

# Implementing the OMB Uniform Guidance



IDEA Fiscal Forum for the Outlying Areas and Freely Associated States  
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# Presentation Objectives-

- Review the Fiscal authorities that apply to IDEA grants, including the OMB uniform guidance requirements.
  - Examine issues related to OMB uniform guidance requirements in IDEA programs.
  - Discuss key areas where updates are required in order to meet the requirements in the OMB Uniform Guidance.
  - Discuss Entity examples of effective practices, and common barriers to implementation of OMB Uniform Guidance requirements.
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# Goals and Purpose of the OMB Uniform Guidance

- Streamline guidance for Federal financial assistance to ease administrative burden.
  - Strengthen oversight over Federal funds to reduce risks of waste, fraud, and abuse.
  - Increase the efficiency and effectiveness of Federal financial assistance to ensure best use of Federal funds.
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# Authorities for the Fiscal Requirements Influencing IDEA Programs:



- 1. IDEA Statute and Regulations
  - 2. Government-wide Fiscal Requirements
  - 3. Departmental Guidance
  - 4. Other Federal Statutes
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# Authorities for the Fiscal Requirements Influencing IDEA Programs:

78 FR 78590 (summary section)

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

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# Procurement and Property Management

- Subpart A – Acronyms and Definitions
- Subpart D – Post-Federal Award Requirements

## Property Standards

- 200.313                      Equipment
- 200.314                      Supplies

## Procurement Standards

- 200.317-326                Procurement
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# Procurement and Property Management

- 200.12 “Capital Assets”
  - 200.13 “Capital Expenditures”
  - 200.20 “Computing Devices”
  - 200.33 “Equipment”
  - 200.48 “General Purpose Equipment”
  - 200.58 “Information Technology Systems”
  - 200.89 “Special Purpose Equipment”
  - 200.94 “Supplies”
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# Procurement and Property Management

- **200.313 Equipment**

- States must use, manage, and dispose of equipment acquired under a Federal award in accordance with state laws and procedures.
  - Other non-Federal entities must follow the requirements specified in this section.
  - Also refer to 200.439 Equipment and other Capital Expenditures.
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# Procurement and Property Management

- **200.314 Supplies**

- The Definition of Supplies in existing guidance includes all tangible personal property that fall below the threshold for equipment. Since, as technology improves, computing devices (inclusive of accessories) increasingly fall below this threshold, the guidance makes explicit that when they do, they shall be treated consistently with all other items below this this level.
  - See 200.94, Definition of “Supplies”.
  - See also 200.453 Materials and Supplies Costs, Including costs Of Computing Devices.
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# Procurement and Property Management

- **200.317-200.326 Procurement Standards**

- The procurement standards in these sections are generally based on the requirements in A-102 and 34CFR 80.36.
  - States must follow the same procurement policies and procedures they use for procurements from its non-Federal funds. (200.317)
  - States must comply with section 200.322, Procurement of recovered materials.
  - All other non-Federal entities, including subrecipients of a state, must have and follow **written** procurement procedures that reflect the procurement standards. (200.318)
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# Procurement and Property Management

- **200.317-200.326 Procurement Standards**, continued
  - The non-Federal entities must:
    - Maintain oversight to ensure that contractors comply with the terms, conditions, and specifications of the contract or purchase order;
    - Maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts; and
    - Also maintain written standards of conduct covering organizational conflicts of interest.
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# Procurement and Property Management

- **200.317-200.326 Procurement Standards**, continued

To foster greater economy and efficiency, the non-Federal entities:

- Must avoid purchasing unnecessary or duplicative items;
  - Is encouraged to consider entering into state and local intergovernmental agreements or inter-entity agreements for procurement or use of common or shared goods and services; and
  - Is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property when this is feasible and reduces project costs.
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# Procurement and Property Management

- **200.320 Methods of Procurement** – Non-Federal entities must use one of the following 5 methods.
    - Micro-purchases - For supplies or services; aggregate amount <micro-purchase threshold (200.67); without soliciting competitive quotes if the amount is determined to be reasonable
    - Small purchase procedures - Simple and informal procurement; cost <Simplified Acquisition Threshold; must obtain price or rate quotations
    - Sealed bids (formal advertising) - FFP; preferred for construction
    - Competitive proposals - Requirements including adequate # of sources
    - Non-competitive proposals (Sole Source)
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# Procurement and Property Management

