



Idaho Department  
of Education

# Uniform Grant Guidance (UGG) Updates

Updates and Insights Effective 10/1/2024

ESEA/IDEA Fall 2024 Conference



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# Understanding The Uniform Grant Guidance

# What is the Uniform Guidance?

Title 2 of the Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is also known as the Uniform Guidance. It was established by the Office of Management and Budget (OMB) to provide a set of consolidated, streamlined, and superseded requirements from previously separate OMB Circulars that provide a government-wide (not individual agency-specific) framework for managing Federal financial assistance (e.g., grants and cooperative agreements).

The overarching goal of the Uniform Guidance is to improve program performance, reduce administrative burden on award recipients, and mitigate the risk of the inappropriate use of Federal funds.



# Uniform Grant Guidance Final Updates

Announced

THE WHITE HOUSE



The White House and the Office of Management and Budget (OMB) revealed its new final regulations for grants management, known as the “Uniform Grants Guidance” or UGG. In remarks, OMB officials discussed the overhaul as an effort to “maximize impact” across the reach of federal programs, government-wide, especially as the nation recovers from the COVID-19 pandemic.

OMB Deputy Director for Management Jason Miller “...terms like federal financial assistance and uniform grants guidance might sound mundane or, perhaps, a little bureaucratic, but it’s really the plumbing of our federal programs...The plumbing of our federal financial assistance system matters.”

# Uniform Grants Guidance 2024 Revision: Burden Reduction

- The Uniform Grants Guidance 2024 Revision contains various updates that will reduce burden for recipients of Federal funds.
- By using plain language, clarifying provisions, and improving organization, the Uniform Grants Guidance 2024 contains comprehensive revisions that will reduce burden for recipients of Federal funds.
- In addition, a number of specific updates will also allow recipients of Federal funds increase the efficiency of their financial management.



# When is the Revised UGG Effective?

The effective date of the revised Uniform Guidance provisions in 2 CFR Part 200 is October 1, 2024, except for State-administered formula grants, which have the option of implementing as early July 1, 2024.

Initial UGG  
Start Date  
December  
25, 2014

Prior UGG  
Updates:  
August 13,  
2020

Proposed  
Updated  
Rules:  
Published  
October 5,  
2023

Final Rule  
Released April  
4, 2024

Effective Date:  
No later than  
October 2024

# Does the Uniform Guidance apply to the Department's State-Administered grants?

The Uniform Guidance applies to the State administered grants (such as Title I of the ESEA and IDEA).

Recipients of fiscal year (FY) 2024 State-administered formula grants issued on or after July 1, 2024 can implement the revised 2024 Uniform Guidance in 2 CFR Part 200 effective **July 1, 2024**, provided that they have revised any applicable State policies and procedures with changes from the 2024 Uniform Guidance.



# Steps LEAs need to Take

What actions should grantees take to comply with the new guidance?

Discretionary grantees and subgrantees should review the revised Uniform Guidance thoroughly, **update their internal policies and procedures accordingly**, train relevant staff, and ensure their financial and administrative systems are compliant with the new requirements.

[U.S. ED: Uniform Grant Guidance FAQs](#)

# Do State Policies Adopt the new Federal Policies?

[Idaho Statutes & Federal Adherence to CFR/UGG](#)

## **STATE AGENCIES**

State agencies follow [Idaho Statute 67-9233 Ethics in Procurement](#).

## **FEDERAL PROCUREMENT**

### GRANT UNIFORM GUIDANCE PROCUREMENT STANDARDS

When Non-Federal entities receive a federal award, they are also required to following federal regulations. In addition to procurement requirements detailed in the federal award document, non-Federal entities are required to adhere to the Code of Federal Regulations regarding procurement standards; specifically sections [§200.317](#) through [§200.327](#). Non-Federal entities must document procurement procedures taking into consideration the intersection of federal procurement standards with state procurement standards and creating documentation that adheres to the more stringent standard whether required by state or federal.

# What's New?

# Disclaimer

The slides and content in this presentation are not a comprehensive full representation of all changes to the Uniform Grant Guidance.

