

THE POWER OF BEING UNDERSTOOD

A decorative graphic consisting of two overlapping rounded rectangles, one blue and one green, with a blue line connecting them to a small grey rectangle at the bottom left.

THE ABC OF 2 CFR PLUS A LITTLE BIT OF D, E, AND F

June 22, 2023

A decorative footer bar at the bottom of the slide, divided into three colored segments: grey, green, and blue.



Joel Anderson

Director

Joel provides consultation services to a variety of public sector entities. He focuses primarily on process improvements, grant management, and reporting responsibilities for state governments, cities, counties, and school districts. In his current role, Joel advises and consults regularly with budget directors, policy staff, and elected officials. Joel has practiced public accounting for more than seven years focusing primarily on state and local taxes, with emphasis being sales use, and excise taxes, credits, and incentives.



Megan Powers

Manager

Megan is a CPA and has over eight years of experience. Megan started her career at RSM within the Tax practice and has since joined the Risk Consulting team. Since joining Consulting, Megan has provided consulting services to public sector entities. Her focus has been working with state and local entities to design and implement federal and state grant monitoring, quality assurance, and auditing programs, including CARES, ARPA, and FEMA PA.

Agenda

Topic	Minutes
Speakers/Agenda	5
Grant Overview	20
2 CFR 200	75
Q&A	10

Objectives

By the end of this course, you will be able to:

- Recognize the federal requirements for designing a grant
- Understand a high level of 2 CFR 200 Subpart A, B, C, D, E and F
- Make friends along the way

Polling Question #1 – city, state, county, school, other

Are you from:

- a. City
- b. State
- c. County
- d. School
- e. Other

Polling Question #2

Is your organization in the process of creating a grant program?

- a. Yes
- b. No

Polling Question #3 – are you currently in charge of a grant?

Does your organization have prior experience with creating and implementing grant programs?

- a. Yes
- b. No

Let's rush to provide the funds



Your organization is rushing to get the funds out the door and help your citizens



You discuss your outcomes and outputs of the grant



Decide if awardees are contractors, subrecipients, or beneficiaries



Write the best application in the world



Score the applications



Disburse the funds



Save the world!

What do you do when the Feds throw \$350 billion at you?

Congress appropriated a combined \$350 Billion to over 111,000 subrecipients. This is every single State, Territory, County, and City in America under the American Rescue Plan Act (ARPA) from the State and Local Fiscal Recovery Fund (SLFRF) and US Treasury sent

Use these funds to implement one of:

- **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue lost due to the pandemic
- **Respond to the far-reaching public health and negative economic impacts of the pandemic**, by supporting the health of communities, and helping households, small businesses, impacted industries, nonprofits, and the public sector recover from economic impacts
- **Provide premium pay for essential workers**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet

Hold on!



Take a breath - and ask questions

Your organization is going to be a recipient of Federal Funds

What is the main goal of the federal funds?

What are your goals for the federal funds?

Who will be eligible to apply for your grant?

What will the terms and criteria be for your grant?

What performance measurements are you going to hold the grantees accountable?

What level of technical assistance are you going to provide them?

How are you going to monitor the grantees?

How are you going to pay the grantees?

Plan for the worst and expect the best!

What does fraud look like in your grant?

What does waste and abuse look like?

What would a failed project look like?

Now that you have thought of the worst cases, go back and update your answers on the previous slide.

Remember to plan the work and work the plan but be willing to be flexible when needed.

An inverted pyramid diagram divided into five horizontal sections, representing the hierarchy of law. The sections are labeled from top to bottom: Constitution, American Rescue Plan Act, Treasury's Guidance on ARPA, 2 CFR 200, and Federal, State, Local.

Constitution

American Rescue
Plan Act

Treasury's
Guidance on ARPA

2 CFR 200

Federal,
State,
Local

2CFR 200 – Uniform Guidance to rule them All

Always check the Assistance Listing Number for your Federal Grant (formerly CFDA) located at [SAM.gov](https://www.sam.gov)

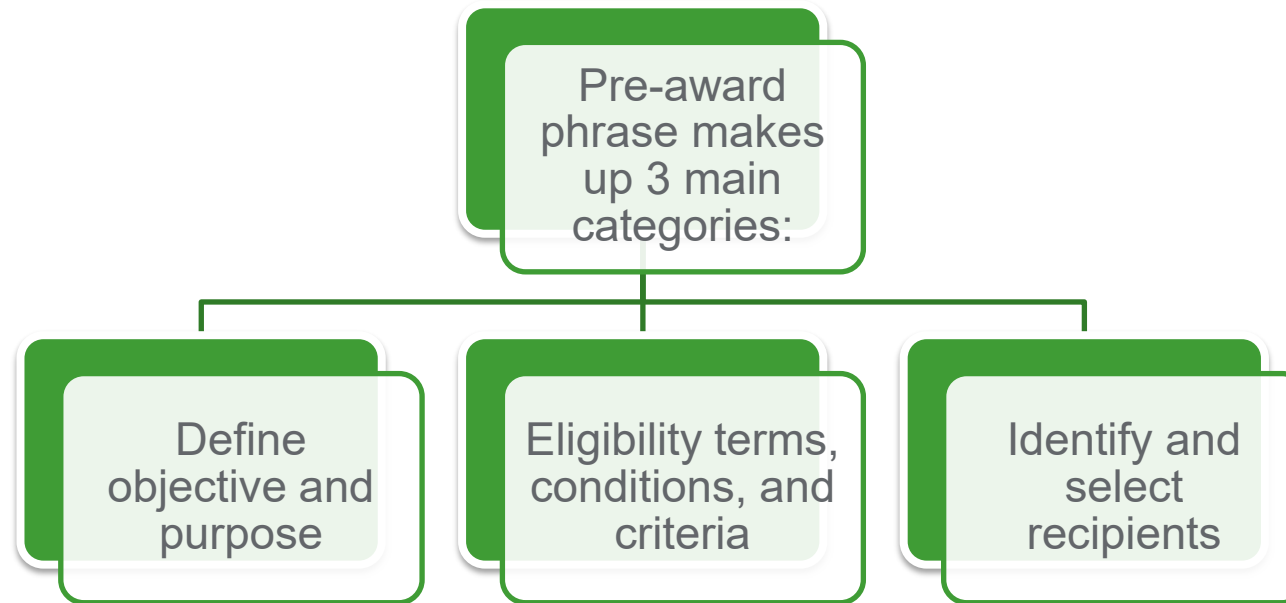
The following 2CFR policy requirements apply to this assistance listing (SLFRF):

