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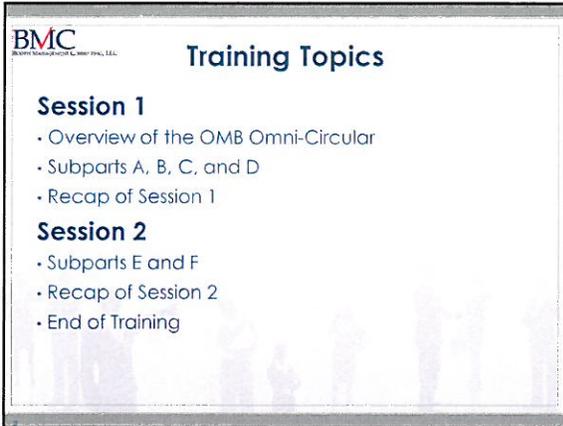
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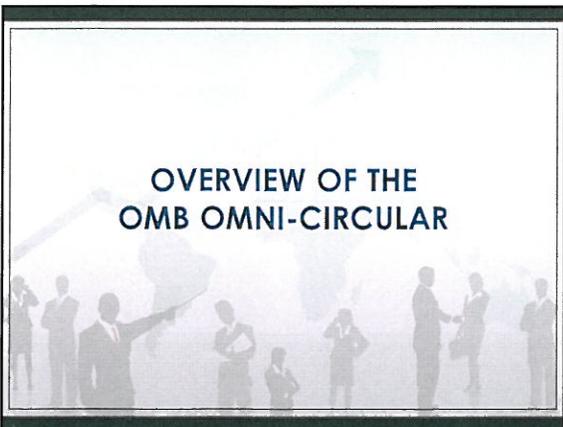
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### What Is the OMB Omni-Circular?

- The Office of Management and Budget (OMB) published new guidance for awarding Federal grants called the [OMB Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#), commonly called the Omni Circular.
- It consolidates 8 regulations into a single policy guide.
- The guidance was published Dec 26, 2013 and will be implemented Dec 26, 2014.

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### Title 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Omni-Circular)

- Consolidates other OMB- Circulars into **Title 2 CFR Part 200**
- Eliminates duplication and reduces administrative burden
- Strengthens oversight and reduces potential for waste, fraud, and abuse
- Standardizes financial award management requirements across all Federal agencies
- Fosters efficiencies and effectiveness in Federal award making process (i.e., best practices and best use of funds)



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### The 8 OMB Circulars Consolidated into a Single Guide, Title 2 CFR Part 200

1. A-102: Administrative Rules State and Local Governments
  - Part 80 – Education Department General Administrative Regulations (EDGAR)
2. A-110: Administrative Rules Institutions of Higher Education (IHEs) and Nonprofits
  - Part 74 – EDGAR
3. A-87: Cost Principles – State and Local Governments
4. A-21: Cost Principles – IHEs
5. A-122: Cost Principles – Nonprofit Organizations
6. A-89: Federal Domestic Assistance Program Information
7. A-133: Audit Rules
8. A-50: Guidance on Audit Follow-up

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### Applicability and Implementation of the OMB Omni-Circular

- The OMB Omni-Circular applies to all non- Federal entities awarded Federal funds.
- If a Federal program, statute, or regulation differs from the Omni-Circular, then the statute/regulation governs.
- The final guidance on the Omni-Circular was released on December 26, 2013.
- Federal agencies were to submit implementation plans within six months of the final guidance by June 26, 2014.
- Actual implementation is likely to occur for each agency on December 26, 2014.
- The Audit section, Subpart F, applies to audits of fiscal years beginning on or after December 26, 2014.
- The New Compliance Supplement was released April 2014.
- The Final EDGAR is to be released on December 26, 2014.

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### Major Change of Focus

- The focus shifts from **compliance** to **performance**.
- Auditors (A-133 + Federal OIG) and Monitors (Federal and State Pass-Through) must look more to **outcomes** than to **process**.
- Major emphasis is on accountability with enhanced policies designed to protect against waste, fraud, and abuse (i.e., new certification requirements).
- Any official who can legally bind the non- Federal agency must sign a certification on annual and final fiscal reports.

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### New Certification Requirements for Non-Federal Entities

- Official authorized to legally bind the non- Federal entity must sign the certification statement on annual and final fiscal reports or payment vouchers .
- Certification statement:  
"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."

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**New Disclosure Requirements**

- Timely written disclosure of all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award(s) must be made to the Federal or pass-through entity.



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**Recap of the Overview**

- Questions on OMB Omni-Circular?
- Open discussion on what is new?
- Benefits you see in doing your job?
- Negatives you see in doing your job?



