

**FASFEP-ECTAC SPRING
FORUM
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FASFEP-ECTAC Spring Forum

Uniform Grant Guidance – Florida Implementation

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FLORIDA DEPARTMENT OF
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Reauthorization - The Phoenix Rises-or does it?



- Every Child Achieves Act of 2015
 - Passed Senate HELP Committee
 - Unanimous 22-0!
 - April 16, 2015

- Title IA is 184 pages of detail
 - Same funding structure
 - Preserves: with **significant** changes
 - MOE
 - Supplanting
 - No portability
- Large role for state authority
- Significant Restrictions (Explicit) of ED Secretary authority

State Plans

- Peer Review (major role)
- Challenging Standards Retained
- 1% Rule preserved
- Aligned Assessments
- State & Local report cards

LEA Plans

- How LEA's support schools to meet standards
 - Monitor schools
 - Assure teachers meet licensure & certification
- Rank and Serve??
 - Retained but 75% now 50% rule for high schools
- Targeted Assistance and SWIDE at 40%
 - Preserved but allows LEA exception
- Interventions
 - Choice but no SES

- Parent involvement
 - 1% preserved
 - 85% to schools
- Teachers-(HQT gone)-meet licensure and certification
- Maintenance of Effort
 - Penalty only if **TWO** failures in 5 years

- Supplement not Supplant
 - Uses schoolwide – “No LEA shall be required to...identify an individual cost or service...is supplemental”

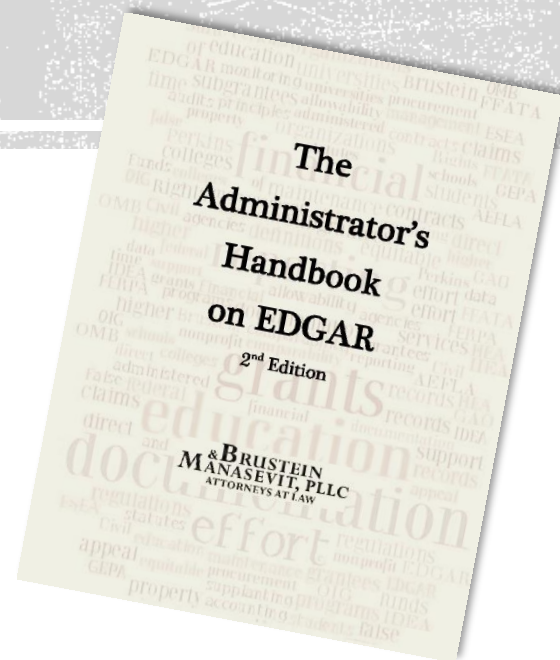
Disaggregate Discipline Stats



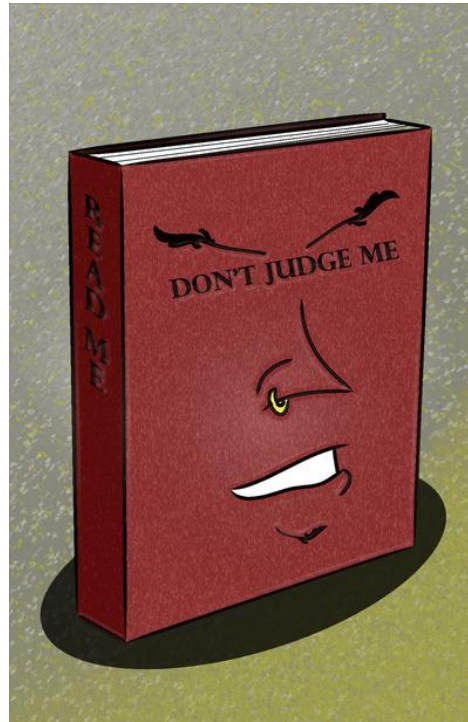
- “The secretary shall not have the authority to require a state, as a condition of approved of the state plan...”
 - Elements of standards
 - Use specific assessments
 - Set specific goals or timetables
 - Assign specific weight to student achievement
 - Any aspect of teacher evaluation

- “A state shall not be required to submit...standards...to the secretary”

Grants Administrative Changes under the New EDGAR



EDGAR – Old Friend, New Look



Key Parts of the NEW EDGAR

- **Title 34**

- Part 75 – Direct Grant Programs
- Part 76 – State-Administered Programs
- Part 77 – Definitions
- Part 81 – Enforcement

