

Administering Your ED Grants under a newly revised 2 CFR Part 200

U.S. DEPARTMENT OF EDUCATION
GRANTS MANAGEMENT POLICY
DIVISION



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Agenda

- ▶ Identifying key resources to help you administer your ED grants
- ▶ Highlighting key revisions in 2 CFR Part 200
- ▶ Ensuring successful project outcomes
- ▶ Taking your questions

Partnership Forged in Collective Stewardship

ED staff responsibilities include:

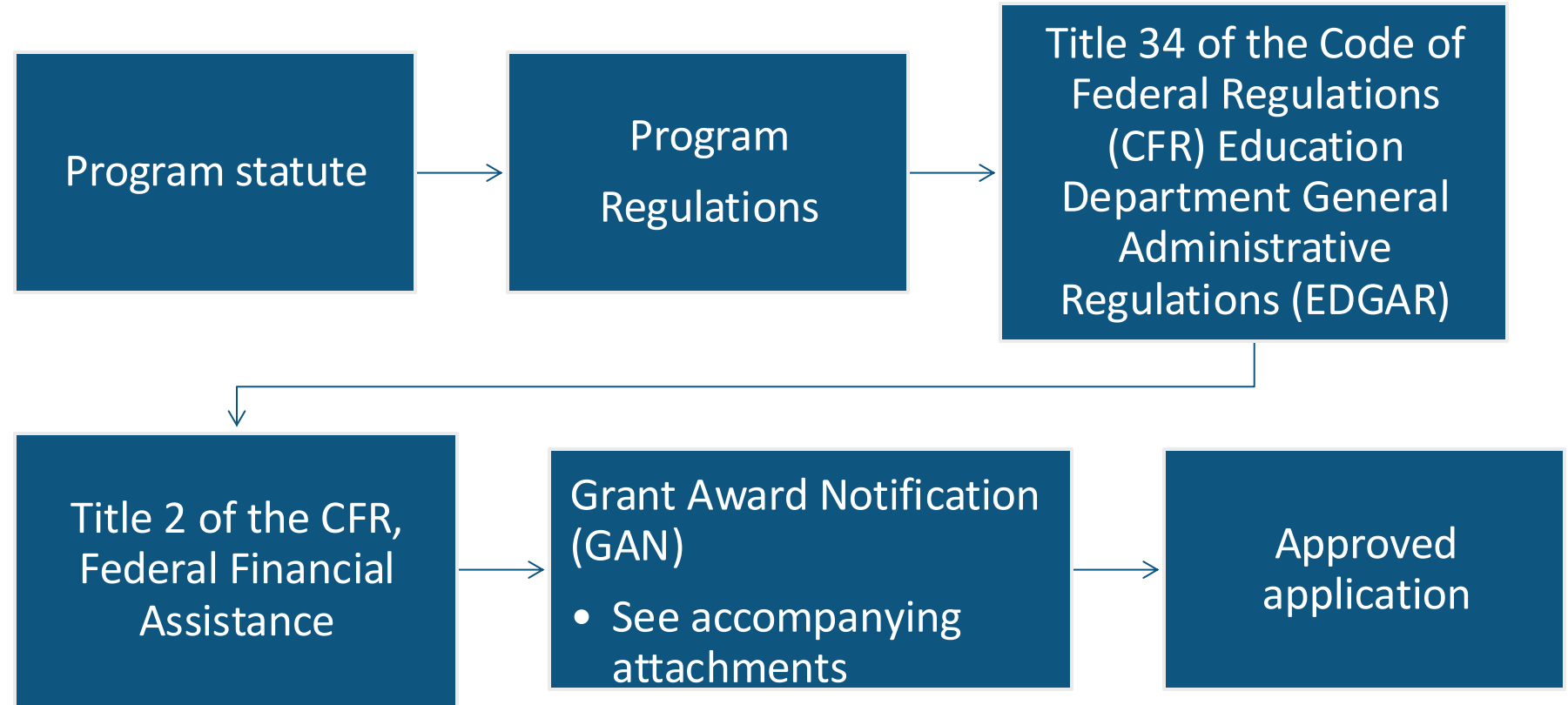
- ▶ Monitor programmatic and financial performance
- ▶ Provide technical assistance
- ▶ Implement necessary approvals, specific conditions, risk mitigation strategies as warranted
- ▶ Utilize G5
- ▶ Determine annual substantial progress
- ▶ Report project-specific findings to other ED offices
- ▶ Make continuation awards
- ▶ Close out grant awards

Grantee responsibilities include:

- ▶ Carry out the project based on approved, funded application
- ▶ Compliance with all statutes, regulations, terms and conditions of the grant awards
- ▶ Ensure and document programmatic success
- ▶ Ensure and document financial accountability
- ▶ Maintain records and, if applicable, monitor subgrantee performance
- ▶ Submit required reports in timely fashion

Tools of the Trade

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EDGAR

- ▶ Education Department General Administrative Regulations, Title 34
- ▶ www.ecfr.gov
- ▶ Grant and cooperative agreement programs are located at Title 34 of the Code of Federal Regulations (CFR); Parts 75, 76, 77, 79, 81, 82, 85, 97, 98, and 99
- ▶ Suspension and Debarment Regulations are located at 2 CFR Part 180

Grant Award Notification (GAN)

- ▶ GAN —the official document signed by an ED license holder stating the amount and conditions of an award for a discretionary grant or cooperative agreement (see EDGAR § 75.235 and EDGAR § 76.235)
- ▶ May consist of up to 30 to 40 pages inclusive of award terms and conditions, attachments, and enclosures which clarify an individual grantee's responsibilities to ED
- ▶ The GAN is accessible via G5
- ▶ Review a copy of your GAN identify your specific award terms and conditions

2 CFR Overview

- ▶ Title 2 of the Code of Federal Regulations (CFR), Federal Financial Assistance (formerly Grants and Agreements)
- ▶ Subtitle A--Office of Management and Budget (OMB) guidance to Federal agencies on government-wide policies and procedures for the award and administration of grants and agreements
- ▶ Subtitle B—includes Federal agency regulations
- ▶ ED's adoption of 2 CFR and its exceptions found in 2 CFR 3474
- ▶ Review www.ecfr.gov for a full listing of the Title 2's Table of Contents
- ▶ Revisions took effect on October 1, 2024 for all discretionary and formula grants

Purpose of Revisions

- ▶ OMB's objectives for publishing the updates to 2 CFR on April 22, 2024
- ▶ Incorporating statutory requirements and administration priorities
- ▶ Reducing the burden on recipients and agencies
- ▶ Clarifying sections that have been interpreted differently by agencies or recipients
- ▶ Rewriting sections in plain language
- ▶ Addressing inconsistent use of terms
- ▶ Adjusting dollar thresholds to factor in cost of living and inflation
- ▶ Improving management, oversight, and transparency for federal agencies

2 CFR Overview—Federal Financial Assistance

- ▶ Key sections of 2 CFR includes the following:
- ▶ Part 25—Universal Identifier and System for Award Management
- ▶ Part 170—Reporting Subaward and Executive Compensation Information
- ▶ Part 180—OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)
- ▶ Part 183—Never Contract with the Enemy
- ▶ Part 184—Build America Buy America Act (BABAA)
- ▶ Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 CFR Part 200 Table of Contents

The Uniform Guidance



- ▶ Subpart A – Acronyms and Definitions
- ▶ Subpart B – General Provisions
- ▶ Subpart C – Pre-Award Requirements
- ▶ Subpart D – Post-Award Requirements
- ▶ Subpart E – Cost Principles
- ▶ Subpart F – Audit Requirements
- ▶ Appendix I – Full text of Notice of Funding Opportunities
- ▶ Appendix II – Contract Provisions
- ▶ Appendices III-V and VII – Indirect Cost/Cost Allocation Plans
- ▶ Appendix XI – Compliance Supplement

Key Changes: Subpart A-Acronyms and Definitions

- ▶ Eliminated acronyms used infrequently and adding others. Added and revised several definitions (200.1).
- ▶ Participant: Restructured and clarified definition based on comments.
- ▶ Pass-through entity: Added language to clarify that the authority of the pass-through entity under part 200 flows through the subaward agreement.
- ▶ Period of performance: simplified in final guidance (similar to prior version).
- ▶ Termination: simplified in final guidance (similar to prior version).
- ▶ Equipment: Increased threshold from \$5,000 to \$10,000 making any item less than \$10,000 a supply.
- ▶ Modified Total Direct Costs (MTDC): Subawards threshold increased from \$25,000 to \$50,000.

Key Changes: Subpart C-Pre-Award Requirements

- Updated policy for Fixed Amount Awards to clarify that certain cost principles under Subpart E apply to the budget; and that record retention and access requirements apply (200.201).
- Reinforced importance of engaging communities during program development (200.202).
- NIA: Emphasized plain language and clearly communicating requirements, clearly identifying eligible applicants, providing an executive summary, and providing technical assistance to inexperienced applicants (200.204).
- Emphasized diversity of reviewers in merit review panels (200.205).
- Revised the Telecommunications Ban in final guidance to better align with statute (200.216).
- Added new section on whistleblower protection (200.217).

