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# Recent Changes to Federal Grants Management Rules

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# EDGAR Final Changes

Notice of Proposed Rulemaking (NPRM) released: January 11, 2024

Final Rules Published **August 29, 2024:**

<https://www.federalregister.gov/documents/2024/08/29/2024-17239/education-department-general-administrative-regulations-and-related-regulatory-provisions>

# EDGAR Changes

- Last major update to EDGAR was 2013
- Effective new awards after Sept 30, 2024
  - **July 1, 2025**

“Given that EDGAR serves as the foundational set of regulations for the Department, we have reviewed EDGAR, evaluated it for provisions that, over time, have become outdated, unnecessary, or inconsistent with other Department regulations, and identified ways in which EDGAR could be updated, streamlined, and otherwise improved.”

# 76.50 – Basic Requirements for Subgrants

- Unless prohibited by applicable statutes or regulations or by the terms and conditions of the grant award, a State may use State-administered formula grant funds –
  - 1. Directly
  - 2. To make subgrants to eligible applicants, as determined by statutes or regulations, or if not addressed in law, as determined by the State; or
  - 3. To authorize a subgrantee to make subgrants

Grantees are responsible for monitoring subgrantees consistent with 2 CFR 200.332 If subgranting is not allowed; can contract, as needed for supplies, equipment and other services.

# 76.401 - Appeal process for denied applicants

- Clarifies the hearing and appeal process under 76.401, including clarifying that aggrieved applicants must allege a specific federal or state statute or regulation has been violated.
  - Subsequent appeals to the Secretary must include a federal citation
  - Secretary may dismiss an appeal without a federal citation after asking the appellant to “show cause” why the appeal should not be dismissed.
- Appeals only for SEAs and related to denial of state-administered formula grant applicants
  - Other appeals of SEA final actions are in 76.783

# NEW: Reimbursement of indirect costs, 76.562

- Reimbursement of indirect is subject to availability of funds and statutory or administrative restrictions
- Application of negotiated indirect cost rate must be in accordance with the agreement/ plan approved by the cognizant agency
- Indirect costs for joint applications and projects are limited to the amount derived by applying the rate of the applicant to the direct cost base for the grant in keeping with terms of the agreement and program requirements

# Other expenditures (76.567)

- All federal and nonfederal expenditures, including
  - Direct occupancy and space maintenance costs
  - Costs related to chief executive officers and components of the grantee and their offices
- Does not include:
  - General management costs, under 76.565
  - Fixed costs under 76.566
  - Subawards exceeding the amount specified in the definition of MTDC in the UGG each, per year
  - Capital outlay
  - Debt service
  - Fines and penalties
  - Contingencies
  - Election expenses
  - Other distorting items