- **Title 2**

- Part 200 – Cost/Administrative/Audit Rules

Prior Rules (Incorporated Into the NEW EDGAR)

- A-21 – Cost Rules – Rules – IHEs
- A-87 – Cost Rules – State / Local Gov't
- A-122 – Cost Rules – Nonprofit
- A-102 – Administrative Rules State / Local Gov't
- A-110 – Administrative Rules IHEs
- A-133 – Audit Rules

Effective Dates

- **December 26, 2014** – Direct Grants from ED
- **July 1, 2015** – State Administered Programs
- **July 1, 2016** – Procurement Rules
- Indirect Cost Rates When Due For Renegotiation

Florida Timelines

- Revised Green Book will take effect July 1, 2015.
- General Assurances (included in Green Book) will also take effect July 1. Signed assurances must be submitted prior to any awards being made.

Relationship of UGG to Green Book

- Project Application and Amendment Procedures for Federal and State Programs (Green Book) provides guidance to internal staff 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.

UGG's Impact on Green Book

Many of the Green Book's standard forms have been amended as a result of the recent UGG:

- DOE FORM 100 A – Project Application Form
- DOE FORM 150 – Project Amendment Form
- DOE FORM 200 – Project Award Form
- DOE FORM 900s – RFA/RFP Templates
- DOE FORM 610 & 620 – Risk Analyses

DOE 100 A – Project Application

- New category added to capture DUNS # & FEIN#
Applicants must now include their DUNS # and their Unique Entity Identifier from SAMS registration. The name used on the actual Award must match the name attached to these documents.
- New Certification Statement required.

DOE 150 – Project Amendment Form

- Restructured to align with changes to Form 100A
- Certification Statement required

DOE 200 – Project Award Form

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



Part 76 State- Administered Programs

Allowable Costs

34 CFR 76.530



- The general principles to be used in determining costs applicable to grants is 2 CFR Part 200 Subpart E
 - Prohibited:
 - Use of funds for religion 34 CFR 76.532
 - Real property and construction (unless authorized) 34 CFR 76.533

Cash Management

- Cash Advance Payment Process

- Obligation
- Liquidation
- Drawdown
- Payment



This would be switched in a Reimbursement Payment Process.



- Obligation = Means orders placed for property and services, contracts and subawards made and similar transactions during a given period that require payment during the same or a future period. 2 CFR 200.71

When Obligations Are Made

34 CFR 76.707

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 May Begin to Obligate 34 CFR 76.708



- Formula Grants:
 - Grantees and subgrantees may begin to obligate funds when:
 - When the awarding agency approves application; or
 - Awarding agency determines application is “substantially approvable”
 - Reimbursement subject to final approval.
- Discretionary Grants:
 - When subgrant is made. However, pre-agreement costs are permissible (reference to 2 CFR Part 200)

Obligations During Carryover

34 CFR 76.709

- Funds may be obligated during the carryover period of one additional fiscal year.
- Tydings Amendment
 - Allows extra year to obligate funds
 - Does not apply to all grants
- Under Tydings, funds are available for 24-27 months:
 - 12-15 months under the grant award
(July 1, 2014 – September 30, 2015)
 - Plus 12 months (carryover period)
(October 1, 2015 – September 30, 2016)



Part 200 Uniform Administrative Req, Cost Principles, and Audits for Federal Awards

**Formerly know as the “Uniform Grants
Guidance”, the “Omni Circular” and the “Super
Circular”**

The New 2 CFR Part 200

- Subpart A – Definitions
- Subpart B – General Provisions
- Subpart C – Pre Award Requirements
- Subpart D – Post Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements

The Major Changes in Federal Grants Management

1. Focus on Outcomes
2. Performance Metrics
3. Risk Assessments
4. Financial Management Policies
5. Equipment Use
6. Micro Purchases
7. Corrective Action
8. Family Friendly Policies
9. False Claims Certifications
10. Audit Thresholds

Major Changes (cont.)

Part 200 has a MAJOR emphasis on strengthening accountability by improving policies that protect against waste, fraud and abuse

- Risk assessments required for grants

New Certification Statement

- Updated required certification statement for the project application, amendments, fiscal reporting and General Assurances
- Authorized signatory
- Required on all annual and final fiscal reports for payments

Note: the language of the certification has been modified for the application and amendment forms.