- Subpart B, General provisions
- Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards
- Subpart D, Post Federal; Award Requirements
- Subpart E, Cost Principles
- Subpart F, Audit Requirements

The following 2CFR policy requirements are excluded from coverage under this assistance listing:

- ***Not Applicable***

Design the grant to save the world



- Subpart B and C tell you what you need to do at the start of the grant
- Subpart D, E, and F tell your recipients what they need to do comply with the grant
- All of it needs to be in your grant program design

Subpart A – Now we are speaking the same language

Subpart A is the lexicon of 2 CFR 200

- The definitions used in Subpart A is how you must read the rest of the Subparts and the Appendices.
- They should also be the definitions you use in your grant agreements

Pass-through entity (PTE) means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Non-Federal entity (NFE) means a State, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

Subpart A – Now we are speaking the same language

Recipient means an entity, usually but not limited to non-Federal entities that receive a Federal award **directly from a Federal awarding agency**. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Subrecipient means an entity, usually but not limited to non-Federal entities, that receives a subaward **from a pass-through entity** to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Take away:

- Ambiguity is dangerous, especially later on in the grant life cycle. You might be reading a definition one way and your grantee is reading it the other way. Reference Subpart A as often as possible for a standard definition.

Polling Question #4

Have you historically utilized the definitions from Subpart A within your grant program requirements as well as terms and conditions?

- a. Yes
- b. No
- c. No, but I will going forward

Subpart B – Must or May, it is all General Provisions

§ 200.100 Purpose.

(a) *Purpose.*

(1) This part establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities, as described in [§ 200.101](#). Federal awarding agencies must not impose additional or inconsistent requirements, except as provided in [§§ 200.102](#) and [200.211](#), or unless specifically required by Federal statute, regulation, or Executive order.

(2) This part provides the basis for a systematic and periodic collection and uniform submission by Federal agencies of information on all Federal financial assistance programs to the Office of Management and Budget (OMB). It also establishes Federal policies related to the delivery of this information to the public, including through the use of electronic media. It prescribes the manner in which General Services Administration (GSA), OMB, and Federal agencies that administer Federal financial assistance programs are to carry out their statutory responsibilities under the Federal Program Information Act ([31 U.S.C. 6101](#)–6106).

Subpart B – Must or May, it is all General Provisions

2 CFR 200.101(b)(1)

Throughout this part when the word “must” is used it indicates a requirement. Whereas, use of the word “should” or “may” indicates a best practice or recommended approach rather than a requirement and permits discretion.

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FUN FACTS

Must is used
884 times
throughout 2
CFR

Should is used
150 times
throughout 2
CFR

May is used 451
times throughout
2 CFR

Subpart B – Must or May, it is all General Provisions

The following portions of this Part	Are applicable to the following types of Federal Awards and Fixed-Price Contracts	Are NOT applicable to the following types of Federal Awards and Fixed-Price Contracts and Subcontracts
Subpart A – Acronyms and Definitions	<ul style="list-style-type: none"> All 	
Subpart B – General Provisions except for Statute 200.111 English Language, 200.112 Conflict of Interest, 200.113 Mandatory Disclosures	<ul style="list-style-type: none"> All 	
Statute 200.111 English Language, 200.112 Conflict of Interest, 200.113 Mandatory Disclosures	<ul style="list-style-type: none"> Grant Agreements and cooperative agreements 	<ul style="list-style-type: none"> Agreements for loans, loan guarantees, interest subsidies and insurance. Procurement contracts awarded by Federal Agencies under the Federal Acquisition Regulation and subcontracts under those contracts.
Subparts C-D, except for statute 200.203: Requirement to provide public notice of Federal financial assistance programs, 200.303 Internal Controls, 200.331-333 Subrecipient Monitoring and Management	<ul style="list-style-type: none"> Grant Agreements and cooperative agreements 	<ul style="list-style-type: none"> Agreements for loans, loan guarantees, interest subsidies and insurance. Procurement contracts awarded by Federal Agencies under the Federal Acquisition Regulation and subcontracts under those contracts
Statute 200.203 Requirement to provide public notice of Federal financial assistance programs	<ul style="list-style-type: none"> Grant Agreements and cooperative agreements Agreements for loans, loan guarantees, interest subsidies and insurance 	<ul style="list-style-type: none"> Procurement contracts awarded by Federal Agencies under the Federal Acquisition Regulation and subcontracts under those contracts.

Subpart B – Must or May, it is all General Provisions

The following portions of this Part	Are applicable to the following types of Federal Awards and Fixed-Price Contracts	Are NOT applicable to the following types of Federal Awards and Fixed-Price Contracts and Subcontracts
Statute 200.303 Internal Controls, 200.331-333 Subrecipient Monitoring and Management	<ul style="list-style-type: none">All	
Subpart E Cost Principles	<ul style="list-style-type: none">Grant Agreements and cooperative agreements, except those providing food commoditiesAll procurement contracts under the Federal Acquisition Regulations except those that are not negotiated.	<ul style="list-style-type: none">Grant Agreements and cooperative agreements providing food commodities.Fixed amount awards.Agreements for loans, loan guarantees, interest subsidies and insurance.Federal awards to hospitals
Subpart F Audit Requirements	<ul style="list-style-type: none">Grant Agreements and cooperative agreementsContracts and subcontracts, except for fixed price contracts and subcontracts, awarded under the Federal Acquisition RegulationAgreements for loans, loans guarantees, interest subsidies and insurance and other forms of Federal Financial Assistance as defined by the Single Audit Act Amendment of 1996	<ul style="list-style-type: none">Fixed-price contracts and subcontracts awarded under the Federal Acquisition Regulation

Subpart B – Must or May, it is all General Provisions

(d) ***Governing provisions.*** With the exception of [subpart F of this part](#), which is required by the Single Audit Act, in any circumstances where the provisions of Federal statutes or regulations differ from the provisions of this part, the provision of the Federal statutes or regulations govern. This includes, for agreements with Indian tribes, the provisions of the Indian Self-Determination and Education and Assistance Act (ISDEAA), as amended, [25 U.S.C 450](#)–458ddd–2.



If the Feds don't like it, then poof!

