

QUESTIONS FROM NON PROFIT TRAINING ON AUGUST 31, 2015:

1. **Q:** If we receive federal funding as a direct recipient or sub-recipient from the same federal program on an annual basis (i.e. multi-year grants), at what point does the new Uniform Guidance apply to the funding we receive?

A: The new Uniform Guidance (UG) applies to all new federal awards made on or after December 26, 2014. The UG only applies to additional funding to existing awards made on or after that date for agencies that consider incremental funding actions on previously made awards to be opportunities to change award terms and conditions. Contact your pass-through entity if you have questions.

2. **Q:** If we receive awards from different federal programs or federal agencies, how do we handle the situation if the federal agency rules or guidelines conflict?

A: Follow both the rules and guidelines of the federal agency granting the award and the new UG. If there is conflict, contact your pass-through entity or the federal agency and maintain documentation of the clarification.

3. **Q:** Some of our programs are multiple funded such as with general fund and federal grant. We submit to the City agency our actual costs charged to each funding source, usually at the time when we submit our cost reimbursement request. Sometimes it comes to our attention that the funding source paying for our costs was changed by the City agency. Does this impact our compliance requirements?

A: Contact your City Agency for guidance.

4. **Q:** What is expected from a subrecipient with regards to a financial management system?

A: A financial management system must include: identification of all federal awards received and expended and the federal programs under which they were received; effective control over, and accountability for all funds, property, and other assets; comparison of expenditures with budget amounts for each federal award; written procedures for cash management and allowable costs.

5. **Q:** There can many layers or tiers (i.e. State, City, Non Profit, and Other Subrecipient) involved with carrying out a federal award. What are the responsibilities and requirements in reporting and monitoring budget revisions at each layer?

A: Budget revisions should be reported and monitored at each layer, with reviews and approvals going up through the layers to the federal awarding agency.

6. **Q:** What can we expect as to the level of monitoring and oversight from the City as a result of the new Uniform Guidance?

QUESTIONS FROM NON PROFIT TRAINING ON AUGUST 31, 2015:

A: The new UG will be closely monitored by the City Agency as well as the Citywide Fiscal & Compliance Nonprofit Monitoring Group. Policies and procedures will be reviewed and updated to incorporate the new UG. There will be more focus and attention on risk assessments and site visits.

7. **Q:** What is the best way of documenting our transactions to comply with the new Procurement rules?

A: Your policies and procedures should be reviewed and updated to incorporate the new UG which should include the form of supporting documentation. You should then request your City Agency and the City's Nonprofit Monitoring Group to review your updates. Ensure that the final policies and procedures are disseminated throughout your organization and implemented.

8. **Q:** What are the requirements for those transactions in which the procurement process did not go through us (i.e. construction procured through the State; office supplies through the Citywide Blanket Agreement; procurements done through delegated authority to City agencies)?

A: As a subrecipient of a federal award, you are required to follow all UG requirements, including procurement activities regardless if you did or did not administer the procurement process. Contact the pass through entity administering the procurement process. Obtain the proper documentation supporting compliance of the federal procurement rules.

9. **Q:** What are the requirements under the Uniform Guidance for micro purchases not charged directly to the federal award?

A: The UG procurement standards do not apply to procurements made in indirect cost areas. They apply to procurements for goods and services that are directly charged to a Federal award.

10. **Q:** If we request reimbursement of our indirect costs, will this be included within our existing budget or in addition to?

A: Indirect costs must be stated within the terms of the grant agreement and accompanying budget. It is important to negotiate an indirect cost rate. If necessary, follow the applicable guidelines for budget revisions.

11. **Q:** If we are eligible and elect to use the 10% de minimus rate, what is required as to documentation?

A: All non-federal entities meeting the requirements specified in section 200.414(f) may elect to charge a de minimus rate of 10% of Modified Total Direct Costs (MTDC) to be

QUESTIONS FROM NON PROFIT TRAINING ON AUGUST 31, 2015:

used indefinitely. Once elected, this methodology must be used consistently for all federal awards until such time as a non-Federal entity chooses to negotiate for a rate. You should have documentation of this decision on file.

12. **Q:** With regards to the grace period for Procurement, can we elect differently from our pass through entity?

A: Yes. The election is applied on an entity basis.

13. **Q:** Is there a matrix or checklist available to determine subrecipient versus contractor?

A: Section 200.330 Subrecipient and Contractor Determinations, as well as section 200.22 Contract and 200.92 Subaward provide guidance on making subrecipient and contractor determinations. This language was largely taken from existing guidance in OMB Circular A-133 on subrecipient and vendor determinations.

The Association of Government Accountants (AGA) recently released a Contractor vs. Subrecipient Checklist for the grant recipient community to determine whether a contractor or a subrecipient relationship exists between two entities.

https://www.agacgfm.org/AGA/ToolsResources/Documents/subcontractor_checklist_FINAL_08-28-15_fillable.pdf

14. **Q:** How can we document the procurement process for sole source versus single source versus no other source?

A: Any procurement by noncompetitive proposals must meet the criteria specified in section 200.320(f) of the UG. While the UG requires non-Federal entity to maintain records sufficient to detail the history of procurement, the form of such documentation is not prescribed. Contact your pass through entity or federal agency if you need assistance.

15. **Q:** Is there a matrix or checklist available for all the items that require certification under Subpart E?

A: Section 200.415 of the UG requires certification for:

- a) annual and final fiscal reports or vouchers requesting payment under the agreements;
- b) cost allocation plan or indirect (F&A) cost rate proposal;
- c) certifications by non-profit organizations as appropriate that they did not meet the definition of a major nonprofit organization as defined in §200.414 Indirect (F&A) costs, paragraph (a);
- d) compliance with section 200.450 on lobbying.

QUESTIONS FROM NON PROFIT TRAINING ON AUGUST 31, 2015:

Unless prohibited by Federal statutes or regulations, each Federal awarding agency or pass-through entity is authorized to require the non-Federal entity to submit certifications and representations required by Federal statutes, or regulations on an annual basis. (§200.208)

16. **Q:** Section 200.415 requires certain financial reports and payment requests to be signed by someone who is “authorized to legally bind the non-Federal entity.” Which official should be authorized to legally bind the entity?

A: Each entity should determine the official authorized to legally bind the entity. This official will be subject to criminal, civil or administrative penalties for fraud, false statements or false claims.