- **Procurement by Noncompetitive Proposals** - The Uniform Guidance provided clarity that solicitation of a proposal from only one source may be used only when one or more of the following apply:
    - The item is available only from a single source;
    - The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
    - The Federal awarding agency of pass-through entity expressly authorizes this method in response to a written request from non-Fed entity; or
    - After solicitation of a number of sources, competition is determined inadequate.
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# Procurement and Property Management

## Why This Topic?

### Persistent Audit Findings

- Equipment and Real Property Management
  - Procurement and Suspension and Debarment
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# Procurement and Property Management

## Causes for the Audit Findings

- Lack of accountability for property
  - Insufficient, outdated, or no written policies and procedures
  - Lack of sufficient documentation to support procurement process
  - Inaccurate or incomplete records for property
  - Inability to validate property for actual existence or in property records
  - Inability to take timely inventory of property and reconcile to property records
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# Procurement and Property Management

## Causes for the Audit Findings, Continued

- Lack of adequate internal control policies and procedures to satisfy compliance with standards and regulations
  - Fail to maintain adequate safeguards to prevent loss, damage or theft
  - Lack of adequate documentation to support rationale for the method of procurement
  - Lack of oversight and monitoring to ensure compliance
  - Inadequate employee training
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# Procurement and Property Management

## Procurement

- **Objective** – To acquire the best products and services at the **best** price through full and open competition
    - Purchase Requisition – Provides “who, what, why, when, etc.”
    - Purchase Order – Ensure budget/fund availability
    - Determine procurement methods
    - Obtain quotations from qualified sources
    - Procurement of goods and services
    - Reconcile procurement records to receiving reports and vendor payments
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# Procurement and Property Management