- US Treasury did this recently with broadband funding under SLFRF and CPF

Subpart B – Must or May, it is all General Provisions

§ 200.112 Conflict of interest.

The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

§ 200.113 Mandatory disclosures.

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including the term and condition outlined in appendix XII to this part are required to report certain civil, criminal, or administrative proceedings to SAM (currently FAPIIS). Failure to make required disclosures can result in any of the remedies described in [§ 200.339](#). (See also [2 CFR part 180](#), [31 U.S.C. 3321](#), and [41 U.S.C. 2313](#).)

Subpart B – Must or May, it is all General Provisions

Take away:

Read what the Federal Agency has put out for guidance and if they have superseded any portion of 2 CFR.

- SLFRF can be found here [Coronavirus State and Local Fiscal Recovery Funds | U.S. Department of the Treasury](#)
- Review the applicability chart



Polling Question #5

The provisions of which Subpart are entirely applicable to Federal Awards and Fixed-Price Contracts?

- a. Subpart A
- b. Subpart B
- c. Subpart A&B
- d. Subpart D
- e. All Subparts

Subpart C – the meat and potatoes of your grant

§ 200.200 Purpose. Sections 200.201 through 200.216 prescribe instructions and other pre-award matters to be used by Federal awarding agencies in the program planning, announcement, application and award processes.

- Notice that pass-through entity is not mentioned

2 CFR 200.201(a) ***Federal award instrument.*** The Federal awarding agency or ***pass-through entity*** must decide on the appropriate instrument for the Federal award (*i.e.*, grant agreement, cooperative agreement, or contract) in accordance with the Federal Grant and Cooperative Agreement Act ([31 U.S.C. 6301–08](#)).

Subpart C – the meat and potatoes of your grant

§ 200.202 Program planning and design.

The Federal awarding agency must design a program and create an Assistance Listing before announcing the Notice of Funding Opportunity. The program must be designed with clear goals and objectives that facilitate the delivery of meaningful results consistent with the Federal authorizing legislation of the program. Program performance shall be measured based on the goals and objectives developed during program planning and design. See [§ 200.301](#) for more information on performance measurement. Performance measures may differ depending on the type of program. The program must align with the strategic goals and objectives within the Federal awarding agency's performance plan and should support the Federal awarding agency's performance measurement, management, and reporting as required by Part 6 of OMB Circular A–11 (Preparation, Submission, and Execution of the Budget). The program must also be designed to align with the Program Management Improvement Accountability Act ([Pub. L. 114–264](#)).

Subpart C – the meat and potatoes of your grant

§ 200.202 Program planning and design.

Using Treasury's allowable expenditure categories, we could create a grant for housing assistance under Negative Economic Impact.

Treasury already created the Assistance Listing

Outcome would be new housing in impacted communities

Work on creating the Notice of Funding Opportunity to announce the grant requirements and how to apply

Subpart C – NOFO

§ 200.204 Notices of funding opportunities.

For discretionary grants and cooperative agreements that are competed, the Federal awarding agency must announce specific funding opportunities by providing the following information in a public notice:

- **Note that this is a best practice for the Pass-Through Entity to still comply with.**

(a) ***Summary information in notices of funding opportunities.*** The Federal awarding agency must display the following information posted on the OMB-designated governmentwide website for funding and applying for Federal financial assistance, in a location preceding the full text of the announcement:

- (1) Federal Awarding Agency Name;
- (2) Funding Opportunity Title;
- (3) Announcement Type (whether the funding opportunity is the initial announcement of this funding opportunity or a modification of a previously announced opportunity);
- (4) Funding Opportunity Number (required, if applicable). If the Federal awarding agency has assigned or will assign a number to the funding opportunity announcement, this number must be provided;
- (5) Assistance Listings Number(s);
- (6) Key Dates. Key dates include due dates for applications or Executive Order 12372 submissions, as well as for any letters of intent or pre-applications. For any announcement issued before a program's application materials are available, key dates also include the date on which those materials will be released; and any other additional information, as deemed applicable by the relevant Federal awarding agency.

Subpart C – Appendix I – The ultimate Cheat Sheet

Appendix I has the full text of the required NOFO's needs that the federal awarding agency must follow

Use it as plug and play for your own grants

Polling Question #6

Has your organization utilized Subpart C to plan and design a previous or current grant program?

- a. Yes
- b. No
- c. N/A, we do not have experience with managing grant programs.

Subpart D – The part where you have to say No a lot

- Subpart D contains Federal requirements post award. Highlights include:
 - Property Standards § **200.310 - 200.316**
 - Procurement Standards § **200.317 - 200.327** – Everyone's favorite subsection
 - Subrecipient Monitoring and Management § **200.331 - 200.333**

Subpart D – Is this property mine forever?

**It
depends!**

Types of Property:

- Real property
- Federally owned and exempt property
- Equipment
- Supplies
- Intangible property

Subpart D – Is this property mine forever?

Section	Title	Use	Disposition
200.311 - Real Property	Title vests upon acquisition in the non-Federal entity	Must be used for the originally authorized purpose as long as needed for that purpose, during which time the non-Federal entity must not dispose of or encumber its title or other interests.	When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity.
200.312 - Federally-owned and exempt property	Title to federally-owned property remains vested in the Federal Government	Upon completion of the Federal award or when the property is no longer needed, the non-Federal entity must report the property to the Federal awarding agency for further Federal agency utilization.	

Subpart D – Is this property mine forever?

Section	Title	Use	Disposition
200.313 - Equipment	Title to equipment acquired under a Federal award will vest upon acquisition in the non-Federal entity*. Unless otherwise authorized by the Federal Awarding Agency , this is a conditional title.	Equipment must be used by the non-Federal entity in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award, and the non-Federal entity must not encumber the property without prior approval of the Federal awarding agency.	When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency... the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award.

Subpart D – Is this property mine forever?

Section	Title	Use	Disposition
200.314 - Supplies	Title to supplies will vest in the non-Federal entity upon acquisition.	Shall be used for the project or program, and may use excess supplies for other Federal award programs.	The non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share
200.315 - Intangible Property	Title vests upon acquisition in the non-Federal entity	Must use that property for the originally-authorized purpose, and must not encumber the property without approval of the Federal awarding agency.	Has the same disposition requirements as 200.313 - Equipment.

Subpart D – Can I use my Go-To contractor for this service?

Again... It depends!