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**SUBPARTS A, B, AND C**



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### Subpart A: Acronyms & Definitions

- Acronyms and Definitions provided concerning the OMB Omni-Circular
- Convenient on-line look-up resource

<http://www.whitehouse.gov/omb/circulars>



The screenshot shows the OMB Circulars website interface. At the top, it says "OMB CIRCULARS: 2008-PRESENT". Below that is a navigation menu with "HOME", "ABOUT", "THE CIRCULARS", "PARTICIPATE", and "CONTACT". The main heading is "Office of Management and Budget". There are several tabs: "OMB", "OMB's", "By Page", "Keywords", "Frequency & Availability", "Date of Issuance", and "Last Updated". The "Circulars" tab is selected. Below the tabs, there is a search bar and a list of circulars. The first one is "Circulars" with a date of "10/15/2013".

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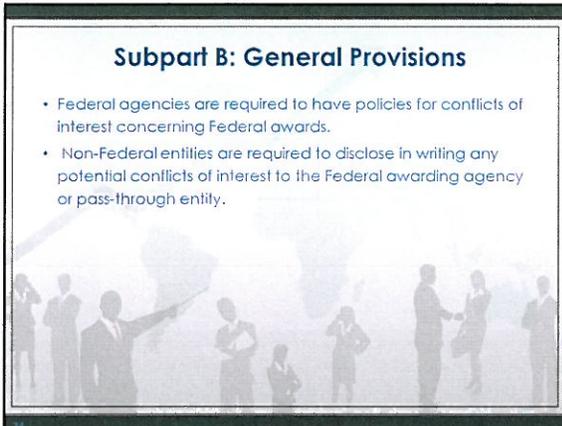
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### Subpart B: General Provisions

- Federal agencies are required to have policies for conflicts of interest concerning Federal awards.
- Non-Federal entities are required to disclose in writing any potential conflicts of interest to the Federal awarding agency or pass-through entity.



The background image shows a group of business professionals in a meeting. Some are standing and talking, while others are seated. The scene is slightly blurred, giving it a professional and busy atmosphere.

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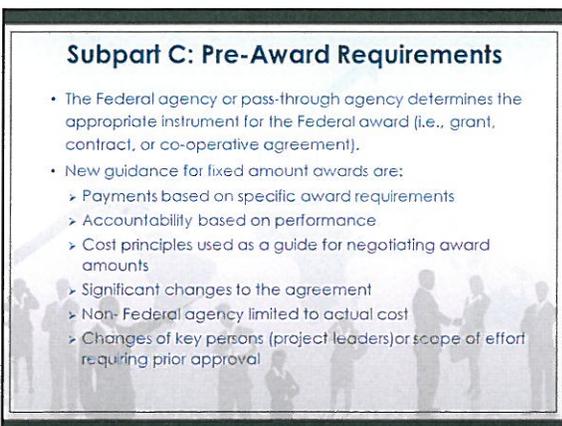
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### Subpart C: Pre-Award Requirements

- The Federal agency or pass-through agency determines the appropriate instrument for the Federal award (i.e., grant, contract, or co-operative agreement).
- New guidance for fixed amount awards are:
  - > Payments based on specific award requirements
  - > Accountability based on performance
  - > Cost principles used as a guide for negotiating award amounts
  - > Significant changes to the agreement
  - > Non-Federal agency limited to actual cost
  - > Changes of key persons (project leaders) or scope of effort requiring prior approval



The background image shows a group of business professionals in a meeting. Some are standing and talking, while others are seated. The scene is slightly blurred, giving it a professional and busy atmosphere.

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### Merit of Proposal

- For competitive grants or cooperative agreements, the Federal awarding agency must design and execute a merit review process for applications (unless prohibited by statute).
- The review process must be made known (transparent) to the applicant, either by inclusion in the funding application or by reference.



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### Federal Award Agency Review of Risk

- Before making an award, the Federal agency is required to review any eligibility and financial integrity information that may be available through government repositories or Dun and Bradstreet.
- Federal agencies must have a framework for evaluating risks posed by applicants, before making awards.
- If an award is made, special conditions may apply to mitigate risk (special conditions must be described in the funding announcement).



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### Risk Items That May Be Considered

The Federal agency may use a risk-based approach that includes:

- Financial stability
- Quality of management systems and ability to meet the prescribed management standards
- History of performance
- Reports and findings from audits
- The applicant's ability to comply with statutory, regulatory, or other requirements imposed



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**Information Required in the Federal Award**

- Certain data elements and terms and conditions are required to be included in every Federal award.
- These standard items are listed in **Section 200.210 Information** contained in a Federal award.
- The Federal awarding agency may deem additional terms and conditions necessary based on the risk assessment of the non-Federal agency.
- These requirements pass down to sub-awards.



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**Recap of Subparts A, B, and C**

- Questions on the subparts?
- Open discussion on the subparts?
- Benefits you see in doing your job?
- Negatives you see in doing your job?



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**Subpart D: Post Federal Award  
Requirements Standards for Financial  
and Program Management**



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**200.301 Performance Measurement**

- Federal awarding agencies must require recipients to use standard government-wide information collections when providing financial and performance information and to relate the data to performance.
- Recipients must also provide cost information to demonstrate cost effective practices (e.g., through unit cost data).
- The Federal awarding agency should provide recipients with clear performance goals, indicators, and milestones to report.



