Reducing Red-Tape to Improve Outcomes
The Council on Financial Assistance Reform’s
New Uniform Guidance
2 CFR 200

February 27, 2014
Council on Governmental Relations
Progress in 2013

“Improper Payments Rate Drops for 4th Straight Year”

“DHS gets first 'clean' audit”

“A Whole New World: OMB Publishes New Grants Reform Guidance”
Increase in Federal Grants Activity

The Catalog of Federal Domestic Assistance lists over 2,000 Federal grant programs.
Council On Financial Assistance Reform Priorities

- Guidance Targets
  - Risk & Minimizes Burden

- Strong Program Oversight:
  - Audit Resolution

- Standardized Business Processes & Data

- Well Trained Workforce

- Better Outcomes for Grants

- Evidence

- Spending Transparency

- Shared Services

- Financial Management
Guidance Reform History

**Nov. 2009:**
Executive Order: Reduce Improper Payments

**Feb 2011:**
Presidential Memo: Reduce Administrative Burden and Improve Results

**Feb 2012:**
Advance Notice of Proposed Guidance (public comments)

**Feb 2013:**
Notice of Proposed Guidance (public comments)

**Dec 2013:**
Final Uniform Guidance
## Diverse Range of Stakeholders Engaged

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<th>Type of Institution Represented</th>
<th>Examples</th>
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Eliminating Duplicative and Conflicting Guidance

Then:

- Awards Received
  - A-102 & A-89
  - A-87
  - A-133 & A-50

- Subawards to universities
  - A-110
  - A-21

- Subawards to nonprofits
  - A-110
  - A-122

Impact Uniform Guidance

- Eliminates Duplicative and Conflicting Guidance
- Focus on Performance and Internal Controls over Directive Compliance for Accountability
- Provides Framework for Standard Business Processes & Data Definitions
- Promotes Efficient Use of IT and Shared Services
- Requires Consistent and Transparent Treatment of Costs
- Encourages Family-Friendly Policies
- Stronger Oversight & Target Audits on Risk of Waste, Fraud, and Abuse
- Increased Accountability for Effective Resolution of Weaknesses
Stakeholder Reactions

• Significant interest in training webcast held January 27, 2014 & future outreach
  – Over 5,000 registrations for mailing list
  – Recorded version will be available at CFO.gov/COFAR
• General recognition of significance of reform
• Interest in resources to assist in smooth implementation
Guidance Metrics

Metrics to gauge impact of guidance on reducing the risks of non-compliance and unnecessary administrative burden

Possible General Metrics:

• % PI/PD time on admin. (FDP Survey)
• Ratios of Admin. Cost to total IDC pools
• Frequency of Fed. Agency deviations from Guidance (not by statute or regulation)
• # OMB Approved Collections for Assistance
• # Fixed Amount Awards
• # IDC rate extensions approved by cognizant agencies
• Accuracy of data in USA Spending
Guidance Metrics

Possible Audit Metrics for Guidance:

• Issuance of annual Compliance Supplement by March 31\textsuperscript{st}
• # of major programs before and after guidance effective
• % of timely submissions of single audits
• # of repeat findings
• # of ‘unclean’ opinions for major programs
• # of material audit findings in single audits
Guidance Reform Future

**December 2013:**
Final Guidance Published

**January-April 2014:**
Training Webcasts, Single Audit & Other Metrics, Publish 2014 Single Audit Compliance Supplement

**June 2014:**
Agencies Submit Draft Rules to OMB, Continued Outreach on Implementation

**December 2014:**
Final Guidance Effective, Baseline Metrics Collected, Case Studies of Best Practices Published