Review the goals of the Uniform Guidance
Note the implementation timeline – when changes impact your grant
Highlight the key changes in the Uniform Guidance
Understand the risk assessment responsibilities grantees have in monitoring subgrantees
Assess your organization’s audit readiness
Identify resources for further technical assistance and training
Authorities to consider when using 2 CFR Part 200

“This guidance does not change or modify any existing statute or guidance otherwise based on any existing statute.”
Tools of the Trade

- Legislation
- Regulations
- EDGAR
- 2 CFR Part 200
- Grant Award Notification (GAN)
- Your state plan/approved Application
• Education Department General Administrative Regulations
• 34 CFR Parts 74 and 80 no longer in effect
• Part 75 continues to apply to discretionary grants
• Part 76 continues to apply to state-administered grants
• Visit ED.gov to access EDGAR as necessary
Table of Contents

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Pre-Award Requirements
- Subpart D – Post-Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements
2 CFR Part 200

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- Appendices III-V and VII – Indirect Cost/Cost Allocation Plans
- Appendix XI – Compliance Supplement
- Additional ED guidance found in 2 CFR 3474
  - ED will continue to use the high risk designation under 2 CFR 3474.10(b) and use the standards in the Uniform Guidance to impose specific or high risk conditions, as appropriate, on grants.
Key Changes in Post-Award Activities

- Increased flexibilities and responsibilities for you, our grantees:
  - Greater emphasis on internal controls to ensure compliance and fiscal responsibility
  - Enhanced oversight requirements of sub-recipients and contracts which include risk assessment and use of monitoring tools
  - Greater focus on performance expectations and results
Internal Controls give reasonable assurance that the organization will achieve its objectives through:

- Effective and efficient operations
- Reliable reporting
- Compliance with applicable laws and regulations
Procurement information located at §200.317-328
States continue to use own standards
All other entities must follow the Uniform Guidanced
Increased responsibilities for the Department and pass-through entities:
- Use own documented procurement procedures
- Maintain oversight to ensure contractor compliance, and
- Maintain written standards of conduct covering, conflicts of interest—real and or perceived—for staff engaged in the selection, awarding or the administration of a contract
Grace period has been extended to two years
Risk Management

Risk Assessment

Risk-Based Monitoring

Risk Mitigation
Grantees as pass through entities must assess the risk of subrecipients 2 CFR 200.331 for the purpose of determining the appropriate monitoring actions.

Monitor to ensure the subaward is used appropriately and in compliance with the award and all associated regulations. The monitoring plan should be based on the results of the risk assessment. (§200.331(d))

The risk assessment and monitoring should address both financial and programmatic considerations and must include:

- Review of financial and performance reports
- Issue management decisions for audit findings on subrecipients
- Subrantees make timely, appropriate actions to correct deficiencies
Monetary Road Map

• Clear, concise, and detailed
• Consistent with institutional policy
• Meets federal requirements
• Aligned with GPRA
• Revised within scope of project
• Achieve project goals
Poll Everywhere

On a scale of 1 to 5, how “audit ready” would you rate your organization?

Go to www.pollev.com/used to view the poll and submit your answer.
Audit Requirements

• Threshold for a required Single Audit 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.
Timeline: Audits

Audit requirements apply to the first fiscal year beginning after December 26, 2014

- Work with your auditor to ensure that he or she is prepared to address and report on the new requirements.

Example: A state’s fiscal year begins July 1, 2015. The state’s fiscal year ends on June 30, 2016. You must submit your audit within 9 months, by March 31, 2017 in this example.
Common Audit Exceptions

- Missing time and effort reports
- Poor record-keeping
- Failure to obtain prior approval
- Incorrect indirect cost rates
- Unallowable costs
- Lack of internal controls
How Does the U.S. Department of Education Support SEAs and LEAs?

- Funding
- Legislation and Guidance
- Monitoring and Performance Reporting
- Audit Follow-up
Audit Follow-up at ED—What We Do

- Receive and process audits of grantees
- Resolve audits of ED programs
- Set policy on audit follow-up
- Work with auditors to promote quality audits
- Provide support and guidance to ED grantees
Why Are Single Audits Important?

- Required by the Uniform Guidance
- Provide critical data for program compliance
- Clean audits indicate higher levels of compliance and performance
What is Audit Readiness?

If an entity is audit ready:

• Financial and program documents are in order
• Staff understands program requirements
• Staff are familiar with Uniform Guidance and compliance supplement requirements
• Internal controls are in place
Critical Components to Audit Readiness

• Leadership support
• Human capital
• Internal controls
• Supporting documentation
• Information technology
Cooperative Audit Resolution

- **What** is it?
- **How** is it different?
- **Why** does it matter?
Principles of Cooperative Audit Resolution

- Facilitates resolution of audits
- Improves communication
- Fosters collaboration
- Promotes trust
- Develops understanding
- Enhances performance
Winning Reminders

• Document all project activities and expenditures—track any matching funds
• Check grant terms, conditions and grant award attachments for possible exceptions
• Read the “Fine Print” on the GAN
• When in doubt, call your Program Officer or state contact
Poll Everywhere

Based on the information you’ve heard today, how “audit ready” would you rate your organization?

Go to www.pollev.com/used to view the poll and submit your answer.
Resources Back at the Office

- Your Department program officer or State
- The Department’s one-stop shop for information: Uniform Guidance One-Stop Shop at ED.gov
  - Includes links to COFAR and OMB
  - Includes links to the current EDGAR and cross references to former Parts 74 and 80
- Email questions to: uniformgrantguidanceimplementation@ed.gov