To read more about the changes, see [Whitehouse.gov](https://www.whitehouse.gov)

## 2024 Revisions

- [Federal Register Notice](#)
- [Redline Edits](#)
- [2 CFR Crosswalk 2024](#)
- [Implementation Memorandum \(M-24-11\) on revisions](#)
- [Federal Agency Implementation](#)
- [Reference Guides](#)

# **Certifications, Mandatory Disclosures, Whistleblowers, and Credible Evidence**

# Required Financial Certifications

2 CFR 200.415

**New (b):** Subrecipients under the Federal award must certify to the pass-through entity whenever applying for funds, requesting payment, and submitting financial reports:

**“I certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to violations of U.S. Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812.”**

Create Request
x

Indirect Cost Collection	<input type="text"/>
Travel	<input type="text"/>
Professional Development	<input type="text"/>
Transportation	<input type="text"/>
Total:	
Notes:	
<div style="border: 1px solid #ccc; height: 40px;"></div>	
<input type="button" value="Add Documents"/> <input type="button" value="Save"/> <input type="button" value="Cancel"/>	

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).

I attest that I have read and agree to the above stated conditions.

## Mandatory Disclosures – 2 CFR 200.113

Mandatory disclosures (200.113): Applicant, recipients, and subrecipients must *promptly disclose* **whenever it has credible evidence** of the commission a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations under Title 18 or Civil False Claims Act (31 U.S.C. 3729–3733) in connection with the federal award.

# How did Mandatory Disclosure Reporting Change?

The current version requires disclosure of actual violation of federal criminal law, while the updated version more closely mirrors the existing Federal Acquisition Regulation (FAR) requirement for government contractors.

OMB also cited to FAR Council guidance to explain that determine [the] credibility before deciding to disclose to the Government.”



# What Does Credible Evidence Include?

Includes both criminal and civil false claims actions & aligns with Whistleblower protections (2 CFR 200.217)

Must be made **in writing** to the Federal agency, the agency's Office of Inspector General, **and the pass-through entity** (if applicable).

Also **required to report matters** to recipient integrity and performance (i.e., SAM and FAPIIS- the Federal Awardee Performance and Integrity Information System. FAPIIS is used to record adverse actions on contracts and grants, such as terminations for default and defective pricing.

Generally aligns the meaning of “credible evidence” in the context of **mandatory disclosures** relating False Claims Act violations under 2 C.F.R. Part 200 with the existing standard for similar disclosures under the Federal Acquisition Regulation (FAR).

Includes **any activities or subawards** in connection with the Federal award.

Failure to report may result in remedies for noncompliance (200.339).

# Do They Define Credible Evidence?

OMB declined to provide a definition of “credible evidence,” instead citing to the Black’s Law Dictionary definition: “evidence that is worthy of belief; trustworthy evidence.” OMB also cited to FAR Council guidance to explain that “credible evidence” is a higher standard than reasonable grounds and the recipient, subrecipient, or applicant should “take some time for preliminary examination of the evidence to determine [the] credibility before deciding to disclose to the Government.”

Source: [Arnold & Porter](#)

# False Claims Act (FCA) Civil Overlap

In addition to allowing the United States to pursue perpetrators of fraud on its own, the FCA allows private citizens to file suits on behalf of the government (called “qui tam” suits) against those who have defrauded the government.

## False Claims Act of 1863

The False Claims Act of 1863 is an American federal law that imposes liability on persons and companies who defraud governmental programs. It is the federal government's primary litigation tool in combating fraud against the government.

Violations assessed after February 12, 2024; the civil False Claims Act penalties will range from \$13,946 to \$27,894. False Claims Act penalties are mandatory for each separate violation of the law.

# Establishing Whistleblower Protections

Establishing a specific mechanism for anonymous reporting is beyond the scope of the proposed changes in section 200.113, which places the responsibility on the “applicant, recipient, or subrecipient of a Federal award” **to promptly make the disclosure**.

Anonymous reporting may also be available, but this type of reporting would not necessarily satisfy the mandatory disclosure requirement under this section if the applicant, recipient, or subrecipient could not verify that it made the required disclosure.

In the new provision at section 200.217, OMB endeavored to better recognize certain legal protections for whistleblowers.

# New Whistleblower Protections

2 CFR 200.217: An employee of a recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee **reasonably believes is evidence of gross mismanagement** of a Federal contract or grant, **a gross waste of Federal funds**, an **abuse of authority** relating to a Federal contract or grant, a **substantial and specific danger** to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant.