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.

UGG Requires a Risk Analysis

- Section A of DOE's Green Book amended to require risk analysis for ALL subrecipients.

Components of Risk Analysis

- Subrecipient's prior experience with the same or similar subawards;
- Audit results;
- New staff and/or changed systems;
- Results of any direct Federal monitoring

COMPARISON OF DOE'S RISK ANALYSIS TOOLS

DOE FORM 610

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

- Organizational charts and agency's Board approved policies and procedures.
- Changes in senior management and/or changed internal systems
- Results of any direct Federal monitoring
- Written policies and procedures must be submitted.
- Single audit results

DOE FORM 620

Governmental and Non-
Governmental

- Organizational charts and list of agency's Board of Directors procedures.
- Subrecipient's prior experience with subaward(s)
- Written policies and procedures must be submitted.
- Results of any monitoring or program reviews
- Single Audit results must be submitted with application packet
- Financial stability will be determined

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

Special Conditions

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

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

Financial Management Controls



Financial Management Rules

2 CFR 200.302(b)

Prior Rule 80.20(b)

1. Financial Reporting
2. Accounting Records
3. Internal Control
4. Budget Control
5. Allowable Cost
6. Source Documentation
7. Cash Management

2 CFR 200.302 (b)

1. Identification of Awards (NEW)
2. Financial Reporting
3. Accounting Records (Source Docs)
4. Internal Control
5. Budget Control
6. Written Cash Management Procedures (NEW)
7. Written Allowability Procedures (NEW)

1) Identification of Awards

2 CFR 200.302(b)(1)

NEW: All federal “awards” received and expended

- The name of the federal “program”
- Identification # of award
 - CFDA Title and Number
 - Federal Award I.D. #
 - Fiscal Year of Award
 - Federal Agency
 - Pass-Through (If S/A)



2) Financial Reporting

2 CFR 200.302(b)(2)

- Accurate, current, complete disclosure of financial results of each award in accordance with 200.327 and 200.328.
- **NEW: 200.327** – Federal awarding agency can only collect OMB approved data elements, **no less than annually, no more than quarterly**
- **NEW: 200.328** – Non federal entity must submit performance reports at intervals required by federal agency or pass through.
 - Annual performance reports due 90 days after reporting period; Quarterly performance reports due 30 days after reporting period

Financial Reporting (cont.)

- **NEW:** Performance Metrics
 1. Compare actual accomplishments to objectives. (quantify to extent possible)
 2. Reasons goals were not met if appropriate
 4. 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

3) Accounting Records

2 CFR 200.302(b)(3)

Combined 80.20(b)(2) and 80.20(b)(6):

■ Source Documentation Must Be Kept On:

1. Federal Awards
2. Authorizations
3. Obligations
4. Unobligated balances
5. Assets
6. Expenditures
7. Income
8. Interest (New) (***Eliminated liabilities***)

4) Internal Controls

2 CFR 200.302(b)(4)

Essentially same as prior 80.20(b)(3):

- Effective control over and accountability for:
 1. All funds
 2. Property
 3. Other assets
- Must adequately safeguard all assets
- Use assets solely for authorized purpose

Required Certification

2 CFR 200.415

- **NEW:** An official authorized to legally bind the non-federal entity must certify on annual and final fiscal reports or vouchers requesting payment:
 - “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.”

DOE 399, 499, and 599

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

5) Budget Control

2 CFR 200.302(5)

- Same as current rule 80.20(b)(4)
- Comparison of expenditures with budget amounts for each award

6) Written Cash Management Procedures

2 CFR 200.302(6)

- **NEW:** Written Procedures to implement the requirements of 200.305

Payment

2 CFR 200.305

- For states, payments are governed by Treasury – State CMIA agreements 31 CFR Part 205
 - No Change
- For all other non federal entities, payments must minimize time elapsing between draw from G-5 and disbursement (not obligation)

Payment (cont.)

2 CFR 200.305(b)(1)

- Written procedures must describe whether non-federal entity uses:
 - 1) Advance Payments (preferred)
 - Limited to minimum amounts needed to meet immediate cash needs
 - 2) Reimbursement
 - Pass through must make payment within 30 calendar days after receipt of the billing
 - 3) Working Capital Advance
 - The pass through determines that the nonfederal entity lacks sufficient working capital. Allows advance payment to cover estimated disbursement needs for initial period

Payment (cont.)