Key Changes: Subpart B-General Provisions

- ▶ When the word “or” is used between the terms “recipient” and “subrecipient,” any requirements apply to the recipient, the subrecipient, or both, as applicable. The use of “or” does not mean that applicable requirements only apply to one of these entities unless the context clearly indicates otherwise.
- ▶ Revised Applicability section: converted table to narrative format.
- ▶ Provided additional flexibilities with regard to using a language other than English (e.g., reports, correspondence) (200.111).
- ▶ Updated Mandatory Disclosures in alignment with the FAR (200.113).

Key Changes: Subpart D-Post-Award Requirements (slide 1 of 3)

- ▶ Clarified statutory and national policy requirements (200.300).
- ▶ Internal controls must include cybersecurity measures (200.303).
- ▶ Allowed for more agency flexibility on disposition of equipment (200.313)
- ▶ Increased threshold for Equipment and unused supplies from \$5,000 to \$10,000 (200.1, 200.313-314).
- ▶ Allowed Indian tribes to follow their own policies and procedures for procurements and equipment disposition (200.313, 200.317). This is consistent with existing requirements for States.

Key Changes: Subpart D-Post-Award Requirements (slide 2 of 3)

- ▶ Modified procurement standards to remove geographic preference and introduce examples of labor-related provisions (new provision on Project Labor Agreements and various hiring preferences and goals (200.318).
- ▶ Added reference to scoring mechanism rewarding bidders committing to specific numbers and types of U.S. jobs, as well as certain compensation and benefits (200.319)
- ▶ Underscored the importance of ensuring reporting requirements are limited only to those necessary for the effective monitoring of the award (200.329).

Key Changes: Subpart D-Post-Award Requirements (slide 3 of 3)

- ▶ Emphasized that pass-through entities are responsible for subrecipient and contractor determinations (i.e., distinguishing subawards from contracts) (200.331).
- ▶ Increased threshold of Fixed Amount Subawards to \$500,000 (200.333).
- ▶ Provided greater clarity on the policy for termination of awards by the Federal agency or pass-through entity (200.340).

Key Changes: Subpart E–Cost Principles

- ▶ Eliminated several prior approval requirements (200.407, 200.440, etc.).
- ▶ Increased De minimis indirect rate from 10% to 15% (200.414).
- ▶ Increases Subaward threshold for calculating indirect rate from \$25,000 to \$50,000 (200.1, 200.414).
- ▶ Fringe benefits: Payments for unused leave, underfunded pension costs, and underfunded Post Retirement Health Pension, generally indirect cost (200.431).
- ▶ Clarified allowability of certain data and evaluation costs (200.455).
- ▶ Allowed administrative costs associated with closed and adjusted closeout requirements (200.472).

§200.303 Internal Controls

- ▶ A process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved
- ▶ These objectives and related risks can be broadly classified into one or more of the following three categories:
 - ▶ Operations - Effectiveness and efficiency of operations
 - ▶ Reporting - Reliability of reporting for internal and external use
 - ▶ Compliance - Compliance with applicable laws and regulation
 - ▶ See GAO's Green Book <https://www.gao.gov/assets/670/665712.pdf>

Key Changes: Subpart F– Audit Requirements

- ▶ Increased Single Audit and Major Program threshold from \$750,000 to \$1,000,000
- ▶ The Schedule of Expenditures of Federal Awards (SEFA) may be prepared in accordance with GAAP or another comprehensive basis of accounting (OCBOA)
 - ▶ Non—GAAP
 - ▶ OCBOA are typically less complex and cost less to prepare
- ▶ See GAN Attachment 3

ED's Computer Based Training Courses

- ▶ Internal Controls
- ▶ Indirect Costs
- ▶ Formula Grants Training
- ▶ Discretionary Grants Training
- ▶ Cash Management
- ▶ Protection of Human Subjects in Research
- ▶ Subrecipient Monitoring
- ▶ Allowable Costs
- ▶ Procurement
- ▶ Peer Reviewers

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2 CFR Implementation Update



- ▶ GMPD is coordinating with ED offices to fully implement 2 CFR including Part 200 the Uniform Guidance
- ▶ Visit [Grant Award Laws, Regulations, and Guidance](#) for up-to-date resources
 - ▶ GMPD recorded briefing
 - ▶ FAQs
 - ▶ Trainings

ED program offices requesting additional briefings should submit the GMPD Training and Technical Assistance Request Form is available [here](#)

Best wishes administering your ED grants.

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OFFICE OF FINANCE AND
OPERATIONS

