



Uniform Grant Guidance/Green Book

Administrators' Management Meeting

September, 2015



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Goals of the Uniform Grant Guidance

- Streamline guidance on federal awards;
- Reduce administrative burden for the government;
- Strengthen federal oversight of funding to reduce potential for waste, fraud and/or abuse;
- Set standard requirements for financial award management uniformly across all federal agencies;
- Consolidate eight OMB Circulars into Title 2 of the CFR;
- Increase efficiency and effectiveness of Federal award-making.

From Circulars to the Uniform Guidance

What Was. . .	Is Now. . .
Circulars A-89, A-102, A-110	Uniform Guidance Subparts B, C, and D
Circulars A-21, A-87, A-122	Uniform Guidance Subpart E
Circulars A-133, A-50	Uniform Guidance Subpart F
EDGAR Parts 75 to 99	EDGAR Parts 75-79 and 81-99
EDGAR Parts 74 and 80	Became part of the Uniform Guidance

Relationship of UGG to Green Book

- Project Application and Amendment Procedures for Federal and State Programs (Green Book) provides guidance to internal staff, recipients and subrecipients for management of state and federal projects.
- Includes both federal and state requirements.
- To the extent appropriate, UGG changes have been incorporated into this revision of the Green Book.
- There are elements of the Uniform Guidance that may have impact that may not be reflected in the Green Book so participants should continue to familiar themselves with UGG.

Grant vs. Project/Subgrant

- Be cautious of references to the term “Grant.”
- When used in UGG, the term “Grant” refers to the award of funds from the federal government to DOE (or direct funding from the federal government to any eligible entity).
- In order to distinguish between the award of funds to DOE, we use the term “Project” or “Subgrant” to refer to DOE award of funds to other entities.

Certification Language

I, _____, *(Please Type Name)* as **the official who is authorized to legally bind the agency/organization**, do hereby certify to the best of my knowledge and belief that all the information and attachments submitted in this application are true, complete and accurate, for the purposes, and objectives, set forth in the RFA or RFP and are consistent with the statement of general assurances and specific programmatic assurances for this project. **I am aware that any false, fictitious or fraudulent information or the omission of any material fact may subject me to criminal, or administrative penalties for the false statement, false claims or otherwise.** Furthermore, all applicable statutes, regulations, and procedures; administrative and programmatic requirements; and procedures for fiscal control and maintenance of records will be implemented to ensure proper accountability for the expenditure of funds on this project. All records necessary to substantiate these requirements will be available for review by appropriate state and federal staff. I further certify that all expenditures will be obligated on or after the effective date and prior to the termination date of the project. Disbursements will be reported only as appropriate to this project, and will not be used for matching funds on this or any special project, where prohibited.

Further, I understand that it is the responsibility of the agency head to obtain from its governing body the authorization for the submission of this application.

DOE 100 A – Project Application

- New category added to capture the Data Universal Numbering System (DUNS) # & Employer Identification Number (EIN) #
 - Applicants must now include their DUNS # (Unique Entity Identifier) used for the System for Award Management (SAM) registration. The name used on the actual Award must match the name attached to these documents.
 - EIN, according to IRS can be Taxpayer Identification Number (TIN); Social Security Number (SNN) and Individual Taxpayer Identification Number (ITIN)
- New Certification Statement required.

DOE 200 – Project Award Form

- Adds details to satisfy Federal requirements
 - Federal award indicated – Title & Number
 - DUNS number indicated (Unique Entity Identifier)
 - FEID/FEIN number indicated
 - RFA/RFP incorporated into the terms and conditions

Review of Risk Posed by Applicants

The pass-through entity (FDOE) must have a framework for evaluating risks before any applicant receives funding. The framework should evaluate:

- Financial Stability
- Quality of Management System
- History of Performance
- Audit Reports
- Applicant's Ability to Effectively Implement Program

Risk Analysis Tool – DOE Form 610 (new)

**School Districts, State Colleges, State Universities, and
Florida State Agencies**

Organizational Policies and Procedures

- Approved by the board
- Annual budgets approved by the board prior to start of fiscal year?
- Do they require prior board approval for large purchases and applications for projects, grants, contracts, and subawards/subcontracts?
- Do they establish salary ranges and approve salary increases for chief executive officer?