- Informal Procurement Methods
 - Micro-purchases
 - Small purchases
- Formal Procurement Methods
 - Sealed bids
 - Proposals
 - Noncompetitive procurement

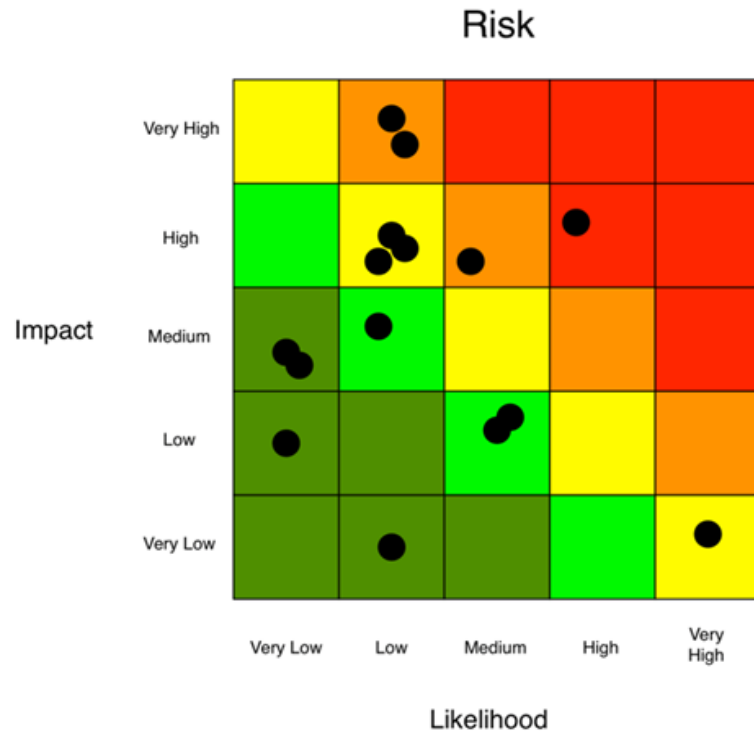
Subpart D - Remedies

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under [2 CFR part 180](#) and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Subpart D – I've sub-granted my funds to another entity, now what? RSM

- § 200.332 contains the requirements (i.e., **MUST**) for pass-through entities, including:
 - Clearly identifying subawards with the information listed under § 200.332(a).
 - Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward (i.e., **perform a risk assessment**)
 - Consider imposing specific subaward conditions upon a subrecipient, if appropriate
 - Monitor the activities of the subrecipient to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward (i.e., **perform subrecipient monitoring**).
 - Verify that subrecipients are audited as required by [Subpart F](#)

Subpart D – What does the risk assessment accomplish?



§ 200.332(b) requires the pass-through entity to complete a risk assessment.

- A risk assessment evaluates a subrecipient's potential non-compliance with the requirements of the award and the federal or state regulations.
- The results of the risk assessment influence the procedures performed during subrecipient monitoring

Subpart D – What is required of subrecipient monitoring?

- There are a few MUSTs when it comes to subrecipient monitoring (in addition to the risk assessment):
 1. The pass-through entity MUST review any financial and performance reports that are required either by the federal program or the subaward agreement.
 2. Any deficiency items of note should be addressed timely and MUST be monitored for status.
 3. If a Single Audit is required, the pass-through entity MUST verify one occurred.
 4. If there is an unallowable cost identified and cannot be replaced, the pass-through entity MUST adjust their own records and communicate the amount to the federal awarding agency and possibly pay the funds back. **Hopefully, the item is identified in time to replace that cost with another ELIGIBLE cost, negating the need for this step. *This is why continuous monitoring is a KEY practice to consider.***

Subpart D – What is RECOMMENDED for Subrecipient Monitoring?

RSM

- Training and technical assistance
- Site visits
- Desk audits (continuous and close out)
- Pre-procurement reviews

And now, another reminder about Procurement:

Approximately 1/3 of Single Audit findings relate to improper procurement. Training and technical assistance, as well as pre-reviews (staff and time permitting) can help.



Polling Question #7

Which item is NOT required for Subrecipient Monitoring:

- a. Risk assessment
- b. Desk audit
- c. Verifying Single Audits were completed
- d. Monitoring deficiencies

Subpart E – It won't Cost you much

§ 200.401 Application.

(a) **General.** These principles must be used in determining the allowable costs of work performed by the non-Federal entity under Federal awards. These principles also must be used by the non-Federal entity as a guide in the pricing of fixed-price contracts and subcontracts where costs are used in determining the appropriate price. The principles do not apply to:

- (1) Arrangements under which Federal financing is in the form of loans, scholarships, fellowships, traineeships, or other fixed amounts based on such items as education allowance or published tuition rates and fees.
- (2) For IHEs, capitation awards, which are awards based on case counts or number of beneficiaries according to the terms and conditions of the Federal award.
- (3) Fixed amount awards. See also [§ 200.1](#) Definitions and 200.201.
- (4) Federal awards to hospitals (see appendix IX to this part).
- (5) Other awards under which the non-Federal entity is not required to account to the Federal Government for actual costs incurred.

Subpart E – It won't Cost you much

§ 200.403 Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also § 200.306(b).
- (g) Be adequately documented. See also §§ 200.300 through 200.309 of this part.
- (h) Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to § 200.308(e)(3).

Subpart E – It won't Cost you much

§ 200.404 Reasonable costs.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
- (b) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- (c) Market prices for comparable goods or services for the geographic area.
- (d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.
- (e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

Subpart E – It won't Cost you much

§ 200.405 Allocable costs.

(a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- (1) Is incurred specifically for the Federal award;
- (2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- (3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

(b) All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.

(c) Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

(d) Direct cost allocation principles: If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§ 200.310 through 200.316 and 200.439.

(e) If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in

Polling Question #8

How do you know an item is reasonable:

- A. It pass the risk assessment
- B. b. Market prices for comparable goods or services for the geographic area
- C. Is incurred specifically for the Federal award
- D. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items

Subpart F – The F doesn't stand for Fail



Subpart F sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of non-Federal entities expending Federal Awards.



Who is required to have an audit? A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of § 200.501.

Subpart F – The F doesn't stand for Fail

- ***For-profit subrecipient.*** Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. See also [§ 200.332](#).

Polling Question #9

Generally, a non-Federal entity that **expends** \$_____ or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted.

