



TO: George Middlemist – Assoc VP-Admin and Finance

FROM: Accounting Services-Grants & Contracts

DATE: June 26, 2017

SUBJECT: OMB Uniform Guidance - 2 CFR 200 Compliance Statement (Procurement)

The Office of Management and Budget (OMB), in its efforts to deliver on the promise of a 21st-Century government that is more efficient, effective and transparent, created a uniform grant guidance called the Super Circular. This guideline streamlines the OMB Circulars on Administrative Requirements, Cost Principles, and Audit Requirements for all Federal awards into one document. The initial deadline for implementation was set on or before December 26, 2014. However, further written guidance from the OMB has granted a grace period of the procurement aspects of the Super Circular up to two full fiscal years.

Most recently, on Tuesday, May 16, 2017, the Office of Management and Budget (OMB) issued a federal register notice to further extend the grace period of implementing the procurement requirements under the Uniform Guidance to three years. An excerpt of this announcement is attached. Therefore, to ensure compliance, procurements funded with grants awarded by the Federal Government are and will be in compliance with the “old standard” – Circular A-110, for the current Fiscal Year and the next Fiscal Year ending June 30, 2018.

In addition to the OMB guideline, the Colorado State Controller (OSC) has issued its interpretations of the Super Circular in its *Guidance Regarding Federal Grants Management and Compliance with the 2013 OMB Uniform Guidance*, dated 2/10/16. This is an optional requirement for Institutions of Higher Education. However, for consistency and best practices, the University has opted to adhere to these guidelines. Accounting Services continues to update and implement administrative and operational requirements and make appropriate adjustments to the University’s policies and procedures to keep the University in compliance.

This letter documents MSU Denver’s election to comply with the OMB and the OSC as a recipient of Federal awards.

Attached is an excerpt from the OMB and the OSC guidance for your convenience.

Excerpt from Federal Register:

<https://www.federalregister.gov/documents/2017/05/17/2017-09909/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>

AMENDMENT:

§ 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 200.326, 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

Frequently Asked Questions

Updated: September 2015

For The Office of Management and Budget's

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

At 2 CFR 200

The following are frequently asked questions presented by the COFAR on OMB's Uniform Guidance at 2 CFR 200. Please note that in case of any discrepancy, the actual guidance at 2 CFR 200 governs. If there is a question pertaining to the application of the guidance to a particular Federal award, that question should be addressed to the Federal awarding agency or pass-through entity in the case of a subrecipient. This document is intended to provide additional context and background for the guidance as Federal and non-Federal entities seek to understand the policy changes and will be referenced as an addition to the Uniform Guidance at 2 CFR 200 in the 2015 issuance of Appendix XI to Part 200 - Compliance Supplement.

Note: New FAQs as of September, 2015 are indicated by an *. Revised FAQs by **.

In addition, the following FAQs have been renumbered without a change in content: FAQs .320-4 through 6 have been renumbered .320-3, .320-4 and .320-5 and FAQs .414-3 through 5 have been renumbered .414-4, .414.5 and .414-6

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Yes. All awards made on or after 12/26/2014 will be made with terms and conditions subject to the Uniform Guidance. Applications that are submitted before 12/26/2014 for Federal awards to be made on or after 12/26/2014 should be developed in accordance with the Uniform Guidance.

.110-5 Effective Dates, Applications, and DS-2s

May IHEs submit applications that are inconsistent with their DS-2 statement if that application is made in order to reflect the Uniform Guidance? For example: May IHE's submit applications with budgets that include administrative support or computing devices in the proposal budget?

Yes. All awards made on or after 12/26/2014 will be made according to the new uniform guidance, and applications for Federal awards that would be granted after that date should reflect the new guidance. The new guidance will apply to new Federal awards made after that date and, if a Federal awarding agency considers its incremental funding actions to be opportunities to change terms and conditions on previously made awards, the new guidance will apply to that Federal awarding agency's incremental funding actions also. DS-2 statements that need to be revised to reflect new policies should be revised as soon as possible after 12/26/2014. Non-Federal entities will not be penalized for discrepancies between their approved DS-2 and actual charging practices in accordance with the new uniform guidance, provided that an updated DS-2 (consistent with actual charging practices) has been revised and submitted in accordance with FAQ .110-3.

.110-6 Effective Dates and Grace Period for Procurement **

Will the Federal government provide a grace period after the effective date for non-Federal entities to comply with the procurement standards in the Uniform Guidance?

Yes, **for two full fiscal years after the effective date of the Uniform Guidance.** In general non-Federal entities must comply with the terms and conditions of their Federal award, which will specify whether the Uniform Guidance applies. However, in light of the new procurement standards, for procurement policies and procedures, for the non-Federal entity's first full fiscal year that begins on or after December 26, 2014, the non-Federal entity must document whether it is in compliance with the old or new standard, and must meet the documented standard. **For example, the second full fiscal year for a non-Federal entity with a June 30th year end would be the year ending June 30, 2017.** The Single Audit Compliance Supplement will instruct auditors to review procurement policies and procedures based on the documented standard. For future fiscal years, all non-Federal entities will be required to comply fully with the uniform guidance.

.110-7 Effective Dates and Incremental Funding

How does the effective date apply to incremental funding? I have an award with three more years of expected funding. Normally I would keep the same account number for all five years, with the incremental funding for each year added as it comes in. Do I have to keep my funding subject to the old OMB Circulars in a separate account from the funding awarded after the Uniform Guidance goes into effect? Or can I just assume that the new rules apply as soon as I get my first post-Uniform Guidance increment of funds? Can I apply those rules to any residual balance of old funds as well as the new monies?

The new rules apply as of the Federal award date (see 200.39) to new awards and, for agencies that consider incremental funding actions on previously made awards to be opportunities to change award terms and conditions, the first funding increment issued on or after 12/26/14. For agency incremental funding actions that are subject to the Uniform Guidance, non-Federal entities are not obligated to segregate or otherwise track old funds and new funds but may do so at their discretion. For example, a non-Federal entity may track the old funds and continue to apply the Federal award flexibilities to the funding awarded under the old rules (e.g., local ability to issue fixed price subawards, non-Federal entity determination of the need to incur administrative and clerical salaries based on major project classification). For Federal awards made with modified award terms and conditions at the time of incremental funding actions, Federal awarding agencies may apply the Uniform Guidance to the entire Federal award that is uncommitted or unobligated as of the Federal award date of the first increment received on or after 12/26/14.