

Understanding the New OMB “Super-Circular”

A Guide for San Francisco’s Subrecipients

July 2015

This document provides information to subrecipient agencies about the recent consolidation and revision of the Federal Office of Management and Budget (OMB) circulars A-21, A-50, A-87, A-102, A-110, A-122, and A-133 into one set of regulations under Title 2, CFR Part 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

Subrecipients Defined

Recipients and subrecipients are non-Federal entities that have been awarded Federal funds to carry out a Federal program.

The City and County of San Francisco (CCSF) receives Federal funding to administer Federal programming, and may pass this funding through to nonprofit organizations. These nonprofit organizations receiving federal funding are considered subrecipients and are subject to the revised regulations. CCSF may also be a subrecipient of State funding that is passed through from the Federal government, and when CCSF awards this funding to a nonprofit organization, those funded agencies are also considered subrecipients.

When an organization receives pass-through Federal funding, the contract or grant agreement for that program must indicate a Catalog of Federal Domestic Assistance (CFDA) number. The CCSF department also provides organizations receiving Federal funding with a listing of its exact Federal expenditures for the fiscal year every September. These indicators can help an organization determine if it is a subrecipient and whether the Federal guidelines apply.

Complete definitions of recipient and subrecipient can be found in the Uniform Guidance in Subpart A §200.93 and Subpart D §200.330.

History of the Changes

Executive Order 13520 (issued November 20, 2009), Executive Order 13563 (issued January 18, 2011), Executive Order 13579 (issued July 11, 2011) and Presidential Memorandum “Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments” (issued February 28, 2011) all led to this large-scale Federal grant reform and the uniform guidance in Title 2, CFR Part 200. These presidential directives mandated the OMB to reduce administrative burden and provide additional oversight and accountability for Federal grants. In October 2011, the OMB created the interagency Council on Financial Assistance Reform (COFAR), which brought the eight abovementioned federal guidance circulars together and streamlined them into a grant management policy guide (Federal Register, Vol. 78, No. 248).

The purpose of the Uniform Guidance is to eliminate duplicative and conflicting guidance, focus on performance over accountability, provide for consistent treatment of costs, place limits on allowable costs and target audit requirements in an effort to avoid waste and fraud.

The OMB published its Uniform Guidance on December 26, 2013, and the regulations became effective immediately for Federal agencies. All non-Federal entities were required to comply with the stipulations of this new guide by December 26, 2014. Subpart F (Audit Requirements) applies to audits of fiscal years that begin

on or after December 26, 2014. Audits for earlier fiscal years will continue to be conducted and reviewed under OMB Circular A-133 guidelines. Find further guidance on effective dates below.

Crosswalk of Changes

The following table shows the sections where the language of the new Uniform Guidance are generally located along with references to where the previous language existed in prior circulars.

Uniform Guidance Subpart	Uniform Guidance Subpart Title	Prior Circular
A	Acronyms and Definitions	All
B	General Provisions	All
C	Pre-Federal Award Requirements and Contents of Federal Awards	A-89 and A-110
D	Post-Federal Award Requirements	A-102 and A-110
E	Cost Principles	A-21, A-87 and A-122
F	Audit Requirements	A-133

The following are links to the actual text of the Uniform Guidance as well as policy statements, cross-reference tables, Frequently Asked Questions, and video presentations on the new guidance.

- Uniform Guidance at 2 CFR Part 200: http://www.ecfr.gov/cgi-bin/textidx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- White House Policy Statements as well as crosswalks between prior circulars and the Uniform Guidance: https://www.whitehouse.gov/omb/grants_docs#final
- Council on Financial Assistance Reform (COFAR) website on the Uniform Guidance including links to crosswalks between prior circulars and the Uniform Guidance, the Uniform Guidance preamble, Frequently Asked Questions, and the COFAR Training Webcast Series: <https://cfo.gov/COFAR/>

Although there are many similarities, there are key differences between the prior circulars and the Uniform Guidance. CCSF strongly recommends that all subrecipient agencies read the actual text of the Uniform Guidance in addition to visiting the other resource links, and discuss any questions with their own auditors.

Effective Dates for the New Uniform Guidance

The Uniform Guidance effective date for non-Federal entities is December 26, 2014, as described in §200.110 and the COFAR Frequently Asked Questions.

Administrative requirements and cost principles

Questions .110-7 and .110-12 clarify that the Administrative requirements and cost principles will apply to new awards, to funding increments (in cases where the Federal agency considers funding increments to be an opportunity to modify the terms and conditions of the Federal award) of existing awards made on or after Dec 26, 2014.

Further, Question .110-11 states that the effective date of the Uniform Guidance for subawards is the same as the effective date of the Federal award from which the subaward is made. The requirements for a subaward, no matter when made, flow from the requirements of the original Federal award from the Federal awarding agency. Therefore the terms of the grant agreements between CCSF and a particular contractor are not a

factor in determining when the Uniform Guidance applies to the Federal program funding that CCSF passes through to an agency.

Audit requirements

As stated above and in §200.110 and COFAR FAQ .110-12, Subpart F, Audit requirements, will apply to audits of non-Federal entity fiscal years beginning on or after December 26, 2014. The revised audit requirements are not applicable to fiscal years beginning prior to that date. For example, agencies with July to June fiscal years shall be subject to the prior requirements for their FY2014-2015 audit and subject to the Uniform Guidance Audit Requirements for their FY2015-2016 audit.