- a. \$250,000
- b. \$500,000
- c. \$750,000
- d. \$1,000,000

Polling Question #10

Subrecipient is awarded \$2,000,000 in Federal grants. The grantee expends \$500,000 in year 1, \$800,000 in year 2, and \$700,000 in year 3. What year, if any, is the subrecipient required to have a Single Audit?

- a. Year 1
- b. Year 2
- c. Year 3
- d. All

Subpart ? – They just threw it all in the Appendices

Appendix I to Part 200

[Full Text of Notice of Funding Opportunity](#)

Appendix II to Part 200

[Contract Provisions for Non-Federal Entity
Contracts Under Federal Awards](#)

Appendix III to Part 200

[Indirect \(F&A\) Costs Identification and Assignment,
and Rate Determination for Institutions of Higher
Education \(IHEs\)](#)

Appendix IV to Part 200

[Indirect \(F&A\) Costs Identification and Assignment,
and Rate Determination for Nonprofit Organizations](#)

Appendix V to Part 200

[State/Local Governmentwide Central Service Cost
Allocation Plans](#)

Appendix VI to Part 200

[Public Assistance Cost Allocation Plans](#)

Appendix VII to Part 200

[States and Local Government and Indian Tribe
Indirect Cost Proposals](#)

Appendix VIII to Part 200

[Nonprofit Organizations Exempted From Subpart E
of Part 200](#)

Appendix IX to Part 200

[Hospital Cost Principles](#)

Appendix X to Part 200

[Data Collection Form \(Form SF–SAC\)](#)

Appendix XI to Part 200

[Compliance Supplement](#)

Appendix XII to Part 200

[Award Term and Condition for Recipient Integrity
and Performance Matters](#)

Appendix I – The ultimate cheat sheet

The full text of the notice of funding opportunity is organized in sections. The required format outlined in this appendix indicates immediately following the title of each section whether that section is required in every announcement or is a Federal awarding agency option.

A Federal awarding agency that wishes to include information that the format does not specifically discuss may address that subject in whatever section(s) is most appropriate. For example, if a Federal awarding agency chooses to address performance goals in the announcement, it might do so in the funding opportunity description, the application content, or the reporting requirements.

Similarly, when this format calls for a type of information to be in a particular section, a Federal awarding agency wishing to address that subject in other sections may elect to repeat the information in those sections or use cross references between the sections (there should be hyperlinks for cross-references in any electronic versions of the announcement). For example, a Federal awarding agency may want to include Section A information about the types of non-Federal entities who are eligible to apply. The format specifies a standard location for that information in Section C.1 but does not preclude repeating the information in Section A or creating a cross reference between Section A and C.1, as long as a potential applicant can find the information quickly and easily from the standard location.

Appendix I – The ultimate cheat sheet

A. Program Description—Required

This section contains the full program description of the funding opportunity. It may be as long as needed to adequately communicate to potential applicants the areas in which funding may be provided. It describes the Federal awarding agency's funding priorities or the technical or focus areas in which the Federal awarding agency intends to provide assistance. As appropriate, it may include any program history (e.g., whether this is a new program or a new or changed area of program emphasis). This section must include program goals and objectives, a reference to the relevant Assistance Listings, a description of how the award will contribute to the achievement of the program's goals and objectives, and the expected performance goals, indicators, targets, baseline data, data collection, and other outcomes such Federal awarding agency expects to achieve, and may include examples of successful projects that have been funded previously. This section also may include other information the Federal awarding agency deems necessary, and must at a minimum include citations for authorizing statutes and regulations for the funding opportunity.

Appendix I – The ultimate cheat sheet

B. Federal Award Information—Required

This section provides sufficient information to help an applicant make an informed decision about whether to submit a proposal. Relevant information could include the total amount of funding that the Federal awarding agency expects to award through the announcement; the expected performance indicators, targets, baseline data, and data collection; the anticipated number of Federal awards; the expected amounts of individual Federal awards (which may be a range); the amount of funding per Federal award, on average, experienced in previous years; and the anticipated start dates and periods of performance for new Federal awards. This section also should address whether applications for renewal or supplementation of existing projects are eligible to compete with applications for new Federal awards.

This section also must indicate the type(s) of assistance instrument (*e.g.*, grant, cooperative agreement) that may be awarded if applications are successful. If cooperative agreements may be awarded, this section either should describe the “substantial involvement” that the Federal awarding agency expects to have or should reference where the potential applicant can find that information (*e.g.*, in the funding opportunity description in Section A. or Federal award administration information in Section D. If procurement contracts also may be awarded, this must be stated.

Appendix I – The ultimate cheat sheet

C. Eligibility Information

This section addresses the considerations or factors that determine applicant or application eligibility. This includes the eligibility of particular types of applicant organizations, any factors affecting the eligibility of the principal investigator or project director, and any criteria that make particular projects ineligible. Federal agencies should make clear whether an applicant's failure to meet an eligibility criterion by the time of an application deadline will result in the Federal awarding agency returning the application without review or, even though an application may be reviewed, will preclude the Federal awarding agency from making a Federal award. Key elements to be addressed are:

1. ***Eligible Applicants—Required.*** Announcements must clearly identify the types of entities that are eligible to apply. If there are no restrictions on eligibility, this section may simply indicate that all potential applicants are eligible. If there are restrictions on eligibility, it is important to be clear about the specific types of entities that are eligible, not just the types that are ineligible. For example, if the program is limited to nonprofit organizations subject to [26 U.S.C. 501\(c\)\(3\)](#) of the tax code ([26 U.S.C. 501\(c\)\(3\)](#)), the announcement should say so. Similarly, it is better to state explicitly that Native American tribal organizations are eligible than to assume that they can unambiguously infer that from a statement that nonprofit organizations may apply. Eligibility also can be expressed by exception, (e.g., open to all types of domestic applicants other than individuals). This section should refer to any portion of Section D specifying documentation that must be submitted to support an eligibility determination (e.g., proof of 501(c)(3) status as determined by the Internal Revenue Service or an authorizing tribal resolution). To the extent that any funding restriction in Section D.6 could affect the eligibility of an applicant or project, the announcement must either restate that restriction in this section or provide a cross-reference to its description in Section D.6.