The recipient and subrecipient **must inform their employees in writing** of employee whistleblower rights and protections under 41 U.S.C. 4712. See statutory requirements for whistleblower protections at 10 U.S.C. 4701, 41 U.S.C. 4712, 41 U.S.C. 4304, and 10 U.S.C. 4310.

# Cybersecurity Internal Controls

## 2 CFR 202.303(e)

Adds cybersecurity **internal control requirements** at 202.303(e), but does not mandate a specific framework. OMB will consider providing more specific guidance on this topic in the future.

Requires recipients and subrecipients to take “reasonable cybersecurity and other measures to **safeguard information.**”

Recipients and subrecipients **must implement such security measures as a part of their internal controls**; protected information includes personally identifiable information, as well as other information that the federal agency or pass-through entity designates as sensitive.

# Purchasing

# Equipment Disposition –200.313(e) and (f)

The threshold for the value of equipment that at the end of the grant period “may be retained, sold, or otherwise disposed of with no further responsibility to the Federal agency” **increased from \$5,000 to \$10,000.**

- When property is no longer needed in any current or previously Federally-funded supported activity, **must request disposition instruction** from the Federal agency or **pass-through entity**.
- May retain \$1,000 to cover expenses associated with the selling and handling of the equipment.



# Inventory Procedures 2 CFR 200.313(d)

Regardless of whether equipment is acquired in part or its entirety under the Federal award, the recipient or **subrecipient must manage equipment** (including replacing equipment) utilizing procedures that meet the following requirements:

- Recipient/**subrecipient** is responsible for maintaining and updating property records when there is a change in status of the property.
- Loss/Damaged/Stolen equipment **must be reported to the federal awarding agency or the pass-through!**

## 200.314 Supplies

- Previously indicated that if there was an inventory of **unused supplies** with an aggregate value of \$5,000 or less, the unused supplies could be retained or disposed of with no further responsibility to the Federal agency or pass-through entity. That threshold is increased to \$10,000.
  - Clarifies that "**unused supplies**" means supplies that are in new condition, not having been used or opened before.
  - Definition of supply revised to indicate that computing devices under lesser of capitalization threshold or \$10,000 are supplies.
- The aggregate value of unused supplies *consists of all supply types, not just like-item supplies.*

# Residual Inventory

If there is a residual inventory of **unused supplies** at the end of the period of performance exceeding \$10,000 **in total aggregate value**, and the supplies are not needed for any other Federal award, the title to supplies will vest in the non-Federal entity upon acquisition, who may retain or sell the supplies.

- Unused supplies means supplies that are in new condition, not having been used or opened before.
- The aggregate value of unused supplies *consists of all supply types, not just like-item supplies.*

# Other Procurement Updates/General Procurement Standards

## 200.318 General Procurement Standards

Must award contracts only to *responsible contractors* possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

Clarifies: when evaluating contractor responsibility, in addition to considering integrity, public policy, past performance, and financial and technical resources, recipients must also consider whether contractors appropriately classify employees consistent with the Fair Labor Standards Act (29 USCA chapt. 8).

New: the procurement standards do not prohibit recipients and subrecipients from using Project Labor Agreements or similar forms of pre-hire collective bargaining agreements.

# Intergovernmental & Inter-Entity Agreements – Competition Requirements & Geographical Preference

This section previously prohibited the use of geographical preferences in the evaluation of bids/proposals. **That prohibition is eliminated.**

OMB did caution that, if a recipient or subrecipient uses such preferences, they need to ensure such preferences are consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms of the Federal award.

**Clarifies** that State and local intergovernmental agreement or inter-entity agreements: Documented procurement actions of this type (using strategic sourcing, shared services, and other similar procurement arrangements) will meet the competition requirements of this part. (200.318(e))

# Procurement Competition – 200.319

## New Contractor Preferences

Does not prohibit recipients or subrecipients from developing written procedures for procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job-training for employees making work or products providing services on a contract, and other worker protections.

Any scoring mechanism must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award

# Prohibiting Conflicts of Interest - "Real and Apparent" Conflicts

200.318 (c)(1) previously prohibited an employee, officer or agent with a conflict of interest from participating in the selection, award, or administration of a contract supported by Federal funds.

