



2 CFR Part 200

**COMPLIANCE**

**ATTACHMENT**

**TOOL GUIDE**

**FOR FDOH**

**CONTRACT**

**MANAGERS**

**and**

**SUB-RECIPIENTS**

FDOH/Division of Administration/FCAM

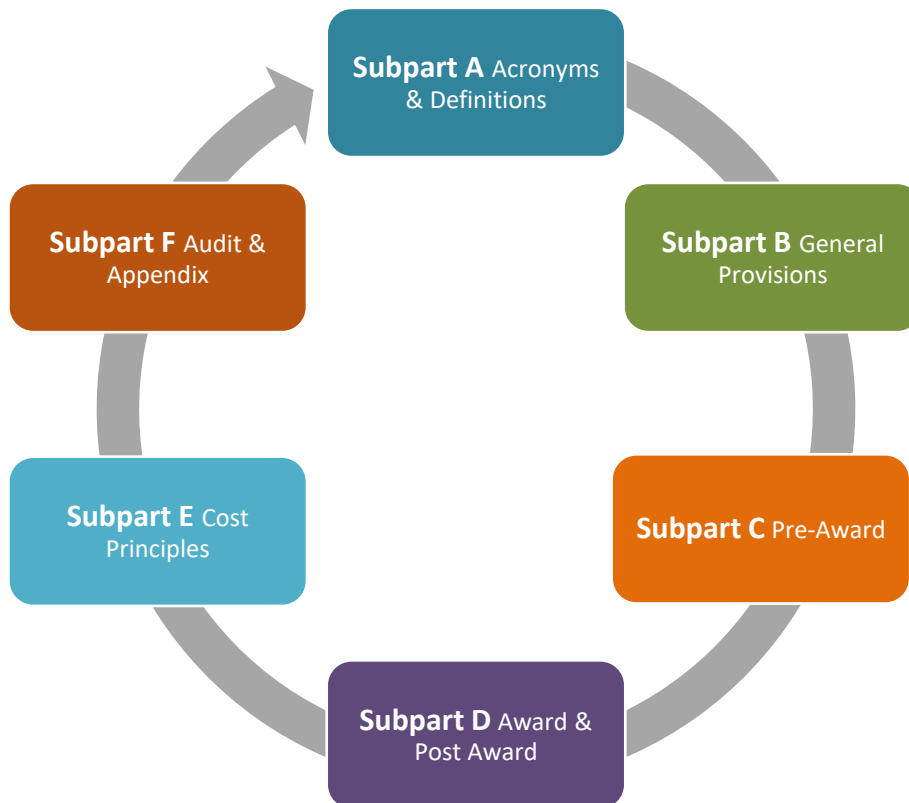
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## 2 CFR Part 200 – Quick Reference Guide for Sub-Recipients

The Uniform Grant Guidance (UGG) 2 CFR Part 200 regulation is divided into six subparts. The regulation is designed to reduce administrative burden, strengthen oversight and tighten internal controls of grant funds with a focus toward achieving more flexibility, “reasonable assurance,” improve performance and cost protection. 2 CFR part 200 rescinds and combines eight different OMB administrative circulars. It is paramount that Recipient and Subrecipient’s federal fund administrators understand and implement procedural changes necessary to meet the requirements under the UGG.

☐ Below are the subparts with links for easier navigation:





## 2 CFR Part 200 – Quick Reference Guide for Sub-Recipients

Accordingly, the Florida Department of Health (FDOH) as a recipient of federal funds along with all passthrough subrecipients are required to follow the terms and conditions as identified under each grant award, and the Uniform Grant Guidance, Title 2 Part 200 of the United States Code of Federal Regulations (CFR). The guidance is adapted or incorporated under each Federal granting agency's regulations such as [Title 45 Part 75](#) for public health grants, [Title 2 CFR 400](#) for agriculture grant programs or other CFR titles relating to other federal grant programs.

