

2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards



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The Uniform Guidance consolidates 8 policies into 1.

Its contents include:

- Subpart A—Acronyms and Definitions
- Subpart B—General Provisions
- Subpart C—Pre-Federal Award Requirements and – Contents of Federal Awards
- Subpart D—Post Federal Award Requirements
- Subpart E—Cost Principles
- Subpart F—Audit Requirements

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl



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Goals of the 2 CFR 200

Increase
performance,
outcomes,
oversight,
accountability

Increase
efficient use
of resources
and
transparency

Reduce
waste, fraud,
abuse

Reduce
duplication
and
conflicting
guidance



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200.317 Procurement by states and 200.318 General procurement standards

Subrecipients must follow their own established procurement procedures to contract with others as long as those procedures follow the Commonwealth's procurement standards (at <https://eva.virginia.gov/pages/eva-aspm-manual.htm>) and the OMB Supercircular General procurement standards, 200.317 and 200.318.



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200.330 Subrecipient and contractor determinations

Procurement Contract (Contractor)
Grant (Subrecipient)

Whoever is issuing the award or contract makes the decision of whom is a subrecipient or a contractor.



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Principal Investigator: _____

University Proposal Number: _____

Checklist to Determine Subrecipient or Contractor Classification

OBJECTIVE: Generally, the determination of the relationship with an entity is verified through the institutional review of the proposal narrative, budget justification, and other related proposal documents, as well as through discussions with key personnel prior to proposal submission. When the relationship remains unclear, this form may provide assistance in making an accurate determination.

DEFINITIONS FROM UNIFORM GUIDANCE (2 CFR, PART 200):

Subrecipient:

§200.53 Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding

Contractor:

§200.23 Contractor means an entity that receives a contract as defined in §200.22 Contract.

§200.22 Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

INSTRUCTIONS: Complete sections one and two of the checklist by marking all characteristics that apply to the outside entity. The section with the greatest number of marked characteristics indicates the likely type of relationship the entity will have with the University. On occasion there may be exceptions to the type of relationship indicated by the completed checklist. In these situations, the substance of the relationship should be given greater consideration than the form of agreement between the University and the outside entity. Section 3 should be used to provide documentation on the use of judgment in determining the proper relationship classification.

NAME OF OUTSIDE ENTITY: _____

SECTION 1 - SUBRECIPIENT

Description: A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- 1. Determines who is eligible to receive what Federal assistance;
- 2. Has its performance measured in relation to whether objectives of a Federal program were met;
- 3. Has responsibility for programmatic decision making;
- 4. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

Entities that include these characteristics are responsible for adherence to applicable Federal program requirements specified in the Federal award.

SECTION 2 - CONTRACTOR

Description: A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

- 1. Provides the goods and services within normal business operations;
- 2. Provides similar goods or services to many different purchasers;
- 3. Normally operates in a competitive environment;
- 4. Provides goods or services that are ancillary to the operation of the Federal program.

Entities that include these characteristics are not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

FINAL DETERMINATION:

SUBRECIPIENT CONTRACTOR

OPTIONAL - SECTION 3 - USE OF JUDGMENT (use only when the determination cannot clearly be made using the above criteria)

Description: In determining whether an agreement between a pass-through entity and another non-Federal entity costs the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

Explanation of Use of Judgment Determination:

Prepared By: _____

Date: _____

200.331 Requirements for pass-through entities

200.331(a)(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports. (However, this information should not be submitted directly to NOAA.)



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200.331(a)(5) Access to Subrecipient's Records and Financial Statements

A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part.



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200.331(d) Monitoring the Subrecipient

Pass-through entity monitoring of the subrecipient must include:

- a. Reviewing financial and performance reports
- b. Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award
- c. Issuing a management decision for audit findings pertaining to the Federal award



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200.501 Audit Requirements

If an entity is a subrecipient (or sub/subrecipient) but not a contractor, they are subject to a single audit or program-specific audit (an audit if the auditee expends Federal awards under only one Federal program) only if they expend \$750,000 or more.

(g) In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services comply with Federal statutes, regulations, and the terms and conditions of Federal awards.



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200.318(c)(1) Standards of Conduct covering Conflicts of Interest

Requires that subrecipients have written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

The Commonwealth of Virginia has a Conflict of Interest Policy that subrecipients and sub/subrecipients must follow. <https://commonwealth.virginia.gov/va-government/conflict-of-interest/>



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200.331(b) Risk of Noncompliance

All pass-through entities must:

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

However, this does not apply to contractors.

200.330(b)(5) Contractor is not subject to compliance requirements of the Federal program as a result of the agreement...



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