2 CFR 200.305(b)(7)-(8)

- **NEW:** Advances must be maintained in insured accounts
- **NEW:** Pass through cannot require separate depository accounts
- **NEW:** Accounts must be interest bearing unless:
 1. Aggregate federal awards under \$120,000
 2. Account not expected to earn in excess of \$500 per year
 3. Bank require minimum balance so high, that such account not feasible
 4. A foreign gov't or banking system prohibits or precludes interest bearing accounts.

Payment (cont.)

2 CFR 200.305(b)(9)

- **NEW:** Interest amounts up to \$500 may be retained by non federal entity for administrative purposes
 - Currently \$100 for State and local Gov'ts
 - Currently \$250 for IHEs and Non-profits.
- **NEW:** Interest earned must be remitted annually to HHS Payment Management System.

7) Written Allowability Procedures 2 CFR 200.302(b)(7)

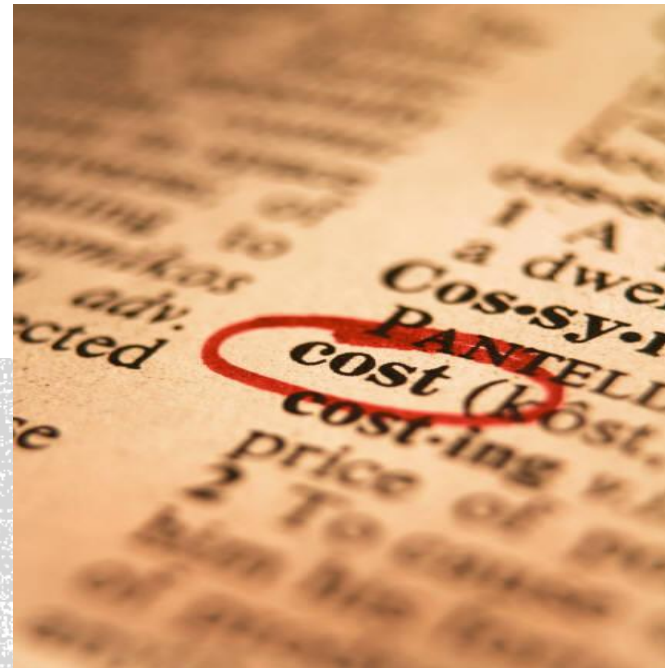
- **NEW:** Written procedures for determining allowability of costs in accordance with Subpart E – Cost Principles
 - Procedures can not simply restate the Uniform Guidance Subpart E
 - Should explain the process used throughout the grant development and budget process
 - Training tool and guide for employees

Program Income

2 CFR 200.307

- Non-Federal entities are encouraged to earn income to defray program costs where appropriate.
 - Costs of generating program income may only be deducted if:
 - Authorized by federal regulations or the Federal award;
 - Costs are incidental and not charged to the Federal award.
 - Property from the sale of real property or equipment is not program income – apply post award property rules.
- Program Income Must Be Deducted from Total Allowable Costs (except for IHEs and Research Non-profits)
 - With prior approval may add to Federal award.

Subpart E – Cost Principles



Factors Affecting Allowability of Costs

2 CFR 200.403

All Costs Must Be:

1. Necessary, Reasonable and Allocable
2. Conform with federal law & grant terms
3. Consistent with state and local policies
4. Consistently treated
5. In accordance with GAAP
6. Not included as match
7. *Net of applicable credits (moved to 200.406)*
8. Adequately documented

Reasonable

2 CFR 200.404

- Consideration must be given to:
 - a. Whether cost is 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 such as:
 - Arms length bargaining (hint: procurement processes);
 - Federal, state and local laws; and
 - Terms of the grant award.
 - c. Market Prices for comparable goods or services in the geographical area;
 - d. Whether the individuals acted with prudence under the circumstances considering their responsibilities; and
 - e. No significant deviation from established prices.

Reasonable (cont.)

- Practical Questions
 - Do I really need this?
 - Is the expense targeted to valid programmatic/administrative need?
 - Is this the minimum amount I need to spend to meet my need?
 - Do I have the capacity to use what I am purchasing?
 - Did I pay a fair rate?
 - If I were asked to defend this purchase, would I be able to?

