

ICCCFO Spring 2015 Conference

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OMB New Uniform Guidance

Wednesday, April 8, 2015
4:15 pm – 4:45 pm

Presented by:

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NONPROFIT AND GOVERNMENT PRACTICE

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- Subpart E (200.400) – Cost Principles
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Subpart B. General Provisions

§ 200.109 Review Date

OMB will review this part at least every 5 years after 12/26/2013.

§ 200.110 Effective Date

Federal awarding agencies must implement effective *12/26/2014*.

Audit requirements effective for fiscal years beginning after *12/26/2014*.

Non-Federal entities may delay implementation of procurement standards for 1 fiscal year

Wipfli's Top Changes

1. Internal controls focus in admin requirements
2. Computers as supplies
3. Procurement
4. Recognition of electronic media
5. Cost allocation options
6. No PARs
7. No employee morale
8. Fund raising to support program
9. Family friendly policies
10. Audit threshold changes

Subpart D. Post-Federal Award Requirements

NEW § 200.303 Internal controls

Non-Federal entity must:

- (a) Establish and maintain a system of internal control that provides for reasonable assurance that the entity is managing the award in compliance with Federal statutes, regulations and the terms and conditions of the award
 - Internal controls should comply with the Committee of Sponsoring Organizations of the Treadway Commission (COSO)
- (b) Comply with Federal statutes, regulations and terms and conditions of the award

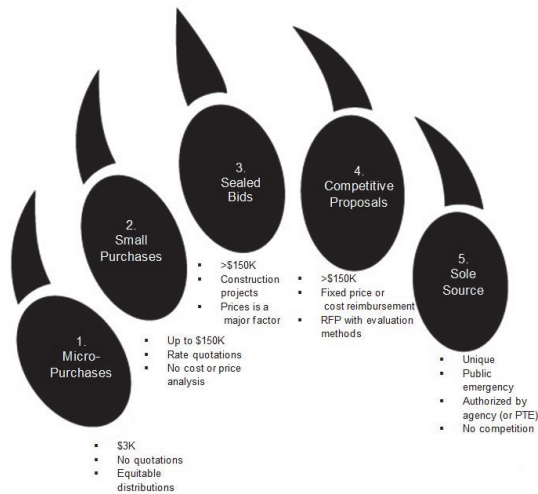
Subpart D. Post-Federal Award Requirements

§ 200.314 Supplies

- (a) **NEW** Supplies includes computing devices costing less than \$5,000
- Residual value greater than \$5,000 at completion of project, use in other Federal programs; or compensate awarding agency and use for other purposes

Procurement regulations

Procurement "Claw" (Section 200.320)



Subpart D. Post-Federal Award Requirements

NEW § 200.335 Methods for collection, transmission and storage of information

Should collect, transmit and store award-related information in open and machine-readable formats rather than paper.

No need to print electronic records.

Can scan paper records if there are quality controls, the electronic records can't be changed and are readable.

Subpart E. Cost Principles – Direct and Indirect

§ 200.414 Indirect Costs

- (f) **NEW** Any non-Federal entity that has never negotiated an IDCR may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely

Subpart E. Cost Principles – Direct and Indirect

§ 200.414 Indirect Costs (cont.)

- (g) **NEW** 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 4 years
- Must be approved by a cost negotiator
 - If approved, may not request a rate review until the extension ends
 - At end of extension, must apply for a new rate
 - Subsequent one-time extensions (up to 4 years) are permitted if approved

Subpart E. Cost Principles – Selected Items of Cost

§ 200.430 Compensation – personal services (cont.)

- (i) **NEW** Standards for Documentation of Personnel Services
- (1) Records accurately reflect work performed
- (i) Supported by a system of internal controls that assures charges are accurate, allowable and properly allocated
 - (ii) Part of official records of the entity
 - (iii) Reflect total activity
 - (iv) Include Federal and non-Federal activities
 - (v) Comply with accounting policies
 - (vii) Support distribution to two or more activities or cost objectives

Definition

§ 200.28 Cost objective

Cost objective means a program, function, activity award, organizational subdivision, contract or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, jobs, etc.

A cost objective may be a major function, a particular service or project, a Federal award, or an indirect cost activity.

Subpart E. Cost Principles – Selected Items of Cost

§ 200.437 Employee health and welfare costs

- (a) Costs in accordance with documented policies for improvement of working conditions, employer-employee relations, health and performance are allowable
- **Costs for improvement of morale specifically excluded**

Subpart E. Cost Principles – Selected Items of Cost

§ 200.442 Fund raising and investment management costs

- (a) Costs of fund raising including financial campaigns, solicitation of gifts, etc., are unallowable

NEW Fund raising costs for the purposes of meeting federal program objectives are allowable with prior written approval

Subpart E. Cost Principles – Selected Items of Cost

§ 200.474 Travel costs

- (c) (1) **NEW** Temporary dependent care costs resulting from travel to conferences are allowable provided that:
- (i) Costs are a direct result of travel;
 - (ii) Costs are consistent with the travel policy; and
 - (iii) Costs are temporary during the travel period

Subpart F. Audit Requirements

§ 200.501 Audit Requirements

(a) Audit required.

A non-Federal entity that expends \$750,000 (**NEW**) or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit

Subpart F. Audit Requirements

§ 200.518 Major Program Determination

(b) Determine Type A Programs

Total Federal awards expended	Type A / B Threshold
Equal to or exceed \$750,000, but less than or equal to \$25 million	\$750,000
Exceed \$25 million but less than or equal to \$100 million	Total Federal awards expended times .03.
Exceed \$100 million but less than or equal to \$1 billion	\$3 million.
Exceed \$1 billion but less than or equal to \$10 billion	Total Federal awards expended times .003.
Exceed \$10 billion but less than or equal to \$20 billion	\$30 million.
Exceed \$20 billion	Total Federal awards expended times .0015.

Summary and Next Steps

- Learn what new regulations and changes from the current regulations will impact your agency
- Develop a plan to implement the necessary changes
- Educate others in your organization on the changes and include them in the planning process
- Watch for guidance from your funding sources

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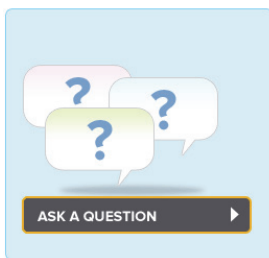


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My Wipfli – Access to our experts:



Regulation questions
Audit
Process
Human Resource
Technology
Leadership

Evaluation:



Thank You!