Risk Analysis Tool – DOE Form 610 (new)

- Has the agency received any state or federal funds in the past five years?
- Has the agency ever had a government contract/project/agreement terminated? (explain)
- Has the agency or any principals thereof ever been suspended or debarred? (explain)
- Has the agency or principals been suspended or debarred from receiving state or federal grants or contracts? (explain)
- Has the agency or any principals ever been the subject of a lawsuit or investigation alleging fraud, illegal activities or misappropriation of assets? (explain)

Risk Analysis Tool – DOE Form 610 (new)

- Does the agency employ a finance director/officer with at least three years experience in accounting?
- Has the agency experienced turnover in the following positions within the past year
 - CEO?
 - Finance Director/Manager/Comptroller?

Risk Analysis Tool – DOE Form 610 (new)

Written Policies and Procedures

- Bank reconciliation
- Cash management
- Compensation and fringe benefits
- Confidentiality of records
- Conflicts of interest and disclosures
- Contract administration
- Determining allowability of cost
- Financial management
- Indirect cost rate development
- Payroll and time records
- Personnel policies and procedures
- Procurement
- Method of conducting technical evaluations for competitive proposals
- Record retention requirements
- Travel
- Use of credit/debit cards

Risk Analysis Tool – DOE Form 610 (new)

- Does the agency maintain a fixed asset management system, with policies and procedures with the following components?
 - Unique property identification number
 - Date of acquisition
 - Acquisition cost
 - Description of property
 - Location of property
 - Maintenance
 - Useful life and depreciation methods
 - Asset protection (physical safeguards, insurance, etc.)

Risk Analysis Tool – DOE Form 610 (new)

- Does the agency use an operating budget to control project funds?
- Does the agency have a federal approved indirect cost rate (N/A for school districts)
- For staff working on a single federal cost objective, are semi-annual certifications maintained?
- For staff working on two or more single federal cost objectives are personnel activity reports maintained?
- Is a complete personnel record maintained on each employee?
- Do agency policies require that employees' timesheets be signed by the employee and the employee's immediate supervisor?

Risk Analysis Tool – DOE Form 610 (new)

- Do travel expenditures require advance approval by an appropriate supervisor?
- Does the agency maintain a code of conduct that governs the performance of its officers, employees or agents engaged in procurement which will help to avoid any conflict of interest?

Risk Analysis Tool – DOE Form 610 (new)

Items to be Submitted

- Date Universal Numbering System (DUNS) registration
- System for Award Management (SAM) registration
- Current organizational chart
- Policies and procedures to generate financial statements
- Policies and procedures on payroll cost and time and effort reporting
- Purchasing policies and procedures
- Policies and procedures for fixed assets
- Description of agency's financial management system
- Copy of chart of accounts (N/A for school districts)
- Copy of federal approved indirect cost plan and approval documentation, if applicable (N/A for school districts)

Special Conditions

Results of the Risk Assessment may be cause for Special Conditions to be placed upon an award to include, but not limited to the following:

- Require reimbursement;
- Withhold funds until evidence of acceptable performance;
- More detailed reporting;
- Additional monitoring;
- Require subgrantee/subrecipient to obtain technical or management assistance; or
- Establish additional prior approvals.

Financial Management System

- New: Identification of Federal Awards
- Financial Reporting
- Accounting Records
- Internal Controls
- Budget Controls
- New: Written Procedures to Implement CMIA*
- New: Written Procedures to Determine Allowability

*CMIA = Cash Management Improvement Act

Financial Management System

Management requirements - Written procedures for determining the allowability of costs in accordance with Subpart E—Cost Principles and the terms and conditions of the Federal award.

Internal Controls (Must Be Formalized in Writing)

The non-Federal entity must:

- Establish and maintain effective control over the federal award.
- Evaluate and monitor the non-Federal entity's compliance statutes, regulations, and terms of the federal award.
- Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
- Take reasonable measures to safeguard protected personally identifiable information as defined under 2 CFR §200.79

Cash Management

The non-Federal entity must have written procedures for cash management activities. These procedures must ensure that the following phases are addressed:

- Payment Process
 - Obligation
 - Liquidation
 - Drawdown
-
- Cash Management Improvement Act (CMIA) requires no more than 72 Hours between draw down of monies and payment of those monies, otherwise interest begins to accrue.