This paragraph was revised **to include board members, and to prohibit both "real and apparent" conflicts of interest.**



# Procurement Conflicts of Interest – 200.318(c)

**Maintain written standards of conduct** covering conflicts of interest actions...

Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

- **Adds Board Member**

# Procurement Methods 200.320

- If small purchase simplified acquisition procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.
- Unless specified by the Federal agency, the recipient or subrecipient **may exercise judgment in determining what number is adequate.**

# Contracting 200.321

Contracting with small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms:

This section previously required recipients/subrecipients to take affirmative steps to ensure that small businesses, minority businesses, women's business enterprises, and labor surplus area firms were used in contracting with Federal funds.

**This was revised to add veteran-owned businesses** to the types of businesses that recipients and subrecipients are encouraged to consider for procurement contracts under a Federal award.

# Procurement of recovered materials

## 200.323

**Adds:** (b) The recipient or subrecipient should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable.

This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. See Executive Order 14057, section 101, Policy.

# Closeout 200.344

**(c) adds:** A subrecipient must liquidate all financial obligations incurred under a subaward no later than **90 calendar days** after the conclusion of the period of performance of the subaward (*or an earlier date as agreed upon by the pass-through entity and subrecipient*).

**Closeout** refers to all applicable administrative actions *and all required work* of the Federal award have been completed and takes actions as described in § 200.344.

# Internal Controls

# What Are Internal Controls?

Internal controls are processes and procedures designed to provide reasonable assurance regarding the achievement of objectives related to operations, reporting, and compliance.

**General Standards for Internal Control:** Section 200.303 outlines general standards for internal control, emphasizing the importance of establishing and maintaining effective internal control over federal award programs to ensure compliance with federal laws and regulations.

# Internal Controls 2 CFR 200.303

Establish, **document**, and maintain internal controls that provides reasonable assurance that Federal funds are managed in compliance with law and terms and conditions of the award.

- Comply with requirements (including U.S. Constitution)
- Evaluate and monitor compliance
- Take prompt action to correct noncompliance
- Take **reasonable cybersecurity** and other measures **to safeguard information including** personally identifiable information (PII) and other types of information.
  - This also **includes info the federal agency or pass-through** designates as sensitive or info the recipient/subrecipient considers sensitive and is consistent with laws regarding privacy and responsibility over confidentiality.



# Why Do We Have to Have Internal Controls?

2 CFR 200 emphasizes the importance of effective internal controls in managing federal awards to ensure compliance, mitigate risks, and achieve program objectives. Recipients of federal funds are expected to establish and maintain robust internal control systems in accordance with the guidelines outlined in the regulation.

LEAs must have **WRITTEN PROCEDURES REGARDING INTERNAL CONTROLS**  
Principle 10: Design Control Activities and Principle 12: Implement Control Activities  
(GAO “Standards for Internal Control in the Federal Government” aka Green Book)

# Assessing Risk & Internal Controls Design

**Effective Internal Control Systems:** Section 200.303(b) describes characteristics of effective internal control systems, including clear organizational structure, documented policies and procedures, *segregation of duties*, monitoring activities, and timely corrective actions.

**Risk Assessment:** Section 200.303(c) emphasizes the importance of risk assessment in *designing and implementing internal controls*. Recipients of federal awards are required to assess risks and take appropriate measures to mitigate those risks. (DON'T FORGET CYBER SECURITY – FERPA & FISCAL RECORD PROTECTION!)



# Cost Principles

# Indirect Cost Rate Changes

- 2CFR200.414(f)
- Increases the *de minimis* rate from 10 % to 15 % over modified total direct costs (MTDC).
- Recipients and subrecipients can elect a lower *de minimis* rate **at their discretion** and modify the definition of MTDC to permit inclusion of the first \$50,000 of any one subaward in the base.
- MTDC modified total direct costs includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, **and** up to the first \$50,000 (formerly, the first \$25,000) of each subaward (regardless of the period of performance of the subaward).

# Monitoring and reporting program performance 200.329

This section requires a subrecipient to notify the passthrough entity where a “significant development occurs...”