This reference guide provides a quick summary of some of the requirements applicable to most FDOH grant programs for compliance with the Uniform Grant Guidance [2 CFR Part 200](#). For all other specific guidance, please refer to your Award documents or contact your designated FDOH Contract Manager. This document is merely an introduction and must not be relied solely upon;

### Subpart A - Substitute for FDOH Use Only

#### Training and Reference Tools

- 2 CFR 200 Navigating Guide for FDOH Grant managers and Pass-Through Subrecipients



2 CFR 200 Guidance  
Workshop\_FDOH.ppt

- 2 CFR 200 Definitions and Implementation Guide for CM and Subrecipients



2\_CFR\_200  
Definitions and Imp

### Subpart B – General Provisions

#### 1. Integrity Rules (2 CFR 200.112-113; 45 CFR 75.112-113)

- 1.1 Disclosure of any potential conflicts of interest to the Florida Department of Health (FDOH) in accordance with the applicable federal awarding agency policy.
- 1.2 Disclosure of all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. (Note: Failure to do so can result in suspension and/or debarment.)
- 1.3 Unless a recipient is exempted from the requirements under 2 CFR 25.110, the recipient must show proof of a current and active registration with SAM.gov until all terms and conditions are met.

### Subpart C – Pre-federal Award Requirements and Contents of Federal Awards

#### 2. Fixed Award Amounts (2 CFR 200.201; 45 CFR 75.201)

- 2.1 If awarded a fixed-award, payments will be based on meeting specific requirements of the federal award. Accountability will be based on performance and results.

**Notables:** §200.205 Federal awarding agency review of risk posed by applicants.



## 2 CFR Part 200 – Quick Reference Guide for Sub-Recipients

Prior to making a Federal award, awarding entities are required by 31 U.S.C. 3321 and 41 U.S.C. 2313 to review information available through sources, such as SAM Exclusions and “Do Not Pay” for entity’s eligibility qualification or financial integrity information status.

### **Subpart D – Post federal Award Requirements**

#### **3. Standards for Financial and Program Management (2 CFR 200.300-309; 45 CFR 75.300-309)**

- 3.1 Adherence to performance measurements that relate financial data to performance accomplishments. When applicable, the reports will provide cost information to demonstrate cost effective practices. Some grants may require reports to include indicators and milestones accomplished on performance goals.
- 3.2 Maintenance of a financial management system, which includes records documenting compliance, that allows for the preparation of reports required by general and program-specific terms/conditions. The financial management system must also allow for the tracing of funds to a level of expenditures to show that they have been used according to the terms/conditions/regulations.
- 3.3 The financial management system must provide the following:
  - 3.3.1 Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the federal awarding agency, and name of the pass-through entity, if any.
  - 3.3.2 Accurate, current, and complete disclosure of the financial results of each Federal award or program.
  - 3.3.3 Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
  - 3.3.4 Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.
  - 3.3.5 Comparison of expenditures with budget amounts for each Federal award.
  - 3.3.6 Written procedures to implement the payment requirements found in §200.305 or §75.305 as applicable.
  - 3.3.7 Written procedures for determining the allowability of costs in accordance with the Cost Principles of federal grant guidance and the terms and conditions of the Federal award.
- 3.4 Internal Controls:
  - 3.4.1 Establish and maintain effective internal controls over federal awards to ensure compliance with regulations and the terms/conditions of awards. Consider the Internal Control Framework issued by the Committee on Sponsoring Organizations (COSO) and the Standards for Internal Control in the Federal Government (Green Book) issued by the Comptroller General as best practice examples.
  - 3.4.2 Have internal controls and procedures in place to take prompt action when noncompliance issues are identified, including noncompliance related to audit findings.
  - 3.4.3 Take reasonable measures to safeguard protected, personally identifiable information (PII) and other sensitive information.



## 2 CFR Part 200 – Quick Reference Guide for Sub-Recipients

### 3.5 Payments

- 3.5.1 Minimized the time between the transfer of funds from FDOH and the disbursement. (Already required by state statutes and FDOH's Standard Contract)
- 3.5.2 Use funds from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned prior to requesting cash advance payments, if allowed.
- 3.5.3 Established banking procedures so that you can account for the receipt, obligation, and expenditure of funds for specific federal awards.
- 3.5.4 Preparation for any advance payments to be deposited in insured accounts when possible and in interest-bearing account unless certain criteria apply.

### 3.6 Cost Sharing or Matching Requirements (if required, does not apply to most FDOH contracts)

- 3.6.1 All required criteria are met if your organization has grants that contain cost sharing or matching requirements.
- 3.6.2 Applying unrecovered indirect costs as cost sharing/matching requires prior approval from the federal awarding agency.
- 3.6.3 If authorized by the federal awarding agency to allow for the donation of buildings or land for long-term use, has the value been calculated as the lesser of the two: value of remaining life or current market value at the time of donation.
- 3.6.4 Volunteer services from a third party to meet cost/matching requirements must be integral and necessary part of the project/program and documented.