Allocable

2 CFR 200.405

- A cost is allocable to a Federal award or cost objective if the goods or services involved are chargeable or assignable in accordance with relative benefits received.
 - Incurred specifically for the award;
 - Benefits both award and other work and can be distributed in proportions that may be approximated using reasonable methods; and
 - Necessary to the overall operation of the entity and assignable to the award in accordance with this Part.
- Can only charge in proportion to the value received by the program
 - Example: Agency purchases a computer to use 50% on the Federal grant program and 50% on a state program – can only charge half the cost to the grant.

Factors Affecting Allowability of Costs (cont.)

2 CFR 200.403

- Be consistent with policies and procedures that apply uniformly to both federally- financed and other activities of the non-Federal entity.
- Be accorded consistent treatment
 - Can not charge cost as both direct and indirect
- Be determined in accordance with GAAP
- Not be included as a cost or used to meet cost sharing or matching

Factors Affecting Allowability of Costs (cont.)

2 CFR 200.403(g)

Adequately documented

- Amount of funds under grant
- How the funds are used
- Total cost of the project
- Share of costs provided by other sources
- Records that show compliance and performance
- Other records to facilitate an effective audit (see 34CFR 76.730)



Methods for Collection, Transmission and Storage of Information

2 CFR 200.335

- **NEW:** When original records are electronic and cannot be altered, there is no need to create and retain paper copies.
- When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided they:
 - Are subject to periodic quality control reviews,
 - Provide reasonable safeguards against alteration; and
 - Remain readable.

Applicable Credits

2 CFR 200.406

- Those receipts or reduction-of-expenditure type transaction that offset or reduce expense items – must be credited to the Federal award as either cost reduction or cash refund, as appropriate.
 - Examples: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, adjustments of overpayments

Collection of Unallowable Costs

2 CFR 200.410

- **NEW:** Payments made for costs determined to be unallowable by either the Federal awarding agency or pass-through must be refunded (including interest) to the Federal government in accordance with instructions from the Federal agency that determined the costs are unallowable.



Selected Items of Cost

There are 55 specific items of cost!

Starts at 2 CFR 200.420

Selected Items of Cost Examples

- **Advertising/PR 2 CFR 200.421**
 - Allowable for programmatic purposes including:
 - Recruitment
 - Procurement of goods
 - Disposal of materials
 - Program outreach
 - Public relations (in limited circumstances)

Selected Items of Cost Examples (cont.)

- **Alcohol 2 CFR 200.423**
 - Not allowable



Selected Items of Cost Examples (cont.)

■ Conferences 2 CFR 200.432

- Prior Rule: Generally allowable
- Includes Meals / Conferences / Travel and Family Friendly Policies
- Allowable conference costs include rental of facilities, costs of meals and refreshments, transportation, unless restricted by the federal award
- **NEW:** Costs related to identifying, but not providing, locally available dependent-care resources
- Conference hosts must exercise discretion in ensuring costs are appropriate, necessary and managed in manner than minimizes costs to federal award

Selected Items of Cost Examples (cont.)

■ Conferences 2 CFR 200.432

■ ED Restrictions on Food

- (1) Is a working lunch necessary?
- (2) Is the portion of the agenda to be carried out during lunch substantive and integral to the overall purpose of the conference or meeting?
- (3) Is there a genuine time constraint that requires the working lunch?
- (4) If a working lunch is necessary, is the cost of the working lunch reasonable?
- (5) Has the SEA or LEA carefully documented that a working lunch is both reasonable and necessary?

Florida Guidelines

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.”

Selected Items of Cost (cont.)