Uniform Guidance & Performance

Uniform Guidance stresses utilizing performance requirements

- Program goals
- Expected outcomes
- Milestones (lessons learned, use of promising practices)
- Continue using FL guidance

Performance - Financial Reporting

Performance Metrics

1. Compare actual accomplishments to objectives.
(quantify to extent possible)
2. Reasons goals were not met if appropriate
3. Additional pertinent information (e.g. analysis and explanation of cost overruns, high unit costs)

Significant developments

- a. Problems, delays. Adverse conditions that would impair ability to meet objective of the award
- b. Favorable developments. Finishing sooner or at less cost

Timeline for Effects of Changes

- US Department of Education has indicated that changes in performance expectations will be handled on a program by program basis. It may be some time before the full effects of the changes are felt.
- Expect to see more rigorous performance requirements to be implemented with programmatic reauthorization, and updated regulations and/or non-regulatory guidance.

Final Expenditure Reports: DOE 399, 499, and 599

New certification statement replaces previous certification statement on these reporting forms.

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.

Key Changes in Audit Requirements

- Single Audit Threshold has increased to \$750,000.
- Questioned costs <\$25,000 are no longer required to be reported.
 - Fewer audits and findings have monitoring implications.
- Audits must be submitted electronically to the Federal Audit Clearinghouse and made available to all funding agencies.
 - States will continue to resolve sub-recipient audits.



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Cost Principles

Cost Principles

Notable changes:

- Certification required for fiscal reports, payment vouchers, and indirect cost proposals.
- Adds guidance about dependent care costs related to conferences.
- Discusses direct charging of materials and supplies (Computer equipment <\$5,000 treated as a supply). **Florida requirements will not change. State law prescribes a threshold of <\$1,000.**
- Small attractive items with a purchase value less than \$1,000, whether classified as equipment, technological item, or supplies must be safeguarded and there must be a **written policy on tracking.**

Cost Principles (cont.)

State restrictions may further limit expenditures of federal awards. See “Reference Guide for State Expenditures.”

Allowability of Costs Criteria

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

- a) Be necessary, reasonable, and allocable;
- b) Conform to limitations or exclusions set in the principles or the Federal award;
- c) Be consistent with policies and procedures that apply to both federal and non-Federal entity.

Documentation for Personnel Expenses (Time and Effort)

- Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.
- If employee paid with federal funds, then must show that the employee worked on that specific federal program cost objective 2 CFR 200.403(a)

Documentation for Personnel Expenses (Time and Effort)

- Must be maintained for all employees whose salaries are:
 - Paid in whole or in part with federal funds
 - Used to meet a match/cost share requirement
 - NOT contractors

Documentation for Personnel Expenses (Time and Effort) – “Old” Requirements

Semi-Annual Certifications

- If an employee works on a single cost objective:
 - After the fact
 - Account for the total activity
 - Signed by employee **or** supervisor
 - Every six months (at least twice a year)

Personnel Activity Report (PAR)

- If an employee works on multiple cost objectives:
 - After the fact
 - Account for total activity
 - Signed by employee
 - Prepared at least monthly and coincide with one or more pay periods

Documentation for Personnel Expenses (Time and Effort) “New” Requirements

These records MUST:

1. Be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and properly allocated;
2. Be incorporated into official records;
3. Reasonably reflect total activity for which employee is compensated; Not to exceed 100%

Documentation for Personnel Expenses (Time and Effort) “New” Requirements cont.

4. Encompass all activities (federal and non-federal);
5. Comply with established accounting polices and practices; and
6. Support distribution among specific activities or cost objectives.

Documentation for Personnel Expenses (Time and Effort)

- Budget estimates alone do not qualify as support for charges to Federal awards May be used for interim accounting purposes if:
 - Produces reasonable approximations
 - Significant changes to the corresponding work activity are identified in a timely manner
 - Internal controls in place to review after-the-fact interim charges based on budget estimates

Documentation for Personnel Expenses (Time and Effort)

- For a non-Federal entity where the records do not meet these standards:
 - Federal agency may require personnel activity reports (PARs), including prescribed certifications or equivalent documentation that support the records as required in this section. (PARs are not defined)

Documentation for Personnel Expenses (Time and Effort)

All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Time and Effort Documentation

Due to lack of clear directive from federal government – no change recommended at this point.