Appendix I – The ultimate cheat sheet

C. Eligibility Information

2. **Cost Sharing or Matching—Required.** Announcements must state whether there is required cost sharing, matching, or cost participation without which an application would be ineligible (if cost sharing is not required, the announcement must explicitly say so). Required cost sharing may be a certain percentage or amount, or may be in the form of contributions of specified items or activities (e.g., provision of equipment). It is important that the announcement be clear about any restrictions on the types of cost (e.g., in-kind contributions) that are acceptable as cost sharing. Cost sharing as an eligibility criterion includes requirements based in statute or regulation, as described in [§ 200.306 of this Part](#). This section should refer to the appropriate portion(s) of section D. stating any pre-award requirements for submission of letters or other documentation to verify commitments to meet cost-sharing requirements if a Federal award is made.

3. **Other—Required, if applicable.** If there are other eligibility criteria (i.e., criteria that have the effect of making an application or project ineligible for Federal awards, whether referred to as “responsiveness” criteria, “go-no go” criteria, “threshold” criteria, or in other ways), must be clearly stated and must include a reference to the regulation of requirement that describes the restriction, as applicable. For example, if entities that have been found to be in violation of a particular Federal statute are ineligible, it is important to say so. This section must also state any limit on the number of applications an applicant may submit under the announcement and make clear whether the limitation is on the submitting organization, individual investigator/program director, or both. This section should also address any eligibility criteria for beneficiaries or for program participants other than Federal award recipients.

Appendix I – The ultimate cheat sheet

D. Application and Submission Information

1. ***Address to Request Application Package—Required.*** Potential applicants must be told how to get application forms, kits, or other materials needed to apply (if this announcement contains everything needed, this section need only say so). An Internet address where the materials can be accessed is acceptable. However, since high-speed Internet access is not yet universally available for downloading documents, and applicants may have additional accessibility requirements, there also should be a way for potential applicants to request paper copies of materials, such as a U.S. Postal Service mailing address, telephone or FAX number, Telephone Device for the Deaf (TDD), Text Telephone (TTY) number, and/or Federal Information Relay Service (FIRS) number.

Appendix I – The ultimate cheat sheet

D. Application and Submission Information

2. *Content and Form of Application Submission—Required.* This section must identify the required content of an application and the forms or formats that an applicant must use to submit it. If any requirements are stated elsewhere because they are general requirements that apply to multiple programs or funding opportunities, this section should refer to where those requirements may be found. This section also should include required forms or formats as part of the announcement or state where the applicant may obtain them.

This section should specifically address content and form or format requirements for:

- i. Pre-applications, letters of intent, or white papers required or encouraged (see Section D.4), including any limitations on the number of pages or other formatting requirements similar to those for full applications.
- ii. The application as a whole. For all submissions, this would include any limitations on the number of pages, font size and typeface, margins, paper size, number of copies, and sequence or assembly requirements. If electronic submission is permitted or required, this could include special requirements for formatting or signatures.
- iii. Component pieces of the application (e.g., if all copies of the application must bear original signatures on the face page or the program narrative may not exceed 10 pages). This includes any pieces that may be submitted separately by third parties (e.g., references or letters confirming commitments from third parties that will be contributing a portion of any required cost sharing).
- iv. Information that successful applicants must submit after notification of intent to make a Federal award, but prior to a Federal award. This could include evidence of compliance with requirements relating to human subjects or information needed to comply with the National Environmental Policy Act (NEPA) ([42 U.S.C. 4321](#)–4370h).

Appendix I – The ultimate cheat sheet

D. Application and Submission Information

3. **Unique entity identifier and System for Award Management (SAM) — Required.** This paragraph must state clearly that each applicant (unless the applicant is an individual or Federal awarding agency that is excepted from those requirements under [2 CFR 25.110\(b\)](#) or [\(c\)](#), or has an exception approved by the Federal awarding agency under [2 CFR 25.110\(d\)](#)) is required to:

- (i) Be registered in SAM before submitting its application;
- (ii) Provide a valid unique entity identifier in its application; and
- (iii) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency. It also must state that the Federal awarding agency may not make a Federal award to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements and, if an applicant has not fully complied with the requirements by the time the Federal awarding agency is ready to make a Federal award, the Federal awarding agency may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

4. **Submission Dates and Times—Required.** Announcements must identify due dates and times for all submissions. This includes not only the full applications but also any preliminary submissions (e.g., letters of intent, white papers, or pre-applications). It also includes any other submissions of information before Federal award that are separate from the full application. If the funding opportunity is a general announcement that is open for a period of time with no specific due dates for applications, this section should say so. Note that the information on dates that is included in this section also must appear with other overview information in a location preceding the full text of the announcement (see [§ 200.204 of this part](#)).

Appendix I – The ultimate cheat sheet

D. Application and Submission Information

4. ***Submission Dates and Times—Required.*** Announcements must identify due dates and times for all submissions. This includes not only the full applications but also any preliminary submissions (e.g., letters of intent, white papers, or pre-applications). It also includes any other submissions of information before Federal award that are separate from the full application. If the funding opportunity is a general announcement that is open for a period of time with no specific due dates for applications, this section should say so. Note that the information on dates that is included in this section also must appear with other overview information in a location preceding the full text of the announcement (see [§ 200.204 of this part](#)).

5. ***Intergovernmental Review—Required***, if applicable. If the funding opportunity is subject to Executive Order 12372, “Intergovernmental Review of Federal Programs,” the notice must say so and applicants must contact their state's Single Point of Contact (SPOC) to find out about and comply with the state's process under Executive Order 12372, it may be useful to inform potential applicants that the names and addresses of the SPOCs are listed in the Office of Management and Budget's website.

6. ***Funding Restrictions—Required.*** Notices must include information on funding restrictions in order to allow an applicant to develop an application and budget consistent with program requirements. Examples are whether construction is an allowable activity, if there are any limitations on direct costs such as foreign travel or equipment purchases, and if there are any limits on indirect costs (or facilities and administrative costs). Applicants must be advised if Federal awards will not allow reimbursement of pre-Federal award costs.

Appendix I – The ultimate cheat sheet

D. Application and Submission Information

7. *Other Submission Requirements— Required.* This section must address any other submission requirements not included in the other paragraphs of this section. This might include the format of submission, i.e., paper or electronic, for each type of required submission. Applicants should not be required to submit in more than one format and this section should indicate whether they may choose whether to submit applications in hard copy or electronically, may submit only in hard copy, or may submit only electronically.