■ **Travel Costs 2 CFR 200.474 (Changed)**

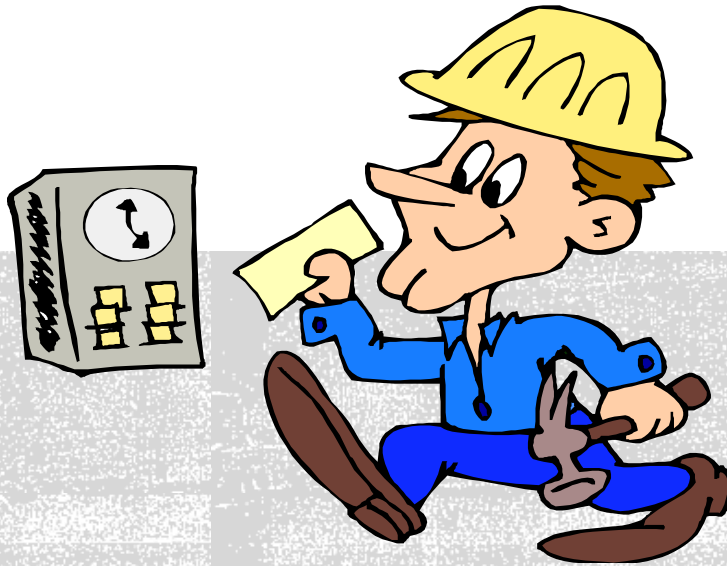
- Travel costs may be charged on actual, per diem, or mileage basis
- Travel charges must be consistent with entity's written travel reimbursement policies
- **NEW:** Allows costs for “above and beyond regular dependent care”
- **NEW:** Grantee must retain documentation that participation of individual in conference is necessary for the project
- Travel costs must be reasonable and consistent with written travel policy / or follow GSA 48 CFR 31.205-46(a)

Travel

Note: Subrecipients are required to adhere to Section 112.061, Florida Statutes, which covers per diem allowance and travel expenses. These statutory provisions are consistent with UGG cost principles.



Time and Effort Documentation



Documentation for Personnel Expenses

2 CFR 200.430(i)

- **NEW:** Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.
- How staff demonstrate allocability
 - 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)
- **But Note – New rules not in effect and are not well defined**

Who must participate?

2 CFR 200.430(i)(1) and (i)(4)

- 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



The Prior A-87 Rule (SEAs and LEAs)

Semi-Annual Certifications

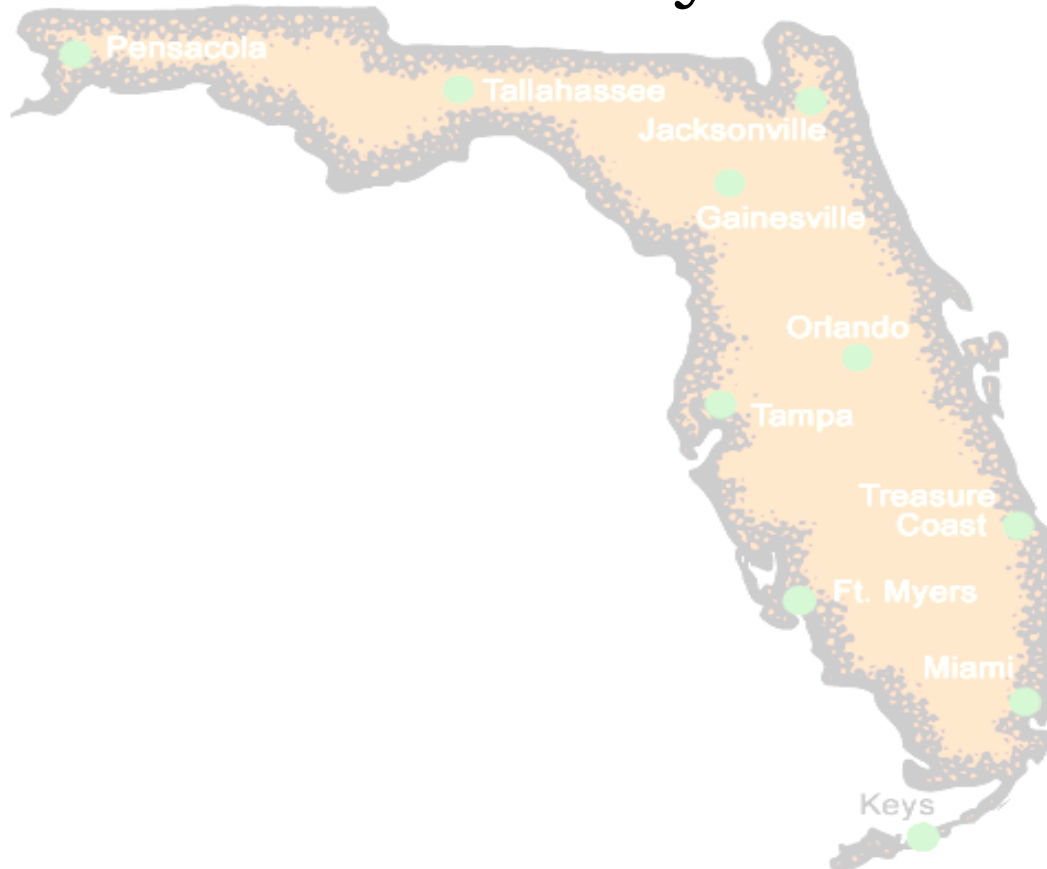
- If an employee works on a single cost objective:
 - After the fact
 - Account for the total activity
 - Signed by employee **or** supervisor
 - Every six months (at least twice a year)

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

Substitute Systems Still Available

- Florida's Substitute System still in effect



Documentation for Personnel Expenses (cont.)

