

Bond Case Briefs

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OMB Releases Proposed Changes to the Uniform Guidance Covering Grants and Agreements.

The U.S. Office of Management and Budget has published for comment [changes to sections of Title 2 of the Code of Federal Regulations \(CFR\) Subtitle A - OMB Guidance for Grants and Agreements](#), commonly referred to as the Uniform Guidance. The changes are in a number of areas but are geared toward aligning with the work already underway as part of the President's Management Agenda to standardize the grants management business processes and data, build shared IT infrastructure, manage risk, and achieve program goals and objectives.

NASACT is requesting comments on these important proposed changes no later than March 11.

There are a number of changes that could affect state government, however, below are a few areas of specific interest.

Government Quality Audit Project

J. Changes to Performing the Governmentwide Audit Quality Project - Proposed revisions to 2 CFR §200.513 include a change in the date for the requirement for a governmentwide audit data quality project that must be performed once every 6 years beginning with audits submitted in 2018. This date has been changed to 2021, given the significant changes to the 2019 Compliance Supplement in support of the Grants CAP Goal.

Aligning Federal Assistance with Federal Acquisitions

To further align implementation of FFATA, as amended by DATA Act, between the Federal financial assistance and acquisition communities, OMB proposes revisions to Federal awarding agency and pass-through entity reporting thresholds. For Federal awarding agencies, OMB proposes revisions to 2 CFR Part 170 to require agencies to report Federal awards that equal or exceed the micro-purchase threshold as set by the FAR at 48 CFR Subpart 2.1. Consistent with the FAR threshold for subcontract reporting, OMB is proposing to raise the reporting threshold for subawards that equal or exceed \$30,000. OMB seeks comments that includes an analysis on the advantages and disadvantages of raising this threshold.

Addressing Pension Costs

E. Aligning 2 CFR with Authoritative Sources - OMB proposes a revision to 2 CFR Section 200.431 Compensation—fringe benefits to allow states to conform with Generally Accepted Accounting Principles (GAAP), specifically Governmental Accounting Standards Board (GASB) Statement 68, and to continue to claim pension costs that are both actual and funded. OMB proposes this revision because GASB issued Statement 68, Accounting and Financial Reporting for Pensions which amends GASB Statement 27 and allows non-Federal entities (NFE) to claim only estimated pension costs in their financial statements. OMB's revision will allow non-Federal entities to continue to claim pension costs that are both actual and funded."

Using System for Award Management (SAM)/Unique Identifier

OMB's proposal to expand the applicability of Federal financial assistance in 2 CFR Part 25 beyond grants and cooperative agreements so that it includes other types of financial assistance that Federal agencies receive or administer such as loans and insurance will impact small entities, but it will not have a significant impact on a substantial number of small entities. Currently, 2 CFR Part 25 requires all non-Federal entities that apply for grants and cooperative agreements to register in the System for Award Management (SAM). OMB proposes to require all entities that apply for Federal financial assistance such as loans and insurance to register in SAM, which requires the establishment of a unique entity identifier. In practice, some Federal awarding agencies already require SAM registration for all types of Federal financial assistance and the proposed change would make this practice consistent among agencies.

There are many other areas to highlight including but not limited to:

- Domestic preferences for procurement. OMB is proposing to add 2 CFR 200.321 (Domestic preferences for procurement), encouraging Federal award recipients, to the extent permitted by law, to maximize use of goods, products, and materials produced in the United States when procuring goods and services under Federal awards. This Part will apply to procurements under a grant or cooperative agreement.
- A Proposal to standardize terms across 2 CFR part 200 to support efforts under the Grants CAP Goal to standardize the grants management business process and data.
- Proposing to clarify areas of misinterpretation such as the responsibilities of the pass-through entity to address only a subrecipient's audit findings related to their subaward.

RESOURCES TO ASSIST IN REVIEW

OMB is also providing a few resources to assist in review of the proposal, including a [redlined version of the proposed changes](#).

Additionally, OMB will be [hosting a listening session](#) on the proposed revisions at 3:30 PM ET on February 4.

Comments on the proposal are due directly to OMB by March 23. To include your comments in NASACT's response, please [send them to Cornelia Chebinou by Marcy 11](#).

For those filing direct comments to OMB, please visit [Regulations.gov](#) and search for the reference ID "OMB-2019-0005." OMB is also requesting commenters include the section of the guidance that their comment is referencing by beginning each comment with the section number.