This section also must indicate where applications (and any pre-applications) must be submitted if sent by postal mail, electronic means, or hand-delivery. For postal mail submission, this must include the name of an office, official, individual or function (e.g., application receipt center) and a complete mailing address. For electronic submission, this must include the URL or email address; whether a password(s) is required; whether particular software or other electronic capabilities are required; what to do in the event of system problems and a point of contact who will be available in the event the applicant experiences technical difficulties.^[1]

Appendix I – The ultimate cheat sheet

E. Application Review Information

1. **Criteria—Required.** This section must address the criteria that the Federal awarding agency will use to evaluate applications. This includes the merit and other review criteria that evaluators will use to judge applications, including any statutory, regulatory, or other preferences (e.g., minority status or Native American tribal preferences) that will be applied in the review process. These criteria are distinct from eligibility criteria that are addressed before an application is accepted for review and any program policy or other factors that are applied during the selection process, after the review process is completed. The intent is to make the application process transparent so applicants can make informed decisions when preparing their applications to maximize fairness of the process. The announcement should clearly describe all criteria, including any sub-criteria. If criteria vary in importance, the announcement should specify the relative percentages, weights, or other means used to distinguish among them. For statutory, regulatory, or other preferences, the announcement should provide a detailed explanation of those preferences with an explicit indication of their effect (e.g., whether they result in additional points being assigned).

If an applicant's proposed cost sharing will be considered in the review process (as opposed to being an eligibility criterion described in Section C.2), the announcement must specifically address how it will be considered (e.g., to assign a certain number of additional points to applicants who offer cost sharing, or to break ties among applications with equivalent scores after evaluation against all other factors). If cost sharing will not be considered in the evaluation, the announcement should say so, so that there is no ambiguity for potential applicants. Vague statements that cost sharing is encouraged, without clarification as to what that means, are unhelpful to applicants. It also is important that the announcement be clear about any restrictions on the types of cost (e.g., in-kind contributions) that are acceptable as cost sharing.

Appendix I – The ultimate cheat sheet

E. Application Review Information

3. For any Federal award under a notice of funding opportunity, if the Federal awarding agency anticipates that the total Federal share will be greater than the simplified acquisition threshold on any Federal award under a notice of funding opportunity may include, over the period of performance, this section must also inform applicants:

- i. That the Federal awarding agency, prior to making a Federal award with a total amount of Federal share greater than the simplified acquisition threshold, is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (currently FAPIIS) (see [41 U.S.C. 2313](#));
- ii. That an applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM;
- iii. That the Federal awarding agency will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in [§ 200.206](#).

Appendix I – The ultimate cheat sheet

E. Application Review Information

4. ***Anticipated Announcement and Federal Award Dates—Optional.*** This section is intended to provide applicants with information they can use for planning purposes. If there is a single application deadline followed by the simultaneous review of all applications, the Federal awarding agency can include in this section information about the anticipated dates for announcing or notifying successful and unsuccessful applicants and for having Federal awards in place. If applications are received and evaluated on a “rolling” basis at different times during an extended period, it may be appropriate to give applicants an estimate of the time needed to process an application and notify the applicant of the Federal awarding agency's decision.

Appendix I – The ultimate cheat sheet

F. Federal Award Administration Information

1. *Federal Award Notices—Required.* This section must address what a successful applicant can expect to receive following selection. If the Federal awarding agency's practice is to provide a separate notice stating that an application has been selected before it actually makes the Federal award, this section would be the place to indicate that the letter is not an authorization to begin performance (to the extent that it allows charging to Federal awards of pre-award costs at the non-Federal entity's own risk). This section should indicate that the notice of Federal award signed by the grants officer (or equivalent) is the authorizing document, and whether it is provided through postal mail or by electronic means and to whom. It also may address the timing, form, and content of notifications to unsuccessful applicants. See also [§ 200.211](#).

Appendix I – The ultimate cheat sheet

F. Federal Award Administration Information

2. *Administrative and National Policy Requirements—Required.* This section must identify the usual administrative and national policy requirements the Federal awarding agency's Federal awards may include. Providing this information lets a potential applicant identify any requirements with which it would have difficulty complying if its application is successful. In those cases, early notification about the requirements allows the potential applicant to decide not to apply or to take needed actions before receiving the Federal award. The announcement need not include all of the terms and conditions of the Federal award, but may refer to a document (with information about how to obtain it) or Internet site where applicants can see the terms and conditions. If this funding opportunity will lead to Federal awards with some special terms and conditions that differ from the Federal awarding agency's usual (sometimes called “general”) terms and conditions, this section should highlight those special terms and conditions. Doing so will alert applicants that have received Federal awards from the Federal awarding agency previously and might not otherwise expect different terms and conditions. For the same reason, the announcement should inform potential applicants about special requirements that could apply to particular Federal awards after the review of applications and other information, based on the particular circumstances of the effort to be supported (e.g., if human subjects were to be involved or if some situations may justify special terms on intellectual property, data sharing or security requirements).

Appendix I – The ultimate cheat sheet

F. Federal Award Administration Information

3. **Reporting—Required.** This section must include general information about the type (e.g., financial or performance), frequency, and means of submission (paper or electronic) of post-Federal award reporting requirements. Highlight any special reporting requirements for Federal awards under this funding opportunity that differ (e.g., by report type, frequency, form/format, or circumstances for use) from what the Federal awarding agency's Federal awards usually require. Federal awarding agencies must also describe in this section all relevant requirements such as those at [2 CFR 180.335](#) and [180.350](#).

If the Federal share of any Federal award may include more than \$500,000 over the period of performance, this section must inform potential applicants about the post award reporting requirements reflected in appendix XII to this part.

Appendix I – The ultimate cheat sheet

H. Other Information—Optional

This section may include any additional information that will assist a potential applicant. For example, the section might:

- i. Indicate whether this is a new program or a one-time initiative.
- ii. Mention related programs or other upcoming or ongoing Federal awarding agency funding opportunities for similar activities.
- iii. Include current Internet addresses for Federal awarding agency Web sites that may be useful to an applicant in understanding the program.
- iv. Alert applicants to the need to identify proprietary information and inform them about the way the Federal awarding agency will handle it.
- v. Include certain routine notices to applicants (e.g., that the Federal Government is not obligated to make any Federal award as a result of the announcement or that only grants officers can bind the Federal Government to the expenditure of funds).