2 CFR 200.430(i)(1)

NEW: 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 (cont.)

2 CFR 200.430(i)(1)

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.

Due to lack of clear directive – no change recommended at this point



Use of Budget Estimates

2 CFR 200.430(i)(1)(viii)

- 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

Noncompliance

2 CFR 200.430(i)(8)

- 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!!

Reconciliation

2 CFR 200.430(i)(1)(viii)(C)

- **NEW:** All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Procurement



Contract vs. Grant

2 CFR 200.330

- No change from the current requirement.
- Entities must clearly determine what is a subgrant and what is a contract.



Procurement by States

2 CFR 200.317

- Still provides flexibility for States
- All other nonfederal entities follow policies and procedures under Section 200.318-200.326.

General Procurement Standards

2 CFR 200.318(a)

- All nonfederal entities must have documented procurement procedures which reflect applicable Federal, State, and local laws and regulations.

Contract Administration 2

CFR 200.318(b)

- Nonfederal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of the contract

Conflict of Interest

2 CFR 200.318(c)(1)

- Must maintain written standard of conduct, including conflict of interest policy.
- A conflict of interest arises when any of the following has a financial or other interest in the firm selected for award:
 - Employee, officer or agent
 - Any member of that person's immediate family
 - That person's partner
 - An organization which employs, or is about to employ, any of the above or has a financial interest in the firm selected for award

Conflict of Interest (cont.)

2 CFR 200.318(c)(2)

- **NEW:** If the non-federal entity has a parent, affiliate, or subsidiary organization that is not a state or local government the entity must also maintain written standards of conduct covering organization conflicts of interest

Conflict of Interest (cont.)

2 CFR 200.112

- The Federal awarding agency must establish conflict of interest policies for Federal awards.
- **NEW:** All non federal entities must establish conflict of interest policies, and disclose in writing any potential conflict to federal awarding agency in accordance with applicable Federal awarding agency policy.

Mandatory Disclosures

2 CFR 200.113

- **NEW:** Must disclose in writing, in a timely manner:
 - All violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.
 - Failure to make disclosures can result in remedies in 200.338 (remedies for noncompliance) including suspension and debarment.

Vendor Selection Process

2 CFR 200.318(h)

- Must award contracts only to responsible contractors possessing the ability to perform successfully:
 - Contractor integrity
 - Compliance with public policy
 - Record of past performance
 - Financial and technical resources

Competition

2 CFR 200.319(a)

- All procurement transactions must be conducted with full and open competition.
 - Must have protest procedures to handle disputes
- To eliminate unfair advantage, contractors that develop or draft specifications, requirements, statement of work, and invitations for bids or RFPs must be excluded from competing for such procurements.

Competition (cont.)

2 CFR 200.319(a)

■ Situations that restrict competition:

1. Unreasonable requirements on firms to qualify to do business
2. Requiring unnecessary experience or excessive bonding
3. Noncompetitive pricing practices
4. Noncompetitive awards to consultants on retainer
5. Organizational conflicts of interest (see 200.318(c)(2))
6. Specifying a brand name instead of allowing “an equal”
7. Any arbitrary action in the procurement process

Competition (cont.)

2 CFR 200.319(b)

- Must prohibit the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposal, except where applicable Federal statutes expressly mandate or encourage geographic preference.
 - Does not preempt state licensing laws.
 - Exception: architectural and engineering services (if provides appropriate number of qualified firms).

Competition (cont.)