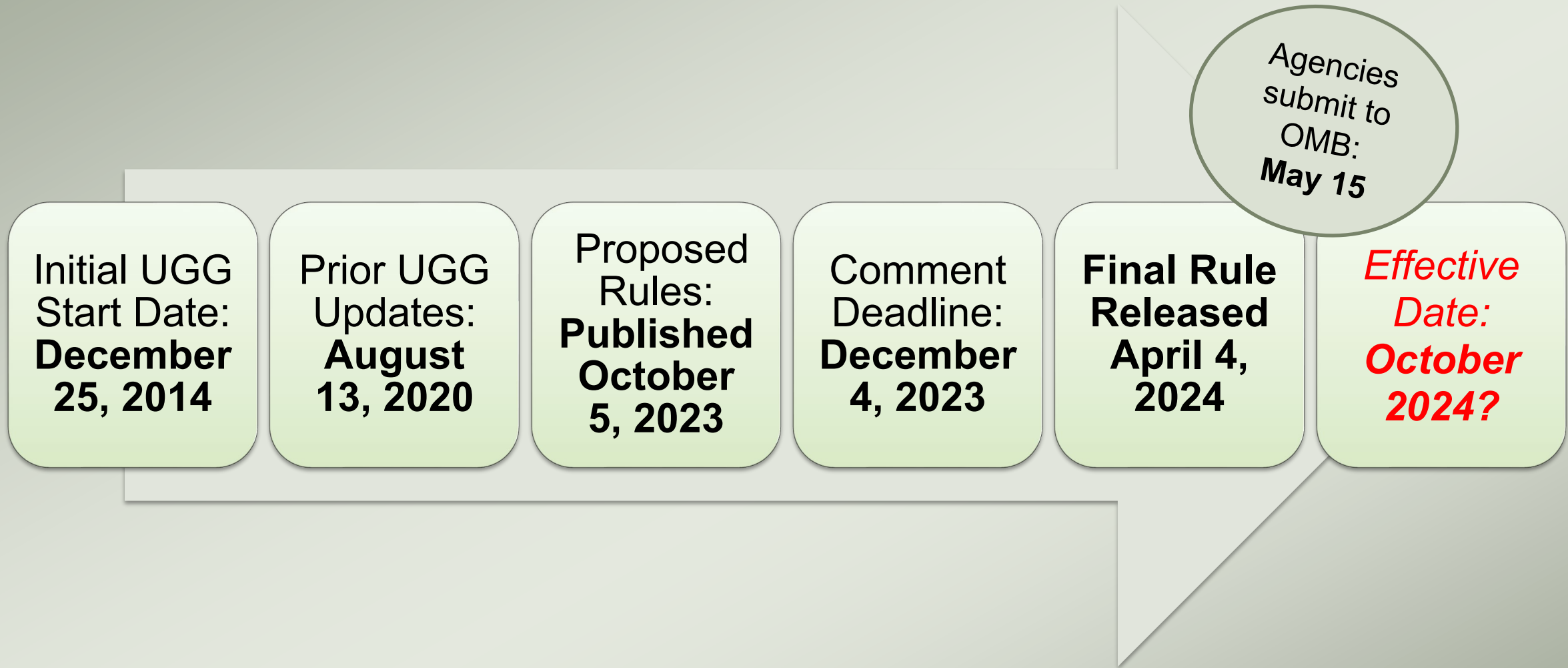
# UGG **FINAL** Changes

*“These revisions will improve stewardship of Federal funds, promote equitable access to programs and services, reduce administrative burden for agencies, applicants, and recipients, and facilitate streamlined and effective oversight and implementation of Federal programs. Among other things, the revisions eliminate several prior approval requirements, increase multiple thresholds that trigger additional requirements, and clarify requirements for agencies and recipients.”*

*- OMB Memo M-24-11*



# Final Changes to the UGG



# Effective Date – 200.110

- (a) The standards set forth in this part affecting the administration of Federal awards by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this part becomes final.
- Per OMB Memo M-24-11:
  - No later than awards issued on or after October 1, 2024
    - *“Federal agencies may elect to apply the 2024 Revisions to Federal awards issued prior to October 1, 2024, but they are not required to do so.”*
  - By May 15, 2024, all Federal agencies must submit to OMB their plan for implementing the 2024 Revisions.

<https://www.cfo.gov/resources/uniform-guidance/>

# OMB Memo M-24-11

<https://www.whitehouse.gov/wp-content/uploads/2024/04/M-24-11-Revisions-to-2-CFR.pdf>

## Reducing Burden in the Administration of Federal Financial Assistance

- Tribal sovereignty
- Federal Program Inventory (FPI)
  - The FPI makes it easier to find programs, ensures the effective stewardship of taxpayer funds, and further increases Government transparency.  
<https://obamaadministration.archives.performance.gov/federalprograminventory.html>
- Simplifying the Notices of Funding Opportunities (NOFOs)
  - Federal agencies must submit a NOFO simplification plan to OMB by August 1, 2024.
- Build America, Buy America (BABA) requirements included in NOFOs
- Sub-recipient Reporting accountability
- Core Data Elements standardization
- Single Audit Report Request for Extension (permissible if 9-month requirement results in undue burden on the auditee)

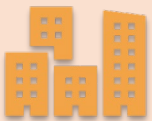
# OMB Final Update Objectives



Incorporating statutory requirements and administration priorities;



Reducing agency and recipient burden;



Clarifying sections that recipients or agencies have interpreted in different ways; and



Rewriting applicable sections in plain language, improving flow, and addressing inconsistent use of terms.