- This revision adds that **this includes *events* that enable meeting milestones and objectives *sooner or at less cost than anticipated* or that produce different beneficial results than original planned.**
- The revision not only requires notice when the significant development **adversely affects the ability to meet the final objectives of the award**, but **also where it impacts the ability to meet milestones.**

**Federal ED  
(Discretionary and  
Formula) Funds for  
Food – UPDATED  
Aug.2024**

# UPDATES: Use of Federal Funds for Food, Conferences, and Meetings

## New Guidance Frequently Asked Questions (FAQs):

<https://www2.ed.gov/about/offices/list/ofo/oaga/faqsfoodandconferences.pdf>

All grant expenditures, including those for food, beverages, or snacks, must be **reasonable, necessary, allocable** to the grant, and allowable. (Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR §§ 200.403 through 200.405).

# Use of Federal Funds for Food, Conferences, and Meetings continued

There may be limited circumstances under which providing food or beverages is reasonable and necessary to achieve the purpose of a particular grant.

Because food and beverage costs are not of a type generally recognized as ordinary and necessary for the operation of the grantee or the proper and efficient performance of the Federal award (see 2 CFR § 200.404(a)), ***grantees must document their evidence and analysis that justify that the use of food or beverage is reasonable and necessary in each instance.***



# When may food costs be considered reasonable and necessary to the performance of a particular grant?

**Food costs at a family engagement event:** For some ED programs, family engagement is a **critical part of the purpose of the program** or of the success of a project.

In such a program, if a family meeting would occur during a typical mealtime, or if the **grantee has evidence that attendance at the event would be affected by the absence of food or snacks**, the grantee may be able to justify that is reasonable and necessary to provide light refreshments or meals to participants.

# Snacks and Refreshments

Generally, a grantee needs to substantiate with specificity the rationale for why paying for food and beverages with Department funds is necessary **to meet the goals and objectives of a grant.**

**Costs of light snacks at a day-long meeting:** To achieve the purposes of its grant, a grantee may find that is necessary to host day-long meetings or training sessions so that involved individuals can collaborate.

If the grantee has evidence that providing light snacks (e.g., granola bars and water) at the meeting **will result in improved participation**, such as more 3 time spent on grant activities and less time needed for breaks during the sessions, **the grantee may be able to justify** that is reasonable and necessary to provide light snacks to participants.

# Examples of food costs continued

**Light refreshments at a series of regular after-hours meetings:** A grantee may find that an important part of its grant activities is hosting meetings after the traditional working day so that professionals from within the field but across different employers have an opportunity to collaborate on focused topics.

If the grantee can demonstrate that the sessions have **planned agendas** that are central to the grant, that engaging this group of people **is necessary to achieve the purposes of the grant**, and that there is evidence that attendance at the meetings would be affected by the absence of food, the grantee may be able to justify that it is reasonable and necessary to provide light refreshments to participants.

# Examples of food costs continued

**Food costs for a working lunch at a day-long meeting:** A grantee may find that one critical component of its grant activities is hosting an **onsite day-long training for professionals** working in a field that is a central focus of the grant.

If the grantee is able to demonstrate that the lunchtime session is necessary to achieve the goals of the project, attendance at the lunchtime session is necessary to achieve full participation by attendees, and the business carried out at the lunchtime session could not be carried out at another reasonable time, the grantee may be able to justify that it is reasonable and necessary to provide meals or a snack to attendees.

# Examples of situations when costs for food would **Not** be considered reasonable and necessary

- Food costs at networking sessions
- Food costs at regular staff meetings
- Food costs for remote meetings
- Entertainment: Federal grant funds may not be used to pay for entertainment, which includes costs for amusement, diversion, and social activities, unless they have a specific and direct programmatic purpose and are included in the Federal award. 2 CFR § 200.438
- Alcohol: In all cases, use of Federal funds for alcoholic beverages is unallowable. 2 CFR § 200.423.

# Financial Management

# Definition: Budget Period

Budget period means the time interval from the start date of a funded portion of an award to the end date of that funded portion, during which recipients and subrecipients are authorized to ~~expend~~ incur financial obligations of the funds awarded, including any funds carried forward or other revisions pursuant to § 200.308.

# Revision of budget and program plans 200.308(b)

(b) The recipient or subrecipient must report deviations from the approved budget, project or program scope or objective and, in accordance with 200.329, the subrecipient or recipient must request **prior approvals** from the Federal agency or passthrough entity for budget and program plan revisions.



## **Revision of budget and program plans. (d) 200.308**

(d) The Federal agency or pass-through entity review. The Federal agency or pass-through entity must review the request for budget or program plan revision and should notify the recipient or subrecipient whether the revisions have been approved within 30 days of receipt of the request.