Appendix I – The ultimate cheat sheet

G. Federal Awarding Agency Contact(s)—Required

The announcement must give potential applicants a point(s) of contact for answering questions or helping with problems while the funding opportunity is open. The intent of this requirement is to be as helpful as possible to potential applicants, so the Federal awarding agency should consider approaches such as giving:

- i. Points of contact who may be reached in multiple ways (e.g., by telephone, FAX, and/or email, as well as regular mail).
- ii. A fax or email address that multiple people access, so that someone will respond even if others are unexpectedly absent during critical periods.
- iii. Different contacts for distinct kinds of help (e.g., one for questions of programmatic content and a second for administrative questions).

Polling Question #10

Should Joel have just led with Appendix I?

Yes, but then we wouldn't have received 2 hours of CPE

No, because we made friends along the way

Contact Info



Joel Anderson – Director

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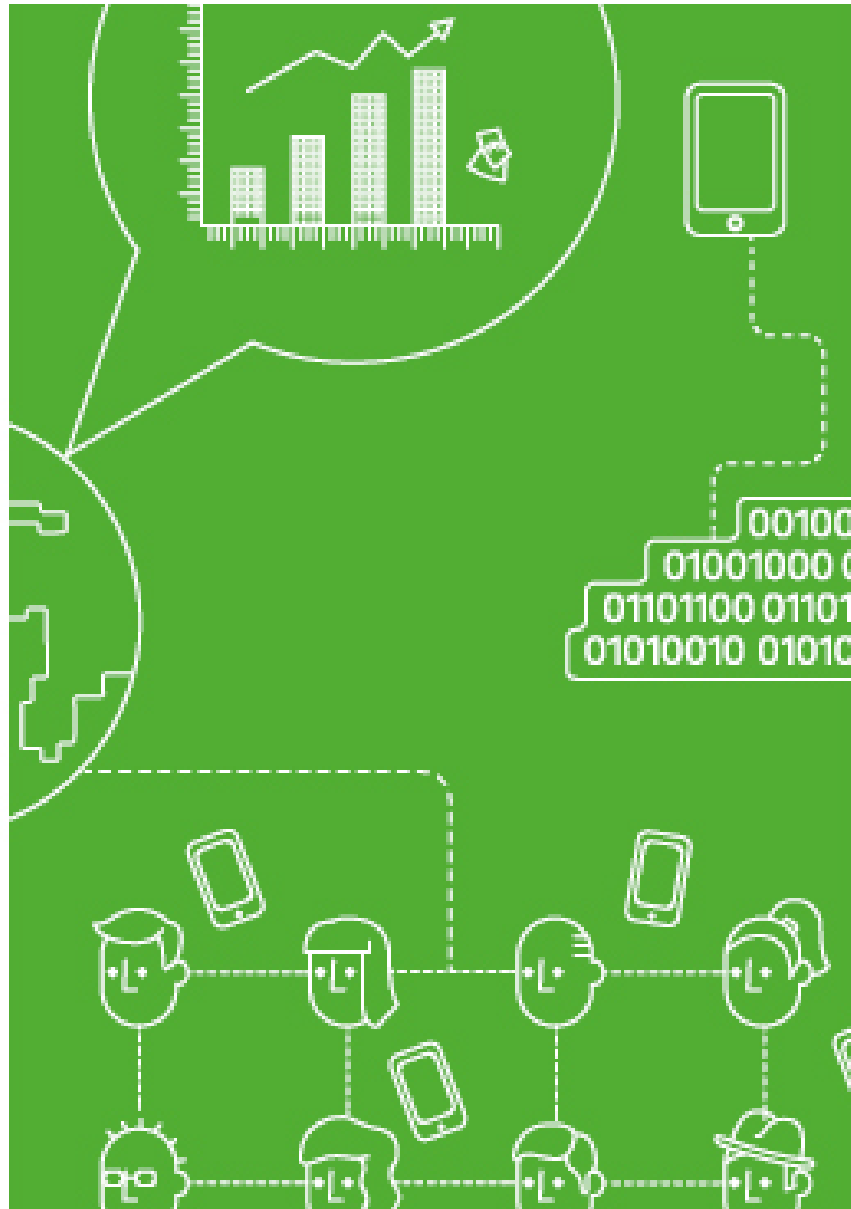
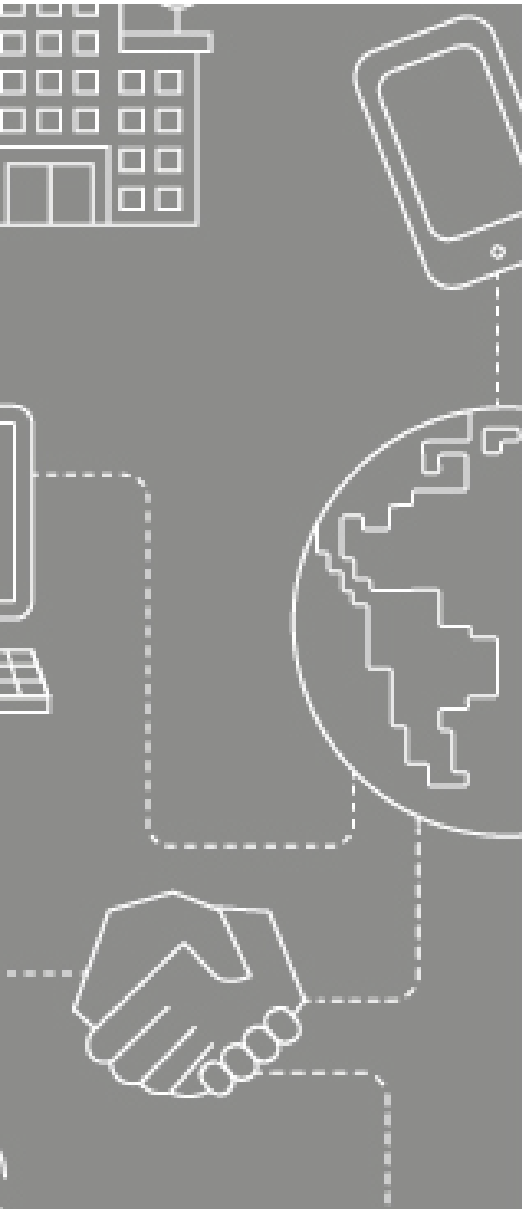
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THANK YOU FOR
YOUR TIME AND
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