

## **Frequently Asked Questions 2 CFR 200 Uniform Guidance Implementation Effective Dates**

Source: <https://cfo.gov/cofar/>

### **1. When does 2 CFR 200 become effective?**

The Department of the Interior will implement 2 CFR 200 on December 26, 2014. The Administrative Requirements and Cost Principles will apply to all new awards and amendments to add incremental funding on and after December 26, 2014. Applications submitted prior to but awarded after December 26, 2014 must conform to the new requirements.

### **2. What is the effective date for audit requirements?**

The A-133 audit requirements have been incorporated into 2 CFR 200 in Subpart F. Subpart F will apply to audits of fiscal years beginning on or after December 26, 2014.

### **3. What is the effective date for indirect cost rate development and negotiation?**

Existing negotiated indirect cost rates will remain in place until they are due to be re-negotiated. Federal agencies/non-Federal entities will use the Uniform Guidance to negotiate the new rate/generate rate proposals for recipient fiscal years starting on or after December 26, 2014. Non-Federal entities may begin to submit actual cost proposals based on the Uniform Guidance when they are due for fiscal years that begin on or after December 26, 2014.

### **4. What is the effective date for procurement policies and procedures?**

The Federal government is providing a grace period for non-Federal entities to comply with the Uniform Guidance procurement standards. For the non-Federal entity's first full fiscal year that begins on or after December 26, 2014, the non-Federal entity must document whether it is in compliance with the old or new standards, and must meet the documented standard. For example, the first full fiscal year for a non-Federal entity with a June 30 year end would be the year ending June 30, 2016. The Single Audit Compliance Supplement will instruct auditors to review procurement policies and procedures based on the documented standard. For future fiscal years, all non-Federal entities will be required to comply fully with the uniform guidance.

### **5. What is the effective date for Institutions of Higher Education (IHEs) Disclosure Statements (DS-2s)?**

IHEs subject to the requirements of section 200.419 should begin to revise their DS-2 statements for fiscal years beginning on or after December 26, 2014. IHE's with CAS covered-contracts meeting the dollar threshold (currently \$25 million in aggregate) in 48 CFR 9903.202-1(f) should submit their revised DS-2 as soon as possible after December 26, 2014, but in any event no later than prior to the award of a CAS-covered contract or subcontract. In addition, IHE's making voluntary changes in cost accounting practices other than those required in the Uniform Guidance or submitting indirect cost rate proposals that are currently due should submit their DS-2 (or revised pages of the DS-2 for changes that are not extensive) six months before the effective date of proposed changes. IHEs that do not meet the CAS covered contract threshold or are not submitting indirect cost rate proposals and that are only revising their DS-2 to meet the requirements of the Uniform Guidance do not need to submit their revised DS-2 unless requested to do so by their cognizant agency for indirect costs. If not requested by the cognizant agency for indirect costs to submit by an earlier date, the DS-2 must be submitted with the next submission of the IHE's indirect cost rate proposals. The cognizant agency for indirect costs will determine if a review and approval is necessary for the submitted DS-2. Non-Federal entities will not be penalized for discrepancies between their approved DS-2 and actual charging practices in accordance with the new uniform guidance, provided that an updated DS-2 (consistent with actual charging practices) has been revised and submitted in accordance with FAQ .110-3.

### **6. How does the effective date impact existing awards?**

Existing Federal awards that do not receive incremental funding with new terms and conditions will continue to be governed by the existing terms and conditions of the Federal award. The December 26, 2014 implementation of

the new Uniform Guidance does not retroactively change the terms and conditions for funds a recipient has already received. All previously published versions of the Service award terms and conditions will be maintained on the Internet at <http://www.fws.gov/grants/> until all awards subject to those terms and conditions are closed.

**7. How does the effective date impact subawards?**

The requirements for a subaward flow down from the original Federal award. If the original award was made prior to December 26, 2014 and is never modified to add incremental funding after December 26, 2014, the original award terms and conditions will apply to all subawards issued under the award, regardless of their award date.

**8. How does the effective date impact incrementally funded awards?** On the first increment awarded to the recipient on or after December 26, 2014, programs must apply the new Service award terms and conditions (posted on the Internet at <http://www.fws.gov/grants/>) to the entire Federal award that is uncommitted or unobligated as of the award date of that increment.

**9. What is an incrementally funded award?**

An incrementally funded award is an award that was set up on the original agreement in both scope and budget to be funded in increments over the course of multiple years. Adding new funds to an existing award to support the continuation of a currently/previously funded project (i.e., same project for another year) is not an incrementally funded award. Programs must issue new cycles of a currently/previously funded project as a new award.

Keep in mind that in these cases the recipient is not obligated to segregate or otherwise track old funds and new funds, but may do so at their discretion. For example, a recipient may track the old funds and continue to apply to that portion of the funds flexibilities allowed under the old rules (e.g., local ability to issue fixed price subawards, non-Federal entity determination of the need to incur administrative and clerical salaries based on major project classification).

**10. What if we are simply approving a small amount of additional funds to support successful completion of a project?**

The program in consultation with their recipient may or may not choose to incorporate new terms and conditions in such amendments. For example, at the time such an amendment is considered, the recipient may have received other new Federal awards subject to the new Uniform Guidance and as a result has already converted their systems and procedures to conform. In such a case it may be a burden for the recipient to conform to two sets of regulations and they may prefer for all new funding to be subject to the new Uniform Guidance. In other cases it may be burdensome to impose the new Uniform Guidance on a small portion of funding, especially if the recipient has not received/does not anticipate receiving any future Federal awards.

**What if we are amending an existing award for any other reason than to increase funding?**

Those awards will continue to be governed by the existing terms and conditions of the Federal award.

**Where can I go for more information?**

- Electronic Code of Federal Regulations at <http://www.ecfr.gov/>
- Council on Financial Assistance Reform's website at <https://cfo.gov/cofar/>