Substitute System(s)

- Florida currently has a substitute system which was approved in 1996 and many districts have implemented this system.
- Several years ago a “new” option was offered that allows employees with schedules that do not change from week to week to certify time and effort on a semi-annual basis.

Substitute System

- Can do PARS 3 times per year instead of monthly.
- Can reconcile at the end of the year rather than monthly or quarterly.
- Reconciliation can be done in the aggregate rather than by individual employee.
- Must be implemented through a formal written agreement between FLDOE and the district.

Some Cost Items Have Not Changed!

The following are not allowable:

- Alcohol
- Entertainment
- Fines and Penalties
- Lobbying
- Advertisement that promotes the organization
- Religious worship, instruction, or proselytization
- Construction, remodeling, repair, operation, or maintenance of religious facility
- Unless specifically authorized, acquisition of real property or construction
- Purchase of goods and services to be used after the end of the project period

When do these changes take place?

- UGG applies to all Federal grants awarded on or after December 26, 2014. **Since most education grants are issued effective July 1, the Uniform Guidance became applicable on July 1, 2015.**
- Audit and indirect cost changes take effect the next fiscal year after December 26, 2014, – **Audit requirements will take effect for 2015-16.**
- As of October 1, 2015, the majority of grant funds will be subject to the Uniform Guidance.
- Revisions to Green Book will likely take effect October 1, 2015.

When do these changes take place?

- Because of the delays in issuing the revisions to the Green Book, project awards are being made based on existing General Assurances.
- Awards indicate that Assurances and Risk Assessments must be submitted by September 30, 2015. That timeline will be delayed to ensure that all subgrant recipients have a minimum of one month to submit both the Assurances and Risk Assessments. Timing will be based on the date of issuance of the Green Book.



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FAQ's

Does Equipment Become “Supplies?”

No.

Object codes as specified in the Red Book will not change:

- 600 Furniture, Fixtures and Equipment
 - 641 Capitalized Furniture, Fixtures and Equipment
 - 642 Noncapitalized Furniture, Fixtures and Equipment
 - 643 Capitalized Computer Hardware
 - 644 Noncapitalized Computer Hardware

When Does a Subrecipient Need to Submit a Formal Amendment (DOE 150/151) for Prior Approval?

There are very limited changes to this section of the Green Book. There is no specification of a 10% change in budget lines requiring an amendment. Need for an amendment is based on the types of changes rather than the amount of the change. See Section B of the Green Book.

Prior Approval of Amendment Required

- New - Additional criterion: Disengagement of the project director – if the **position** responsible for managing/overseeing the project award is disengaged from the project for more than three months, or if there is a 25% reduction in time devoted to the project.
- Changes in:
 - Scope, goals, or objectives
 - Project evaluation scope
 - Deliverables or work tasks
 - Key personnel
 - Contracted services

When Are Obligations Made?

Type of Obligation	When Obligation Occurs
Acquisition of Property	Date of binding written commitment
Personal Services by Employee	When services are performed
Personal Services by Contractor	Date of binding written commitment
Travel	When travel is taken
Approved Pre- Agreement Cost	On the first day of the grant or subgrant performance period.

When is “Advertising” Allowable?

- Allowable for programmatic purposes including:
 - Recruitment
 - Procurement of goods
 - Disposal of materials
 - Program outreach
 - Public relations (in limited circumstances)
- Exercise care as “promotional items” are prohibited under state law unless specifically authorized by statute.

Is Purchase of Food Allowable?

Food is not an allowable expenditure unless made pursuant to s. 1001.43(2)(g) which provides that the **district school board** may adopt policies which permit

“The use of federal funds to purchase food when federal program guidelines permit such use.”

When Can Equipment Purchased By One Program Be Used in Another Program?

- 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.
- When no longer needed, may be used in other activities with the following priority:
 1. Projects supported by Federal awarding agency
 2. Project funded by other Federal agencies
- When used it may be shared (according to the above priorities) provided such use will not interfere with work on the original projects/programs.



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Resources

Useful Websites

- U.S. Department of Education website devoted to technical assistance for grantees (regulations, FAQs, training resources)

<http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>.

- DOE Grants Management website (Green Book, fiscal training)

<http://www.fldoe.org/finance/contracts-grants-procurement/grants-management>.

Thank You!

Questions may be directed to:

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