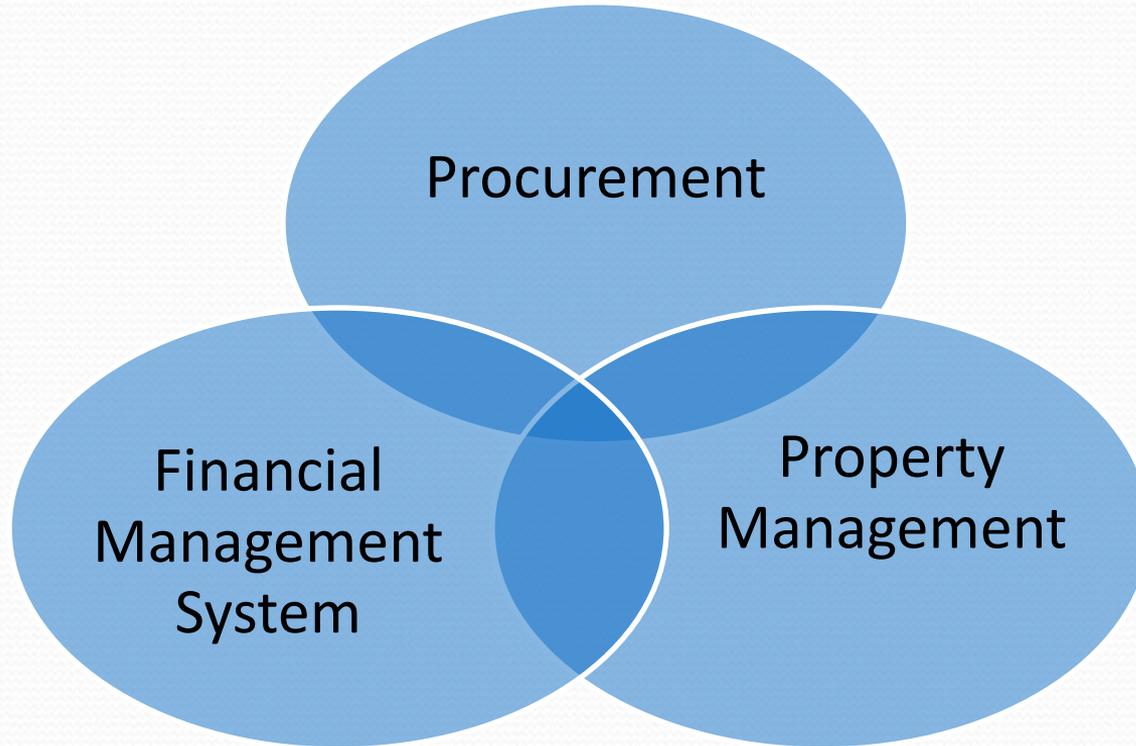
## Property Management

- **Objective** – To properly identify, record, maintain, care, and use all federally-funded property in their custody
    - Receive, inspect and accept (or reject) property at delivery
    - Assign property ID for inventory
    - Complete Receiving Report
    - Reconcile receiving report to purchase order
    - Update and maintain property records – identify capitalized property
    - Conduct periodic inventories and reconcile to property records
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# Procurement and Property Management Financial Management System

- **Objective** – To maintain accurate, current, and complete financial records that adequately identify the source and application of funds
    - Establish accounting for lifecycle of capitalized property
    - Determine depreciation methodology for capitalized property
    - Verify budget/fund availability for new purchase order
    - Validate Vendor's invoice to corresponding purchase order and receiving report
    - Validate Contractor's invoice to corresponding contract agreement
    - Issue payments to vendors and contractors
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# Procurement and Property Management



# Procurement and Property Management

## Procurement ↔ Financial Management System

- Is there a budget for the procurement item under the grant?
- Are funds available for the procurement item?
- Is the item properly charged to the correct cost objective?
- Did the vendor receive payment timely?
- Did the Financial Management System receive documentation for all procurement action items from the Procurement?

## Procurement ↔ Property Management

- Did the Property Management notify Procurement when property was received?
  - Does the item delivered match the quantity and the description from the purchase order?
  - Did the Property Management tag the property for inventory and provide the information to the Procurement?
  - Did the Property Management deliver the property to the office that initiated the procurement?
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# Procurement and Property Management

## **Financial Management System ↔ Property Management**

- Did the Property Management notify Financial Management System when goods were received?
  - Did the Property Management keep a list of the capitalized property separately from the non-capitalized property?
  - Did the Property Management and the Financial Management System reconcile the capitalized assets based on the Property Management's physical inventory?
  - Did the Property Management notify Financial Management System when property was damaged, stolen, or become obsolete?
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# Procurement and Property Management

## BEST PRACTICES

Procurement

**Purchase Requisition**  
Budget/Fund Availability  
**Purchase Order**  
Vendor Invoice  
Receiving Report  
**RFP**  
**Contract**

Financial Management System

Purchase Order  
**Budget/Fund Availability**  
Receiving Report  
Property ID  
Contract  
**Vendor Invoice**  
**List of Capitalized Properties**  
**Depreciation**

Property Management

**Receiving Report**  
**Property ID**  
Purchase Order  
Vendor Invoice  
**Master List of Properties**  
List of Capitalized Properties

# Procurement and Property Management

- **Keys to Improve Deficiencies in Procurement and/or Property Management:**
    - **Establish and Maintain Effective Internal Controls**
      - Segregation of duties and responsibilities within and between offices
      - Written Policies and Procedures for Procurement, Property Management, and Financial Management Operations
      - Timely and complete reconciliation
      - Adequate Employee training
      - Adequate oversight and monitoring for compliance
    - **Document, Document, Document**
      - Policies and Procedures
      - Source documentation for all procurement and financial transactions
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# Audit Requirements

The Uniform Guidance, Subpart F, supersedes and streamlines requirements from OMB Circulars A-133 and A-50



# Audit Requirements

## Uniform Guidance Focus Audit on Risk

- Increases audit threshold
  - Strengthens risk-based approach to determine major programs
  - Provides for greater transparency of audit results
  - Strengthens agency use of the single audit process
  - Provides for public outreach to focus Compliance Supplement on requirements of high risk
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# Audit Requirements

- **Basic Structure of Audit Process Unchanged**
  - **Subpart F**
    - 200.501-507 Audits
    - 200.508-512 Auditees
    - 200.516 Auditors – Audit findings
    - 200.518 Auditors – Major program determination
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# Audit Requirements