# Terminology/General Changes

- Current rule uses the term “non-Federal entity”
  - Changed many “non-Federal entity” requirements back to “[recipient](#)” and “[subrecipient](#)” as needed for clarification
- Removed unnecessary acronyms (terms only used once)
- Definition Updates:
  - New definition of improper payment
  - Changed thresholds for equipment and supplies
  - Increased MTDC excluded subaward costs
- OMB will further review this part “periodically” versus every 5 years (200.109)

# Mandatory Disclosures – 200.113

- Mandatory disclosures (200.113): Applicant, recipients, and subrecipients must promptly disclose whenever it has credible evidence of the commission a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations under Title 18 or Civil False Claims Act (31 U.S.C. 3729–3733)
  - Includes both criminal and civil false claims actions
  - Must be made in writing to the Federal agency, the agency's Office of Inspector General, and the pass-through entity (if applicable)
  - Also required to report matters to recipient integrity and performance (i.e. SAM and FAPIIS)
- Includes any activities or subawards in connection with the Federal award.
- Failure to report can result in remedies for noncompliance (200.339).

# New Whistleblower Protections – 200.217

- An employee of a recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is:
  - Evidence of gross mismanagement of a Federal contract or grant,
  - A gross waste of Federal funds,
  - An abuse of authority relating to a Federal contract or grant,
  - A substantial and specific danger to public health or safety, or
  - A violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant.
- The recipient and subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. 4712.
  - *Recommendation: add to policies and procedures!*

# Statutory and National Policy Requirements – 200.300

New: (b) ... the Federal agency or pass-through entity must ensure that the award is administered in a way that does not unlawfully discriminate based on sexual orientation or gender identity, consistent with the Supreme Court's reasoning in *Bostock v. Clayton County*, 140 S. Ct. 1731 (2020).

New: (c) ... the Federal agency must take account of the heightened constitutional scrutiny that may apply under the Constitution's Equal Protection clause for government action that provides differential treatment based on **protected characteristics**.



# Internal Controls – 200.303

## MUST:

- Establish, **document**, and maintain internal controls
- Comply with requirements (including U.S. Constitution)
- Evaluate and monitor compliance
- Take prompt action to correct noncompliance
- Take **reasonable cybersecurity and other** measures to safeguard **information including** personally identifiable information (PII) and other types of information.
  - **This also includes** info the federal agency or pass-through designates as sensitive or info the recipient/subrecipient considers sensitive and is consistent with laws re privacy and responsibility over confidentiality.

# **Financial Management**

# Federal Payment – 200.305(b)

- Must minimize time elapsing between draw down and disbursement
- Must maintain written procedures to implement the requirements of §200.305 (per § 200.302)
  - 1) Advance Payments
    - Limited to minimum amounts needed to meet immediate cash needs
    - Subject to cash management requirements
  - 2) Reimbursements (preferred for construction projects)
    - Federal agency or pass-through must make payment within 30 calendar days after receipt of the payment request
    - Initial payments made with state/local funds

# Federal Payment – 200.305(b)(cont.)

- Cash advances must be maintained in insured accounts
- Accounts must be interest-bearing unless **one of the** following applies:
  - Aggregate Federal awards under \$250,000
  - Account not **reasonably** expected to earn in excess of \$500 per year
  - Bank requires minimum balance so high, that such account is not feasible
  - A foreign government or banking system prohibits or precludes interest-bearing accounts;
  - **An interest-bearing account is not readily accessible (for example, due to public or political unrest in a foreign country)**
- Interest earned over \$500 must be remitted annually to HHS Payment Management System.
- All other Federal funds must be returned to the payment system of the Federal agency. Follow the instructions provided by the Federal agency.