2 CFR 200.319(c)

- Written procedures for procurement must ensure all solicitations:
 - Incorporate a clear and accurate description of the technical requirements for materials, product or service to be procured; and
 - “Brand name or equivalent” may be used as needed, but the specific features of the named brand which must be met by the offers must be clearly states
 - Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

Methods of Procurement

2 CFR 200.320

- Method of procurement:
 - **NEW:** Micro-purchase
 - Small purchase procedures
 - **New** Threshold: \$150,000
 - Competitive sealed bids
 - Competitive proposals
 - Noncompetitive proposals

Micro-Purchase

2 CFR 300.320(a)

- **NEW:** Acquisition of supplies and services under \$3,000 or less.
 - \$2,000 for construction subject to the Davis-Bacon Act
- May be awarded without soliciting competitive quotations if nonfederal entity considers the cost reasonable.
- To the extent practicable must distribute micro-purchases equitably among qualified suppliers.

Noncompetitive Proposals

2 CFR 200.320(f)



- Appropriate only when:
 - The item is only available from a single source;
 - There is a public emergency that will not permit delay;
 - **NEW:** The Federal awarding agency or pass-through expressly authorizes noncompetitive proposals in response to a written request from non-Federal entity; or
 - After soliciting a number of sources, competition is determined inadequate.

Suspension and Debarment

2 CFR 180.300

- For contracts over \$25,000 you must verify that the person with whom you intend to do business is not excluded or disqualified.
- This MUST be done by either:
 - a. Checking SAM; or
 - b. Collecting a certification from that person; or
 - c. Adding a clause or condition to the covered transaction with that person.

Florida Guidelines

Procurement for school districts is governed by Rule 6A-1.012, FAC, Purchasing Policies.

This rule requires that each district school board shall establish purchasing rules which must include but not be limited to the provisions contained in the Rule.

<https://www.flrules.org/gateway/RuleNo.asp?title=FINANCE AND ADMINISTRATION&ID=6A-1.012>



Property Management

Equipment

2 CFR 200.33

- Equipment: tangible, nonexpendible, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.
- Grantee may also use its own definition of equipment as long as the definition would at least include all equipment defined above.

Florida Guidelines

- A physical inventory of the property must be taken and the results reconciled with the property records at least once every year.
- The threshold for equipment purchases is a maximum of \$1,000. School districts may establish lower thresholds at their option.
- Revised Green Book requires that sub-recipients establish a mechanism for tracking “attractive items” such as computers and cameras with a purchase price below the capitalization threshold.

Florida Guidelines

- 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

Supplies

2 CFR 200.94

- All tangible personal property other than equipment
 - **NEW:** Computing devices are supplies is less than \$5,000
- **NEW:** Computing devices 200.20 (pg 97)
 - Machines used to acquire, store, analyze, process, public data and other information electronically
 - Includes accessories for printing, transmitting and receiving or storing electronic information

Internal Controls

2 CFR 200.302(b)(4)

- Regardless of cost, grantee must maintain effective control and “**safeguard all assets** and assure that they are used solely for authorized purposes.”

Use of Equipment

200.313(c)(1) and (2) (pg 127)

- 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.
- Exception – Private Schools 34 CFR 76.661

Equipment Procedures

2 CFR 200.313 (d)

Procedures for managing equipment must meet the following requirements:

1. Property records
 - Description, serial number or other ID, source of funding, title, acquisition date and cost, percent of federal participation, location, use and condition, and ultimate disposition date including sale price
2. Physical inventory at least every two years
3. Control system to prevent loss, damage, theft
 - All incident must be investigated
4. Adequate maintenance procedures
5. If authorized or required to sell property, proper sales procedures to ensure highest possible return.

Disposition of Equipment

2 CFR 200.313(e)

- When property is no longer needed in any current or previously Federally-funded supported activity, must follow disposition rules:
 - **NEW:** Nonfederal entity must request disposition instructions from the federal awarding agency if required by the terms of the grant.
 - Otherwise, may be retained, sold or otherwise disposed as follows:
 - Over \$5,000 – pay federal share
 - If equipment is sold: Federal awarding agency may permit non-Federal entity to deduct and retain \$500 or 10% of the proceeds for selling and handling instructions.
 - Under \$5,000 – no accountability (still must formally dispose)

Disposition of Supplies

2 CFR 200.314

If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federal award, must compensate the federal government for its share.

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 Expectations and Results Deliverables

- Program Goals
- Scope of Work
- Tasks

Performance Expectations and Results – Performance Measures

Expectations

- Specific Quantities
- Milestones or Frequency
- Level of Completion
- Materials Provided

Financial Consequences

Monetary adjustments for non-performance

QUESTIONS?



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