations for follow-up action. Major inadequacies or repetitive substandard performance by auditors must be referred to appropriate state licensing agencies and professional bodies for disciplinary action.
- (vi) Coordinate, to the extent practical, audits or reviews made by or for Federal agencies that are in addition to the audits made pursuant to this part, so that the additional audits or reviews build upon rather than duplicate audits performed in accordance with this part.
- (vii) Coordinate a management decision for cross-cutting audit findings (see **as defined in §200.30 Cross-cutting audit finding** [in §200.1 of this part](#)) that affect the Federal programs of more than one agency when requested by any Federal awarding agency whose awards are included in the audit finding of the auditee.
- (viii) Coordinate the audit work and reporting responsibilities among auditors to achieve the most cost-effective audit.
- (ix) Provide advice to auditees as to how to handle changes in fiscal years.
- (b) Oversight agency for audit responsibilities. An auditee who does not have a designated cognizant agency for audit will be under the general oversight of the Federal agency determined in accordance with [§200.1](#) ~~the §200.73~~ [§200.73](#) of this part. Oversight agency for audit. A Federal agency with oversight for an auditee may reassign oversight to another Federal agency that agrees to be the oversight agency for audit. Within 30 calendar days after any reassignment, both the old and the new oversight agency for audit must provide notice of the change to the FAC, the auditee, and, if known, the auditor. The oversight agency for audit:

- (1) Must provide technical advice to auditees and auditors as requested.
- (2) May assume all or some of the responsibilities normally performed by a cognizant agency for audit.
- (c) Federal awarding agency responsibilities. The Federal awarding agency must perform the following for the Federal awards it makes (See also the requirements of §200.21 **10 Information contained in a Federal award**):
 - (1) Ensure that audits are completed and reports are received in a timely manner and in accordance with the requirements of this part.
 - (2) Provide technical advice and counsel to auditees and auditors as requested.
 - (3) Follow-up on audit findings to ensure that the recipient takes appropriate and timely corrective action. As part of audit follow-up, the Federal awarding agency must:
 - (i) Issue a management decision as prescribed in §200.521 **Management decision**;
 - (ii) Monitor the recipient taking appropriate and timely corrective action;
 - (iii) Use cooperative audit resolution mechanisms (see **§200.25 the definition of Cooperative audit resolution in §200.1 of this part**) to improve Federal program outcomes through better audit resolution, follow-up, and corrective action; and
 - (iv) Develop a baseline, metrics, and targets to track, over time, the effectiveness of the Federal agency's process to follow-up on audit findings and on the effectiveness of Single Audits in improving non-Federal entity accountability and their use by Federal awarding agencies in making award decisions.
 - (4) Provide OMB annual updates to the compliance supplement and work with OMB to ensure that the compliance supplement focuses the auditor to test the compliance requirements most likely to cause improper payments, fraud, waste, abuse or generate audit finding for which the Federal awarding agency will take sanctions.
 - (5) Provide OMB with the name of a single audit accountable official from among the senior policy officials of the Federal awarding agency who must be:
 - (i) Responsible for ensuring that the agency fulfills all the requirements of paragraph (c) of this section and effectively uses the single audit process to reduce improper payments and improve Federal program outcomes.
 - (ii) Held accountable to improve the effectiveness of the single audit process based upon metrics

as described in paragraph (c)(3)(iv) of this section.

(iii) Responsible for designating the Federal agency's key management single audit liaison.

(6) Provide OMB with the name of a key management single audit liaison who must:

(i) Serve as the Federal awarding agency's management point of contact for the single audit process both within and outside the Federal Government.

(ii) Promote interagency coordination, consistency, and sharing in areas such as coordinating audit follow-up; identifying higher-risk non-Federal entities; providing input on single audit and follow-up policy; enhancing the utility of the FAC; and studying ways to use single audit results to improve Federal award accountability and best practices.

(iii) Oversee training for the Federal awarding agency's program management personnel related to the single audit process.