# Cost Sharing – 200.306

- “or matching” removed from the section title because it is a type of cost sharing.
- Federal agency or PTE must accept any cost sharing or in-kind contributions when they are:
  - Verifiable in recipient or subrecipient’s records
  - Not included as contributions for any other federal award
  - Necessary and reasonable
  - Allowable under Subpart E
  - Not paid by federal government under another federal award, unless specifically authorized by statute
  - Included in approved budget when required
  - Conform to other applicable provisions of this part
- Voluntarily committed cost sharing is not expected under federal research grants (and discouraged as a consideration for all grants)

# Revision of Budget/Program Plans – 200.308

- **Must** report deviations from **approved** budget or project scope or objective and **must** request prior approvals from Federal awarding agencies **or pass through entities** for budget and program plan revisions
- The Federal awarding agency or pass-through entity must review the request for budget or program plan revision and **should** notify the recipient or subrecipient whether the revisions have been approved within 30 days of receipt of the request.
- The Federal agency or pass-through entity must inform the recipient or subrecipient in writing when a decision can be expected if more than 30 days is required for a review.

# **Timely Spending/Allowability**

# Period of Performance – 200.1

- *Period of performance* means the ~~time during which the recipient and subrecipient must perform and complete the work authorized under the Federal award.~~ It is the time interval between the start and the planned end date of a Federal award, which may include one or more funded portions, or budget periods. The period of performance does not commit the Federal agency to fund the award beyond the currently approved budget period.



# Financial Obligations – 200.1

- Orders placed for property and services, contracts and subawards made, and similar transactions that require payment by a recipient or subrecipient under a Federal award that will result in expenditures by a recipient or subrecipient under a Federal award.

# Closeout & Liquidation – 200.344

- (a) Federal agency or pass-through **must** close out the award when it determines that all administrative actions and required work of the Federal award have been completed.
- (b) Recipient closeout reports: 120 days; subs: 90 days
- (c) SEA must liquidate within 120 days of obligation date
  - Complete scope of work
  - Finish accounting
  - Finalize draw-downs
- LEA has 90 days to liquidate (or an earlier date as agreed upon by the pass-through entity and subrecipient).
  - *When justified*, the Federal agency or pass-through entity may approve extensions **for recipient or subrecipient**

# 200.472 – Termination and Standard **Closeout** Costs

- **New (b) Closeout costs:**
  - Administrative costs associated with the closeout activities of a Federal award are allowable.
  - May charge the Federal award during the closeout for necessary administrative costs (e.g., salaries of personnel preparing final reports, publication and printing costs, and the costs associated with the disposition of equipment and property).
  - These costs may be incurred until the due date of the final report(s).
  - If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency.

# Basic Factors of Allowability – 200.403

To be allowable, a cost *must*:

- Be **necessary, reasonable** and **allocable**
- Comply with the cost principles and Federal award
- Be consistent with policies and procedures applying uniformly to Federal and non-Federal activities and costs
- Be consistently treated as either direct or indirect costs
- Be determined in accordance with GAAP
- Not be included or used to meet cost sharing / match requirements
- Be adequately **documented**
- **Administrative closeout costs may be incurred until due date of the final reports.** If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency.

All other costs must be incurred during the approved budget period.

# Indirect Costs – 200.414

- The recipient or subrecipient may notify OMB of any disputes with Federal agencies regarding the application of a federally negotiated indirect cost rate.
- De minimis rate (for when recipients and subrecipients do not have a negotiated indirect cost rate) increased from 10% to 15% for modified total direct costs (MTDC)
- MTDC subaward limit increased from \$25,000 to \$50,000.
- Pass-through entities must accept all federally negotiated indirect cost rates for subrecipients (per 200.332(b)(4)).

# Selected Items of Cost Examples

## Alcohol - 200.423

- Not allowable

## Entertainment **and Prizes** - 200.438

- a) Entertainment costs. Costs of entertainment, including amusement, diversion, and social activities and any associated costs (such as gifts), are unallowable **unless they have** a specific **and direct** programmatic purpose and are **included in a** Federal award.
- b) Prizes. Costs of prizes or challenges are allowable if they have a specific and direct programmatic purpose and are included in the Federal award. Federal agencies should refer to OMB guidance in M-10-11 “Guidance on the Use of Challenges and Prizes to Promote Open Government,” issued March 8, 2010, or its successor.