- 200.501 Audit Threshold
    - Increases audit threshold from \$500,000 to \$750,000
    - Maintains oversight over 99.7% of the dollars currently subject to Single Audit and reduces audit burden for approximately 5,000 entities
  - 200.505 Sanctions
    - Continued inability or unwillingness to comply with the audit requirements could result in remedies for noncompliance (200.338)
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# Audit Requirements

- 200.508 Auditee Responsibilities
    - Must procure or arrange for the audit (200.509) and ensure it is properly performed and submitted when due (200.512)
    - Prepare financial statements, including the Schedule of Expenditures of Federal Awards (SEFA) (200.510) and (200.502)
    - Promptly follow up and take corrective action on all audit findings, including a summary schedule of prior year audit findings and corrective action plan (200.511)
    - Provide the auditor with access to all records and supporting documentation as needed for the auditor to perform the audit.
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# Audit Requirements

- 200.509 Auditor Selection
    - Auditee must follow the procurement standards prescribed in sections 200.317-200.326 or the FAR (48 CFR Part 42).
    - The objective for procuring audit services is to obtain high-quality audits.
    - Auditee's request for proposals must provide clear objectives and scope of the audit and must request a copy of the audit organization's peer review report.
    - Provides restriction on an auditor who prepares auditee's indirect cost proposals may not also be selected to perform the audit under certain circumstances.
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# Audit Requirements

- 200.512 Report Submission

- The audit must be completed and the data collection form and the reporting package must be electronically submitted to the Federal Audit Clearinghouse (FAC) within the earlier of 30 calendar days after the receipt of the auditor's report, or nine months after the end of the audit period.
- FAC is responsible to make the reporting packages available to the public (200.512(g)).

The auditee must:

- Submit required data elements described in Appendix X to Part 200 – Data Collection Form (Form SF-SAC); and
  - Submit reporting package that include financial statements, schedule of expenditures of Federal awards, (200.510), summary schedule of prior audit findings (200.511), auditors report(s) (200.515), and corrective action plan (200.511).
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# Audit Requirements

- 200.512 Report Submission, continued
    - Auditees and auditors must ensure reports do not include protected personally identifiable information (PPII) (200.82 & 200.512(a)(2)).
    - Auditee must sign statement that (200.512(b)(1)):
      - Reports do not include PPI;
      - The information included in its entirety is accurate and complete; and
      - Authorizes FAC to make reports publically available on a Web site with some exception.
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# Audit Requirements

- 200.516 Audit Findings
    - Increases the threshold for reporting known and likely questioned costs from \$10,000 to \$25,000 (200.516(a)(3) & (4))
    - Requires that questioned costs be identified by CFDA number and applicable award number (200.516(b)(6))
    - Requires identification of whether audit finding is a repeat from the immediately prior audit and if so the prior year audit finding number (200.516(b)(8))
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# Resources

- ❑ Your OSEP State Lead and Fiscal Leads
- ❑ Risk Management Service Contacts
  - ❑ Mark Robinson – [mark.robinson@ed.gov](mailto:mark.robinson@ed.gov) 202-245-8280
    - ❑ Virgin Islands
  - ❑ Christine Jackson – [christine.jackson@ed.gov](mailto:christine.jackson@ed.gov) 202-245-8276
    - ❑ CNMI; Guam; Palau
  - ❑ Insuk Chinn – [insuk.chinn@ed.gov](mailto:insuk.chinn@ed.gov) 202-245-8277
    - ❑ American Samoa; FSM; RMI
- ❑ The Department's one-stop shop for Uniform Guidance - Technical Assistance for ED Grantees
  - <https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>
  - Crosswalk between 34 CFR Part 80 of EDGAR and 2 CFR Part 200
  - <https://www2.ed.gov/policy/fund/guid/uniform-guidance/crosswalk34.pdf>
  - Crosswalk between 34 CFR Parts 74 and 2 CFR Part 200
  - <https://www2.ed.gov/policy/fund/guid/uniform-guidance/crosswalk3474.pdf>
  - FAQs for 2 CFR Part 200
  - <https://www2.ed.gov/policy/fund/guid/uniform-guidance/edfaqs1216.pdf>
- ❑ Email questions to: [uniformgrantguidanceimplementation@ed.gov](mailto:uniformgrantguidanceimplementation@ed.gov)

# Questions?