(iv) Promote the Federal awarding agency's use of cooperative audit resolution mechanisms.

(v) Coordinate the Federal awarding agency's activities to ensure appropriate and timely follow-up and corrective action on audit findings.

(vi) Organize the Federal cognizant agency for audit's follow-up on cross-cutting audit findings that affect the Federal programs of more than one Federal awarding agency.

(vii) Ensure the Federal awarding agency provides annual updates of the compliance supplement to OMB.

(viii) Support the Federal awarding agency's single audit accountable official's mission.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75887, Dec. 19, 2014]

APPENDIX I TO PART 200—FULL TEXT OF NOTICE OF FUNDING OPPORTUNITY

The full text of the notice of funding opportunity is organized in sections. The required format outlined in this appendix indicates immediately following the title of each section whether that section is required in every announcement or is a Federal awarding agency option. The format is designed so that similar types of information will appear in the same sections in announcements of different Federal funding opportunities. Toward that end, there is text in each of the following sections to describe the types of information that a Federal awarding agency would include in that section of an actual announcement.

A Federal awarding agency that wishes to include information that the format does not specifically discuss may address that subject in whatever section(s) is most appropriate. For example, if a Federal awarding agency chooses to address performance goals in the announcement, it might do so in the funding opportunity description, the application content, or the reporting requirements.

Similarly, when this format calls for a type of information to be in a particular section, a Federal awarding agency wishing to address that subject in other sections may elect to repeat the information in those sections or use cross references between the sections (there should be hyperlinks for cross-references in any electronic versions of the announcement). For example, a Federal awarding agency may want to include Section A information about the types of non-Federal entities who are eligible to apply. The format specifies a standard location for that information in Section C.1 but does not preclude repeating the information in Section A or creating a cross reference between Section A and C.1, as long as a potential applicant can find the information quickly and easily from the standard location.

The sections of the full text of the announcement are described in the following paragraphs.

A. PROGRAM DESCRIPTION—REQUIRED

This section contains the full program description of the funding opportunity. It may be as long as needed to adequately communicate to potential applicants the areas in which funding may be provided. It describes the Federal awarding agency's funding priorities or the technical or focus areas in which the Federal awarding agency intends to provide assistance. As appropriate, it may include any program history (e.g., whether this is a new program or a new or changed area of program emphasis). This section ~~must~~ **may communicate indicators of successful projects (e.g., if the program encourages collaborative efforts)** include program goals and objectives, a reference to the relevant Assistance Listings, a description of how the award will contribute to

[the achievement of the program’s goals and objectives, and the expected performance goals, indicators, targets, baseline data, data collection, and other outcomes such Federal awarding agency expects to achieve](#), and may include examples of [successful](#) projects that have been funded previously. This section also may include other information the Federal awarding agency deems necessary, and must at a minimum include citations for authorizing statutes and regulations for the funding opportunity.

B. FEDERAL AWARD INFORMATION—REQUIRED

This section provides sufficient information to help an applicant make an informed decision about whether to submit a proposal. Relevant information could include the total amount of funding that the Federal awarding agency expects to award through the announcement; [the expected performance indicators, targets, baseline data, and data collection](#); the anticipated number of Federal awards; the expected amounts of individual Federal awards (which may be a range); the amount of funding per Federal award, on average, experienced in previous years; and the anticipated start dates and periods of performance for new Federal awards. This section also should address whether applications for renewal or supplementation of existing projects are eligible to compete with applications for new Federal awards.

This section also must indicate the type(s) of assistance instrument (e.g., grant, cooperative agreement) that may be awarded if applications are successful. If cooperative agreements may be awarded, this section either should describe the “substantial involvement” that the Federal awarding agency expects to have or should reference where the potential applicant can find that information (e.g., in the funding opportunity description in [Section A. Program Description—Required](#) or Federal award administration information in [Section D. Application and Submission Information](#)). If procurement contracts also may be awarded, this must be stated.