# Professional Development (PD)

## Conferences – 200.432

- Generally, allowable.
- To be considered a “conference,” must disseminate technical information beyond the recipient or subrecipient and be necessary and reasonable for successful performance under the Federal award
- Allowable conference costs include rental of facilities, costs of meals and refreshments, transportation . . . unless restricted by the Federal award
- Costs related to identifying ~~but not~~ and providing locally available dependent-care resources for participants are allowable as needed.
- Conference hosts must exercise discretion in ensuring costs are appropriate, necessary, and managed to minimize costs to Federal award

## Training and education costs – 200.473

- Allowable

# Participant Support Costs – 200.1

- Participant support costs are allowable.
  - Direct costs that support participants and their involvement in a Federal award, such as stipends, subsistence allowances, travel allowances, registration fees, temporary dependent care, and per diem paid directly to or on behalf of participants (200.1).
- Who is a Participant?
  - An individual participating in or attending program activities under a Federal award, such as trainings or conferences, but who is not responsible for implementation of the Federal award.
  - DOES NOT INCLUDE: Individuals committing effort to develop or deliver the program including consultants, project personnel, or staff members.
    - Examples of participants: community members, students, or conference attendees.



# Participant Support Costs – 200.456

- The classification of items as participant support costs must be documented in the recipient's or subrecipient's written policies and procedures and treated consistently across all Federal awards.
- General prior approval requirement removed (200.407)
- However, the transfer of funds budgeted for participant support costs to other budget categories requires a budget amendment (200.308)

*Add to policies and procedures!*

# Prior Written Approval - 200.407

- § 200.306 Cost sharing;
  - § 200.307 Program income;
  - § 200.308 Revision of budget/ program plans;
  - § 200.333 Fixed amount subawards;
  - § 200.430 Compensation - personal services;
  - § 200.431 Compensation - fringe benefits;
  - § 200.440 Exchange Rates
  - § 200.441 Fines, penalties, damages and other settlements;
  - § 200.442 Fund raising and investment management costs;
  - § 200.445 Goods or services for personal use;
  - § 200.447 Insurance and indemnification;
  - § 200.455 Organization costs;
  - § 200.439 Equipment and other capital expenditures;
  - § 200.458 Pre-award costs;
  - § 200.462 Rearrangement and reconversion costs;
  - § 200.475 Travel costs.
- Removed: Real property, Equipment (200.313), Entertainment costs, Participant support costs, taxes.

# Procurement

# Procurements by States and Indian Tribes – 200.317

- States and Indian tribes follow their own policies and procedures
  - If such policies and procedures do not exist, more restrictive requirements under 200.318 through 200.327 apply.
- State/Tribal procedures must include procurement standards in 200.321, 200.322, 200.323, and 200.327
  - 200.321 – Contracting with small businesses, minority businesses, women’s business enterprises, veteran-owned businesses, and labor surplus area firms.
  - 200.322 – Domestic preferences
  - 200.323 – Procurement of recovered material
  - 200.327 – Contract provisions

# Conflicts of Interest – 200.318(c)

- Maintain written standards of conduct covering conflicts of interest actions of employees engaged in the selection, award, and administration of contracts.
- A conflict of interest arises when any of the following has a financial or other interest in the firm selected for award:
  - Employee, officer, agent, or **board member**;
  - Any member of their immediate family;
  - Their partner; or
  - An organization which employs, or is about to employ, any of the parties indicated herein or has a financial or other interest in or tangible personal benefit from an entity considered for a contract.

# Conflicts of Interest – 200.318(c) (cont.)

- No employee, officer, agent or **board member** may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors
- However, recipients and subrecipients may set standards for when the financial interest is not substantial or gift is an unsolicited item of nominal value
  - *Nominal value??*
- Standards of conduct must include any discipline actions to be applied in the event of any conflict of interest violations
- Conflicts of interest (200.112): Recipients and subrecipients must disclose in writing any potential conflict of interest to the federal awarding agency or pass-through in accordance with federal awarding agency's conflicts policies.