### 3.7 Use of Program Income

- 3.7.1 Program Income must be deducted from the total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Unanticipated program income must be used to reduce the federal award.
- 3.7.2 For Institutions of Higher Education (IHEs) and nonprofit research institutions, program income may be added to the federal award with prior Federal approval.
- 3.7.3 Program income may be used to meet cost sharing/matching requirements if applicable, with prior Federal approval.

#### **Notables: §200.330 Subrecipient and contractor determinations.**

FDOH and subsequent pass-through entities must make case-by-case determinations whether each agreement it makes for the disbursement of Federal funds casts the party receiving the funds in the role of a subrecipient or a contractor. The determination must be made on the substance of the relationship.

## **4. Property Standards (2 CFR 200.310-316; 45 CFR 75.316-323)**

- 4.1 Insurance coverage: Maintain equivalent insurance coverage for real property and equipment acquired or improved with federal funds (but not federally owned) as provided to property owned by your organization.
- 4.2 Real Property: Maintain procedures that meet federal guidance regarding real property to meet the requirements for title, use, and disposition.
- 4.3 Federally-owned and exempt property
  - 4.3.1 An annual inventory listing of federally owned property in its custody must be annually submitted to the federal awarding agency.



## 2 CFR Part 200 – Quick Reference Guide for Sub-Recipients

- 4.3.2 After an award has been completed or federal property is no longer needed, the organization must report the property as excess to the federal awarding agency.
- 4.4 Equipment
  - 4.4.1 Maintain proper equipment procedures in place to meet the requirements for title, use, and disposition under federal grant guidance.
  - 4.4.2 Equipment management procedures must be in place for equipment acquired in whole or in part under the federal award, which include detailed identification makers, percentage of federal participation in costs, location, use and condition and any disposition data, date of disposal and sale price of the property.
  - 4.4.3 A physical inventory of property must be taken at least once every two years with results reconciled with property records.
  - 4.4.4 A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property.
  - 4.4.5 Adequate maintenance procedures must be developed to keep the property in good condition.
  - 4.4.6 If authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.
- 4.5 Supplies exceeding \$5,000: The federal government must be compensated for its share of residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of a project or program, unless supplies are not needed for any other federal award.
- 4.6 Intangible property: Maintain proper procedures to meet federal grant guidance involving intangible property.

### 5. Procurement Standards (2 CFR 200.317-326; 45 CFR 75.326-335)

- 5.1 Maintain a written standards of conduct covering conflict of interest and governing employees engaged in the selection, award and administration of contracts. If your organization has a parent, affiliate, or subsidiary organization that is not a state or local government or Indian tribe, your conflict of interest policy must also include organizational conflicts of interest.
- 5.2 Procurement procedures and policies must be in place to meet the following requirements:
  - 5.2.1 Are written and implemented
  - 5.2.2 Ensure that the acquisition of duplicate or unnecessary items is avoided
  - 5.2.3 Ensure that state and local government intergovernmental agreements are considered where appropriate
  - 5.2.4 Ensure contracts are awarded only to responsible contractors with the ability to perform contract terms successfully
  - 5.2.5 Ensure all procurement transactions are conducted in a manner providing full and open competition
  - 5.2.6 Do not include state or local geographical preferences (except where federal statutes mandate or encourage geographic preference)
  - 5.2.7 Ensure all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured
  - 5.2.8 Require cost or price analysis, including independent estimates, for all purchases over \$150,000
  - 5.2.9 Include affirmative steps to assure that minority business, women's business enterprises, and labor surplus area firms are used when possible
- 5.3 Procurement policies must include guidelines for the following purchase thresholds, which must meet federal grant guidance requirements:



## 2 CFR Part 200 – Quick Reference Guide for Sub-Recipients

- 5.3.1 Micro-purchase (<\$10,000, no quotations, equitable distributions)
- 5.3.2 Small purchase (\$10,000-\$250,000, rate quotations, no cost or price analysis)
- 5.3.3 Sealed bids (\$250,000, formal advertising, price is a major factor).
- 5.3.4 Competitive proposal (> \$250,000, fixed price or cost reimbursement, request for proposal (RFP) with evaluation methods).
- 5.3.5 Noncompetitive proposal (solicitation of a proposal from only one source, unique product/service)
- 5.4 Time and material type contracts are used only after a determination that no other contract is suitable and the contract must include a ceiling price that the contractor exceeds at its own risk.
- 5.5 All prequalified lists of persons, vendors, or products must include enough qualified sources to ensure maximum free and open competition, and there must be a process to ensure this list is kept up to date.
- 5.6 Procurement processes include keeping records that detail history of ALL procurements and at the minimum include the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract.
- 5.7 Procurement policies for construction or facility improvement contracts, or subcontracts exceeding \$250,000, include a bid guarantee equivalent to 5% of the bid price from each bidder (such as bid bond or certified check), a performance bond on the part of the contractor for 100 percent of the contract price, and a payment bond on the part of the contractor for 100 percent of the contract price.

### Associated Resources and Forms

<p>OMB has Increased the Simplified Acquisition Threshold (“SAT”) and MICRO-PURCHASE Threshold (“MPT”) for GRANTEE Procurements</p> <ul style="list-style-type: none"> <li>▪ <b>Summary Changes and Impact to Pass-Through Recipients:</b>  <b>Simplified Acquisition Threshold (“SAT”)</b> from \$150,000 to \$250,000, and  <b>Micro-Purchase Threshold (“MPT”)</b> from \$3,500 to \$10,000.</li> </ul>	<p><a href="#">Download OMB Memo 18-18</a></p>
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## 6. Performance and Financial Monitoring and Reporting (2 CFR 300.327-329; 45 CFR 75.341-343)

- 6.1 Performance and Financial reports will likely be required so that FDOH can meet its obligations as a recipient of federal awards, which should be no more often than quarterly except in unusual circumstances.
- 6.2 Annually submit a report on the status of real property if the federal government retains an interest. (Note: If federal interest is for 15 years or longer, reporting may be required at various multi-year frequencies as well.)

## 7. Subrecipient Monitoring and Management (2 CFR 200.330-332; 45 CFR 75.351-353) {Pass-through entity requirements}

- 7.1 A formal process must be developed to analyze awards for determining subrecipient versus a contractor relationship.
- 7.2 Enforce the reporting requirements under the Federal Funding Accountability and Transparency Act (FFATA).





## 2 CFR Part 200 – Quick Reference Guide for Sub-Recipients

- 7.3 Subawards made to subrecipients must include the following pieces of information:
- 7.3.1 Federal Award Identification (There are 13 required data elements in this item).
  - 7.3.2 All requirements imposed by your organization on the subrecipient so that the federal award is used in accordance with federal statutes, regulations and the terms and conditions of the federal award.
  - 7.3.3 Any additional requirements that your organization imposes on the subrecipient in order for your organization to meet its own responsibility to the federal awarding agency or FDOH, including identification of any required financial and performance reports.
  - 7.3.4 An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between your organization and the subrecipient (in compliance with federal guidance), or a de minimis (10 percent) indirect cost rate.
  - 7.3.5 A requirement that the subrecipient permit your organization and auditors to have access to the subrecipient's records and financial statements as necessary.
  - 7.3.6 Appropriate terms and conditions concerning closeout of the subaward.
- 7.4 Evaluate the subrecipient for risk of noncompliance with federal regulations and terms of subaward to determine appropriate monitoring for each subrecipient.
- 7.5 Monitor the activities of the subrecipient as necessary to ensure the subaward is used for authorized purposes and in accordance with statutes, regulations and terms and conditions. Monitoring must include:
- 7.5.1 Reviewing financial and programmatic reports
  - 7.5.2 Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means
  - 7.5.3 Issuing a management decision for audit findings pertaining to the federal award
- 7.6 Verify that every subrecipient is audited as required under federal grant guidance.
- 7.7 Review results of subrecipient's audits, on-site reviews, or other monitoring to detect conditions that necessitate adjustments to your organization's own records.
- 7.8 Take enforcement action against noncompliant subrecipients when appropriate.
- 7.9 In order to issue subawards based on fixed amounts up to the Simplified Acquisition Threshold (currently at \$250,000), prior written approval from the federal awarding agency must be obtained.

