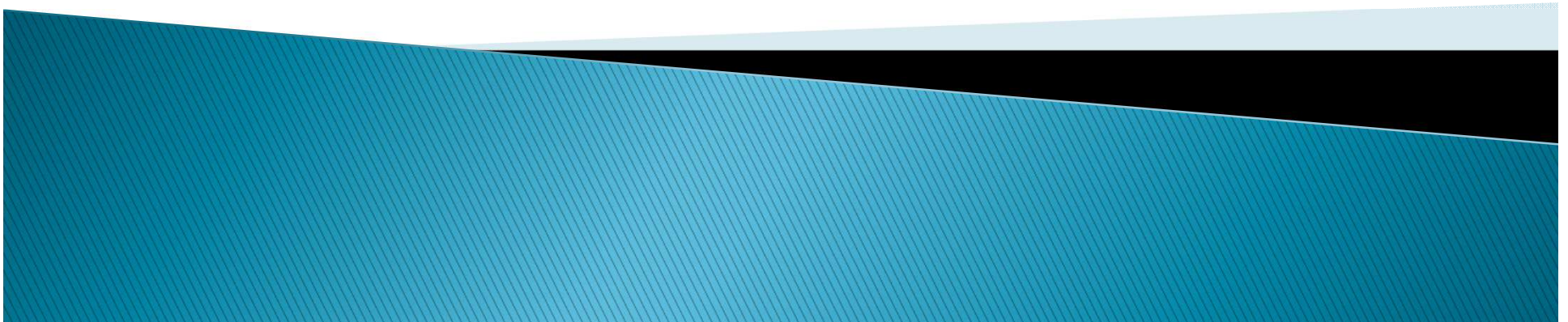


# Authoritative Sources: Federal Uniform Guidance and Grant Accountability and Transparency Act

GATU Webinar – Part 1

March 2017

Presented by Carol Kraus, CPA



# Presentation Objectives

- ▶ GATA Myths
- ▶ Key Sections of the Uniform Guidance
- ▶ Applicability of GATA
- ▶ Key Players at the Federal Level
- ▶ Key Players at the State Level



# GATA MYTHS

1. New requirements are due to state legislation, the Grant Accountability and Transparency Act (GATA)
2. New requirements wouldn't be applicable without GATA
3. Federal pass-through funding and state funding used to meet match and MOE requirements aren't subject to federal uniform guidance
4. We can avoid audit findings and disallowed costs because we didn't get them in the past
5. It was easier for grantees to do business with state agencies before GATA

Myth vs. Truth

# Debunking GATA Myths

1. New requirements are due to state legislation, the Grant Accountability and Transparency Act (GATA)
  2. New requirements wouldn't be applicable without GATA
- 

## FACT

- ▶ Grant Accountability and Transparency Act (GATA) requirements are based on federal Uniform Guidance
- ▶ GATA adopts federal Uniform Guidance for all grant funding awarded in the state – GATA establishes consistency among state grant making agencies



# Debunking GATA Myths

3. Federal pass-through funding and state funding used to meet match and MOE requirements aren't subject to federal Uniform Guidance

---

## FACT

- ▶ Match or MOE is often a condition of funding
- ▶ Federal pass-through funding and state funding awarded for matching and MOE requirements must follow federal Uniform Guidance
- ▶ If this funding was not provided, the match or MOE requirements would not be met



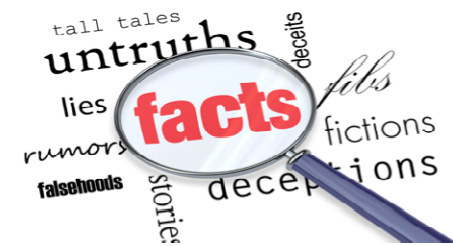
*Myth*  
BUSTER

# Debunking GATA Myths

4. We don't have to follow federal Uniform Guidance / GATA requirements. We avoided audit findings and disallowed costs in the past.
- 

## FACT

- ▶ Many programs are not subject to single audit and have not been tested for compliance
- ▶ The consolidated structure of federal Uniform Guidance adds clarity to the requirements
- ▶ Federal agency audits are citing more non-compliance issues which results in heightened awareness of corrective actions



# Debunking GATA Myths

5. It was easier for grantees to do business with state agencies before GATA

---

## FACT

- ▶ GATA was driven by the grantee community out of frustration with inconsistent grant rules, regulations
- ▶ Majority of grantees receive grants from more than one state agency
  - All grant making agencies must follow federal Uniform Guidance. GATA provides a compliant framework.
  - Redundant, duplicative requirements by each state agency posed unnecessary burden on grantees and state agencies
  - GATA centralizes and allows requirements to be met once with results shared among all state agencies
- ▶ There is a learning curve – year 2 will be smoother

# GATA Collaboration: Backbone of Implement Efforts

- ▶ More than 200 volunteers – grantee community and state agencies – developed rules, business processes and systems to implement federal Uniform Guidance
- ▶ Fundamental principles of GATA: 1) remove redundancy and 2) eliminate duplicative requirements when a grantee receives funding from multiple state agencies
- ▶ Accurate messaging is critical





# Key Issuances – Uniform Guidance

- ▶ December 2013 – Final Uniform Guidance
- ▶ December 2014 – Joint Interim Final Rule
  - Accomplished agency adoption of Uniform Guidance
  - Not totally uniform
  - Technical corrections (some UG shoulds changed to must)
- ▶ July 2015 - *Federal Register* notice
- ▶ September 2015 – 3rd update to Council on Financial Reform (COFAR) Frequently Asked Questions (FAQs)
- ▶ September 2015 - *Federal Register* notice
  - 2 year extension of procurement (one additional year beyond that granted in original FAQs)
  - Technical corrections