# Intergovernmental Agreements - 200.318(e)

- When appropriate for the procurement or use of common or shared goods and services, recipients and subrecipients are encouraged to enter into State and local intergovernmental agreements or inter-entity agreements
- Fosters greater economy and efficiency
- Documented procurement actions of this type (using strategic sourcing, shared services, and other similar procurement arrangements) will meet the competition requirements of this part

# Competition – 200.319 (cont.)

- New Contractor Preferences
  - Does not prohibit recipients or subrecipients from developing written procedures for procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job-training for employees making work or products providing services on a contract, and other worker protections.
  - Any scoring mechanism must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award.



# Methods of Procurement – 200.320

- Informal procurement methods – These procurement methods expedite the completion of transactions, minimize administrative burdens, and reduce costs.
  - Micro-purchases
  - ~~Small Purchases~~ Simplified acquisition procedures
- Formal procurement methods – Required when the value of the procurement transaction under a federal award, exceeds the simplified acquisition threshold of the recipient or subrecipient.
  - Sealed bids
  - Competitive proposals
- Noncompetitive procurements

# Formal Procurement Methods – 200.320(b)

- Required when value of procurement is over the simplified acquisition threshold (\$250,000 in the FAR or a lower threshold if applicable).
- Requires competition and public notice.
- Includes sealed bids and competitive proposals.
- Contract Cost and Price Analysis - 200.324
  - For procurements over \$250,000
  - Develop your own estimates before receiving bids/proposals
  - Removes requirement to negotiate profit separately from price

# Contracting with Small, Minority, Women's, or Veteran-Owned Businesses – 200.321

- **When possible**, should consider small businesses, minority businesses, women's businesses, **veteran-owned businesses**, and labor surplus area firms (**see DOL's list**).
- Consideration means:
  - Including these businesses on solicitation lists
  - Soliciting whenever deemed eligible as potential sources
  - Dividing separate procurements and establishing delivery schedules to permit maximum participation
  - Use orgs like the Small Business Administration and the Minority Business Development Agency of the Department of Commerce
  - Requiring contractors under a federal award to apply these conditions to subcontracts

# Suspension And Debarment – 200.214; 180.300; 200.216

- For contracts over \$25,000, you must verify that the person with whom you intend to do business is not excluded or disqualified.
  - Prohibition on certain telecommunications and video surveillance services or equipment
  - **Note for PTEs: Must Confirm in SAM.gov that a potential subrecipient is not suspended, debarred or excluded from receiving Federal funds (200.332(a))**
- This MUST be done by one of the following:
  - Checking SAM.gov
  - Collecting a certification from that person
  - Adding a clause or condition to the covered transaction with that person

# Other Procurement Rules

- Prohibition on using geographic preferences removed!
- 200.322 – Domestic Preference for Procurement
  - “To the greatest extent practicable” must provide a preference for the purchase of goods and materials produced in the U.S.
- 200.323 – Procurement of Recovered Materials
  - New (b) Should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable

# Procurement Documentation

- 200.325 – Federal Agency or Pass Through Review
  - May review technical specifications of proposed procurements if agency or PTE believes review is needed to ensure item or service specified is the one being proposed for acquisition.
  - The recipient or subrecipient must submit the technical specifications of proposed procurements when requested by the Federal agency or pass-through entity.
  - Federal agency or PTE may conduct a pre-procurement review
- 200.327 - Contract Provisions
  - Applicable provisions in Appendix II to the UGG must be included in all contracts procured with federal funds.

# Inventory

# Property Thresholds



**Equipment:** tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of **\$10,000** or more per unit



**Supply:** All tangible personal property other than equipment



**Computing Devices:** If less than **\$10,000** per unit, defined as supplies



# Supplies – 200.314

- Supplies are an allowable direct charge (200.453). Title to supplies acquired under the Federal award will vest upon acquisition in the recipient or subrecipient.
- If there is a residual inventory of unused supplies **at the end of the period of performance** exceeding **\$10,000** in total aggregate value, and the supplies are not needed for any other Federal award, the State or LEA may retain or sell the supplies
  - **Unused supplies means supplies that are in new condition, not having been used or opened before.**
  - **The aggregate value of unused supplies consists of all supply types, not just like-item supplies**

# Supplies Disposition – 200.314 (cont.)

- The federal agency or pass-through entity is entitled to compensation in an amount calculated by multiplying the percentage of the federal agency's or pass-through entity's contribution towards the cost of the original purchase(s) by the current market value or proceeds from the sale.
- If the supplies are sold, the Federal agency PTE may permit the recipient or subrecipient to retain \$1000 from the Federal share of the proceeds to cover expenses associated with the selling and handling of the supplies.

