

## Introduction to Updated Federal Guidance March 2014

The Council on Financial Assistance Reform (COFAR), an interagency council of the U.S. Office of Management and Budget (OMB), recently spearheaded changes that were issued by OMB, 2 CFR 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Final Rule), in the Federal Register on Dec. 26, 2013. These changes are the result of collaboration between the federal and nonfederal grants community with the intent of easing administrative burden and strengthening oversight of federal funds.

Various changes were made to federal grant policies, including consolidating and reforming OMB cost and administrative principles. There were also various changes to reform the audit requirements for federal grants, including:

- Raising the dollar threshold for single audits (from \$500K to \$750K)
- Revising the major program determination and risk assessment criteria to focus on programs of higher risk

These changes are an effort to reform overall approaches to grant-making and provide a backbone for sound financial management.

Federal agencies must implement the requirements to be effective by December 26, 2014. Audit requirements will apply to audits of fiscal years beginning on or after December 26, 2014 (FY 2016 for State of Ohio).

Administrative requirements and cost principles will apply to new awards and to additional funding (funding increments) to existing awards made after Dec 26. Existing Federal awards will continue to be governed by the terms and conditions of the Federal award, except for Audit as Subpart F is based on 12/26/2014 fiscal year date.

OIA will share more information in subsequent meetings.

Link to more information:

<https://cfo.gov/cofar-reform-grants/>