The Federal agency or pass-through entity must inform the recipient or subrecipient in writing when a decision can be expected if more than 30 days is required for a review.

## Revision of budget and program plans. (f) 200.308

(f) Revisions to the program narrative and budget requiring prior approval: This revision **added**:

- Subaward activities not proposed in the application and approved in the Federal Award
- Transferring funds between the construction and non-construction work under a Federal Award

# Definition: Period of Performance

Period of performance means ~~the total estimated time interval between the start and end date of an initial-a Federal award and the planned end date, which may include one or more funded portions, or budget periods.~~

Identification of the period of performance in the Federal award ~~per~~ **consistent with** § 200.211(b)(5) does not commit the awarding Federal agency to fund the award beyond the currently approved budget period.

# Definition: Financial Obligation

Financial obligations, ~~when referencing a recipient's or subrecipient's use of funds under a Federal award,~~ means **orders placed** for property and services, contracts and subawards made, and similar transactions that require payment **by a recipient or subrecipient under a Federal award that will result in expenditures by a recipient or subrecipient under a Federal award.**

# Key Changes: Subpart F– Audit Requirements

# Audit Threshold

## Single Audit Threshold 2 CFR 200.501

This update in the Uniform Guidance increases the threshold from **\$750,000** to **\$1,000,000** the “expenditures” of federal funds at which a recipient is required to conduct a single audit or a program specific audit.

The Schedule of Expenditures of Federal Awards (SEFA) may be prepared in accordance with GAAP or another comprehensive basis of accounting (OCBOA)

# Audits Definition: Questioned Cost 1-2

Questioned cost has the meaning given in paragraphs (1) through (3).

(1) Questioned cost means an amount, expended or received from a Federal award, that in the auditor's judgment:

- (i) Is noncompliant or suspected noncompliant with Federal statutes, regulations, or the terms and conditions of the Federal award;
- (ii) At the time of the audit, lacked adequate documentation to support compliance; or
- (iii) Appeared unreasonable and did not reflect the actions a prudent person would take in the circumstances.

(2) The questioned cost amount under (1)(ii) is calculated as if the portion of a transaction that lacked adequate documentation were confirmed noncompliant.

(Continued...)

# Questioned Cost(s) 3-4 Continued

(3) There is no questioned cost solely because of: (i) Deficiencies in internal control; or (ii) Noncompliance with the reporting type of compliance requirement (described in the compliance supplement) if this noncompliance does not affect the amount expended or received from the Federal award.

(4) Known questioned cost means a questioned cost specifically identified by the auditor. Known questioned costs are a subset of likely questioned costs.



# Definition: (5-6) "Likely Questioned Cost"

(5) Likely questioned cost means the auditor's best estimate of total questioned costs, not just the known questioned costs. Likely questioned costs are developed by extrapolating from audit evidence obtained, for example, by projecting known questioned costs identified in an audit sample to the entire population from which the sample was drawn. In evaluating the effect of questioned costs on the opinion on compliance, the auditor considers the likely questioned costs, not just the known questioned costs.

(6) Questioned costs are not improper payments until reviewed and confirmed to be improper payments as defined in OMB Circular A-123 Appendix C.

# 200.514(4) Standards and Scope of Audit and 200.516 Audit Findings

**Adds: 200.514(4)** The compliance testing must include tests of transactions or other auditing procedures **necessary to provide the auditor with sufficient appropriate audit evidence** to support an opinion on compliance.

**Adds: 200.516** The auditor must **include the identification of the known questioned costs and how these questioned costs were calculated** and, when there are known questioned costs, but the dollar amount is undetermined, a description of **why the dollar amount was not determined.**

# Wrapping It Up – Actions



The changes to the Uniform Grant Guidance are in effect October 1, 2024

Q: What actions should grantees take to comply with the new guidance?

A: Discretionary grantees and subgrantees should review the revised Uniform Guidance thoroughly, update their internal policies and procedures accordingly, train relevant staff, and ensure their financial and administrative systems are compliant with the new requirements.



Idaho Department  
of Education

# Thank You!

Lisa Pofelski-Rosa - Financial Specialist, Principal  
– Special Education

Kateryna Dyer – Financial Specialist, Principal –  
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