# Record Retention

# Methods of Collection, Transmission and Storage of Information – 200.336

- When practicable, the Federal agency or pass-through entity and the recipient or subrecipient must collect, transmit, and store Federal award information in an open file, non-licensed, and machine-readable formats.
- Recipient or subrecipient may substitute electronic versions of original paper records through duplication or other forms of electronic conversion, provided that the procedures are subject to quality control reviews.
  - Quality control reviews must ensure that electronic conversion procedures provide reasonable safeguards against alteration of records and assurance that records remain in a format readable by a computer system.

# Access to Records- 200.337

- The Federal agency, or pass-through entity, Inspectors General, the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to any records of the **subrecipient or recipient** pertinent to the Federal award to **perform audits, execute site visits, or for any other official use.**
- This right also includes timely and reasonable access to the recipient's and subrecipient's personnel for the purpose of interview and discussion related to such documents **or the Federal award in general.**

# Required Written Procedures

- Real property sales procedures – 200.311(c)(2)
- Time & Effort Procedures – ED Cost Allocation Guide
- Written Allowability Procedures – 200.302(b)(7); 200.403(c)
- Written Cash Management Procedures – 200.302(b)(6) and 200.305
- Written Procurement Procedures – 200.318(a), 200.319(d), and 200.320
- Procedures for Managing Equipment – 200.313(d)
- Participant support cost classification - 200.456
- Record conversion quality control - 200.336
- ~~Opportunities to object, hearings and appeals – 200.342~~

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# Subrecipient Monitoring



# Subrecipient and Contractor Determinations – 200.331

- An entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor.
- The Federal agency does not have a direct legal relationship with subrecipients or contractors of any tier; however, the Federal agency is responsible for monitoring the pass-through entity's oversight of first-tier subrecipients.
  - A subaward is for the purpose of carrying out a portion of the Federal award and creates a Federal financial assistance relationship with a subrecipient.
  - A contract is for the purpose of obtaining goods and services for the recipient's or subrecipient's use and creates a procurement relationship with a contractor.



# Subrecipient and Contractor Determinations – 200.331 (cont.)

- The pass-through entity is responsible for making case-by-case determinations to determine whether the entity receiving Federal funds is a subrecipient or a contractor.
  - The pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract. The substance of the relationship is more important than the form of the agreement.
  - All of the characteristics listed below may not be present in all cases, and some characteristics from both categories may be present at the same time. No single factor or any combination of factors is necessarily determinative.

# Subrecipient and Contractor Determinations – 200.331 (cont.)

Subrecipient	Contractor
<ul style="list-style-type: none"><li>(1) Determines who is eligible to receive what Federal assistance;</li><li>(2) Has its performance measured in relation to whether the objectives of a Federal program were met;</li><li>(3) Has responsibility for programmatic decision-making;</li><li>(4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and</li><li>(5) <b>Implements</b> a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.</li></ul>	<ul style="list-style-type: none"><li>(1) Provides the goods and services within normal business operations;</li><li>(2) Provides similar goods or services to many different purchasers;</li><li>(3) Normally operates in a competitive environment;</li><li>(4) Provides goods or services that are ancillary to the <b>implementation</b> of a Federal program; and</li><li>(5) Is not subject to compliance requirements of a Federal program as a result of the agreement. However, similar requirements may apply for other reasons.</li></ul>

# Single Audits

# Audit Requirements – 200.501

- Single audit required when an entity expends **\$1,000,000** or more in total Federal funding during a single fiscal year
  - Major Programs (200.518)
  - Auditors must report material weaknesses in internal controls or questioned costs greater than \$25,000 (200.516)
- Consider cooperative audit resolution – (200.1, 200.513)
- PTE must issue management decisions within six months of audit report (200.521)
- 2024 Compliance Supplement:  
<https://www.whitehouse.gov/omb/office-federal-financial-management/current-compliance-supplement/>



Questions???



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