### **8. Record Retention and Access (2 CFR 200.333-337; 45 CFR 75.361-365)**

- 8.1 Maintain a policy to verify that financial records, supporting documents, statistical records, etc., are retained for at least three years from the date of submission of the final expenditure report, or for ongoing grants, the date of submission of the quarterly or annual financial report. (Note: If any litigation/claim/audit is started before the three-year time frame, records must be retained until completed or resolved.)

### **9. Closeout (2 CFR 200.343; 45 CFR 75.381)**

- 9.1 Develop procedures to meet the following requirements for closing out grants at the end of the period of performance:
- 9.1.1 Must submit no later than 90 calendar days after the end of period of performance all financial, performance, and other reports required by terms and conditions.





## 2 CFR Part 200 – Quick Reference Guide for Sub-Recipients

- 9.1.2 Must liquidate all obligations incurred no later than 90 calendar days per terms/conditions.
- 9.1.3 Must promptly refund any balances of unobligated cash that the federal agency or pass-through entity paid in advance or paid that isn't authorized to be retained for use in other projects.
- 9.2 Must account for any real and personal property acquired with federal funds or received from the federal government.

### **Subpart E - Cost Principles**

#### **10. Required Certifications (2 CFR 200.415; 45 CFR 75.415)**

- 10.1 A certification must be included that is signed by an official who can legally bind your organization for annual and final fiscal reports or vouchers requesting payment under an agreement. The certification must read: “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. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

Notable: **200.425 Audit services.**

Cost is allowable only if the agreed-upon-procedures engagements are:

- (1) Conducted in accordance with GAGAS attestation standards;
- (2) Paid for and arranged by the pass-through entity; and
- (3) Limited in scope to one or more of the following types of compliance requirements: activities allowed or un-allowed; allowable costs/cost principles; eligibility; and reporting.

#### **11. Time and Effort Reporting (2 CFR 200.430; 45 CFR 75.430)**

- 11.1 The organization must meet one of the following:
  - 11.1.1 Maintain a time and effort reporting processes that include records that accurately reflect the work performed and the necessary requirements under federal grant guidance, or
  - 11.1.2 Use budget estimates for interim accounting purposes following federal grant guidance requirements.
  - 11.1.3 Use a substitute process or system for salaries and wages to federal awards, if the system is approved by the cognizant agency for indirect cost. Should a substitute sampling system be used, it must meet acceptable statistical sampling standards.
- 11.2 Salaries and wages of employees used in meeting the cost sharing or matching requirement on federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from federal awards.

### **Subpart F - Audit Requirements**

#### **12. Sanctions and Costs (2 CFR 200.505-506; 45 CFR 75.505-506)**



## 2 CFR Part 200 – Quick Reference Guide for Sub-Recipients

- 12.1 Subrecipient who is required to have an audit conducted under 2 CFR 200.500 when is unable or unwilling to have such an audit, the Department of Health, as a pass-through entity, is required to take appropriate action. 2 CFR 200, Subpart F identifies appropriate sanctions such as:
- 12.1.1 Withholding a percentage of Federal awards until the audit is completed satisfactorily, or
  - 12.1.2 Withholding or disallowing overhead costs, or
  - 12.1.3 Suspending Federal awards until the audit is conducted, or
  - 12.1.4 Terminating the Federal award.
- 12.2 Unless otherwise prohibited, the costs of audits made in accordance with 2 CFR 200 are allowable charges to Federal awards. The costs may be considered a direct cost or an allocated indirect cost, as appropriate. However, such costs would be unallowable for:
- 12.2.1 Any audit not conducted in accordance with The Uniform Grant Guidance (2 CFR 200.500), or
  - 12.2.2 Any audit conducted when the non-Federal entity expended less than \$750,000 in Federal awards and was, therefore, exempted from having such an audit.

### Notable: §200.501 Audit requirements


Non-Federal entity (recipient/sub-recipient) that expends \$750,000 or more during a fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

## 13. Report Submission (2 CFR 200.512; 45 CFR 75.512)

13.1 Audit must be completed, and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day.

13.2 Auditee (sub-recipient) is responsible for follow-up and corrective action on all audit findings.

### Associated Resources and Forms

FDOH Initial Request for SAR Certification (Sample)	 Initial Request - FDOH CERT Form - \$
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## Resources & Attachments