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**200.302 Financial Management**

- Each state must follow their state laws for the expenditure and accounting of state funds and for the expenditure and accounting of Federal funds.
- All non-Federal recipients must have a financial management system for preparing reports and tracing funds to a level of expenditure to establish that the funds were used properly for the Federal award.
- The financial management system must include:
  - Identification of all Federal awards received and expended, consisting of the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if applicable
  - Accurate, current, and complete disclosure of the financial results

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**200.302 Financial Management, cont.**

- Records that adequately identify the source and application of funds for Federally-funded activities
- Records containing information pertaining to Federal awards: authorizations, obligations, unobligated balances, assets, expenditures, income and interest, all with supporting source documentation
- A system of internal controls adequate to safeguard assets and to ensure they are used for authorized purposes



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### 200.302 Financial Management, cont.

- Budget to actual comparisons for each Federal award
- Written procedures to implement award requirements
- Written procedures for determining the allowability of costs in accordance with cost principles



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### 200.303 Internal Controls

- Recipients are required to have internal controls in place that safeguard assets and provide reasonable assurance of compliance with Federal statutes and regulations.
- The following best practices resources available are:
  - **Standards for Internal Control in the Federal Government** (Green Book) issued by the Comptroller General
  - **Internal Control Framework** issued by the Committee on Sponsoring Organizations (COSO)
  - **Appendix XI, Compliance Supplement – Part 6 Internal Control** (currently follows COSO but will consider both the Green Book and COSO in the 2015 update (200.514(c)(1))

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### 200.306 Cost Sharing or Matching

- For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet the following criteria:
  - Not applicable to any other Federal award
  - Verifiable from recipient accounting records
  - Necessary and reasonable to the project or program
  - Allowable under the cost principles
  - Not paid by another Federal program unless specifically allowed by statute
  - Included in the approved budget for the program

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**200.307 Program Income**

- In general, non- Federal agencies are encouraged to earn program income.
- Ordinarily, program income must be deducted from total allowable costs to determine the net allowable costs.
- Program income must be used for current costs.
- Unanticipated program income must be used to reduce the Federal award and non- Federal entity contributions.
- With prior approval, program income can be added to the program.
- With prior approval, program income can be used for matching or cost sharing but the total program funding remains the same.

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**200.308 Revision of Budget and Program Plans**

Recipients are required to:

- Report deviations from budget or project scope or objective
- Request prior approvals from Federal awarding agencies for changes in scope or key persons and any other significant change to the program budget



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**200.313 Equipment**

Property records must be maintained that include the:

- Description of the property
- Serial number or other identification number
- Source of funding for the property, including the Federal award identification number (FAIN)
- Person who holds title
- Acquisition date
- Cost of the property
- Percentage of Federal participation in the project costs for the Federal award under which the property was acquired
- Location, use, and condition of the property
- Any ultimate disposition data including the date of disposal and sale price of the property

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### 200.318 General Procurement Standards

- Non-Federal entities must use their own written procurement procedures, which must comply with both state and Federal laws and regulations.
- Non-Federal entities must maintain:
  - Oversight to ensure contractors comply with the terms and conditions of contracts and purchase orders
  - Written standards of conduct covering conflict of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts
  - Records sufficient to detail the history of procurement
- These records must include:
  - Selection of contract type
  - Contractor selection or rejection
  - Basis for the contract price

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### 200.319 Competition

- All procurement transactions must be conducted in a manner providing full and open competition.
- Non-Federal entities must ensure that all prequalified lists of persons, firms, or products used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.
- Non-Federal entities must not preclude potential bidders from qualifying during the solicitation period.



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### 200.320 Methods of Procurement

- Five procurement methods prescribed:
1. Procurement by micro-purchases (new procedure, \$3,000 threshold, no competition required)
  2. Procurement by small purchase procedures (simplified acquisition threshold)
  3. Procurement by sealed bids (formal advertising)
  4. Procurement by Competitive Proposal (used when sealed bid method ID is not appropriate)
  5. Procurement by noncompetitive proposals (sole source)

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**200.328 Monitoring and Reporting Program Performance**

- The non-Federal entity is responsible for oversight of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved
- Monitoring by the non-Federal entity must cover each program, function or activity
- Performance reports are required at the interval required by the Federal awarding agency or pass-through entity, but at least annually

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**200.333 Retention Requirements for Records**

- Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively.
- Exceptions to the three-year retention period include:
  - Litigation, claim, or audit records must be retained until resolution and final action is taken.
  - Written notification is given by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
  - For indirect cost rate proposals and cost allocations plans submitted for negotiation, the three-year period begins on the date submitted.
  - If indirect rate cost proposals are not submitted for negotiation, the three-year period begins at the end of the fiscal year covered by the proposal.

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**Recap of Subpart D and End of Session 1**

- Questions on subpart D?
- Open discussion on subpart D?
- Benefits you see in doing your job?
- Negatives you see in doing your job?

**End of Session 1**

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