# Hierarchy of Authoritative Sources

- ▶ Federal Uniform Guidance (2 CFR 200)
- ▶ Federal Awarding Agency Adoption (2 CFR 300–5999)
  - Federal agency can be more restrictive, not less restrictive
- ▶ Federal Exception process (2 CFR 200.102, Federal Register)
  - Case by case basis; based on statutory authority
  - Excludes audit requirements
- ▶ Applicable Code of Federal Regulations CFR



# Key Sections of Uniform Guidance

- ▶ 6 Subparts: A through F
  - Subpart A, 200.XX – Acronyms & Definitions
  - Subpart B, 200.1XX – General
  - Subpart C, 200.2XX – Pre Award – Federal
  - Subpart D, 200.3XX – Post Award – Recipients
  - Subpart E, 200.4XX – Cost Principles
  - Subpart F, 200.5XX – Audit
- ▶ 11 Appendices: I through XI
  - Data Collection Form (Form SF–SAC or DCF), Appendix X
  - OMB *Compliance Supplement*, Appendix XI

# Federal Agency Adoption of 2 CFR 200

- ▶ 300–399 DEPARTMENT OF HEALTH AND HUMAN SERVICES
- ▶ 400–499 DEPARTMENT OF AGRICULTURE
- ▶ 600–699 DEPARTMENT OF STATE
- ▶ 700–799 AGENCY FOR INTERNATIONAL DEVELOPMENT
- ▶ 800–899 DEPARTMENT OF VETERANS AFFAIRS
- ▶ 900–999 DEPARTMENT OF ENERGY
- ▶ 1000–1099 DEPARTMENT OF TREASURY
- ▶ 1100–1199 DEPARTMENT OF DEFENSE
- ▶ 1200–1299 DEPARTMENT OF TRANSPORTATION
- ▶ 1300–1399 DEPARTMENT OF COMMERCE
- ▶ 1400–1499 DEPARTMENT OF THE INTERIOR
- ▶ 1500–1599 ENVIRONMENTAL PROTECTION AGENCY

# Hierarchy of Authoritative Sources

## Federal Uniform Guidance

- ▶ Federal Uniform Guidance provides general rules for state, federal and federal pass-through grant funding
- ▶ Section 200.101 Applicability includes federal grant programs that have full or partial exemption from Uniform Guidance
- ▶ If exempt under 101 (e) and a subrecipient relationship exists, requirements generally apply
- ▶ GATA applies a similar process to approve exceptions for Illinois funded programs

# Applicability of UG and GATA

- ▶ Some programs have statutory exceptions / exemptions from Uniform Guidance
- ▶ GATA adopted the federal exception process to document exemptions/exceptions:
  - State agency must provide GATU the applicable federal cites for approval. Based on federal statute, approval is automatic.
  - If a state funded program is not used for matching or MOE requirements, the state agency must provide GATU the applicable cite from enabling legislation

**EXCEPTIONS OR EXEMPTIONS MUST  
BE BASED ON STATUTORY AUTHORITY**

# Hierarchy of Authoritative Sources

## CSFA

- ▶ Catalog of State Financial Assistance (CSFA)
  - Single authoritative, statewide, comprehensive publicly available source of financial assistance program information
  - Additional CSFA training offered under Part 2 Webinars
- ▶ State agencies are required to specify grant requirements in the CSFA
  - Review and record grant program requirements
  - Record all state and federal exemptions and exceptions

**Grants without an exception/exemption must follow general rules in Uniform Guidance**

# Key Players at the Federal Level

- ▶ Office of Management and Budget (OMB)
- ▶ Council of Financial Assistance Reform (COFAR)
  - Author Federal Uniform Guidance
  - Issue FAQs to guide implementation of Uniform Guidance; stakeholders should be aware of FAQ clarification
- ▶ Government Accountability Office (GAO)
  - Issue *Government Auditing Standards* (GAGAS or Yellow Book)
- ▶ Federal Audit Clearinghouse (FAC)
- ▶ Federal Agency Grant Award contacts
  - 1) Programmatic, and 2) Fiscal and Administrative





# Key Players at the State Level

- ▶ Governor's Office of Management and Budget (GOMB) and Grant Accountability and Transparency Unit (GATU)
- ▶ Governor's Compliance Officer
- ▶ Chief Accountability Officers (CAOs)
- ▶ GATA Steering Committee and Illinois Single Audit Commission
- ▶ GATA Subcommittees and Workgroups
- ▶ Agency Subject Matter Experts



# There are Consequences of Non-Compliance with UG

- ▶ Federal government is enforcing Uniform Guidance requirements
- ▶ Additional monitoring and specific conditions may be imposed on the grantee, state agency and/or the State of Illinois
- ▶ Non-compliance may result in questioned costs and paybacks to state and federal government
- ▶ Federal & State Stop Pay Lists will be imposed
- ▶ Serious infractions will result in debarment and suspension; prohibition from receiving future awards



# Working Together for Compliance

- ▶ FY18 pre-award processes are designed to comply with federal Uniform Guidance requirements
- ▶ Enhanced automation makes it easier for grantees and state agencies to comply
- ▶ GATU trainings will continue to educate and inform
- ▶ Stay engaged through [www.grants.illinois.gov](http://www.grants.illinois.gov)
- ▶ Be patient through the transitions – administrative burdens will be reduced; no change is completely painless

# GATU Contacts for Additional Support

Carol Kraus, CPA  
Director, GATU

[Carol.Kraus@illinois.gov](mailto:Carol.Kraus@illinois.gov)

Jennifer Butler, CMC  
GOMB Deputy Director

[jennifer.butler@illinois.gov](mailto:jennifer.butler@illinois.gov)

