



SuperintendentDr. Linda M. Madsen
Administration & Human ResourcesDonna M. Friedmann
Business ServicesLawrence A. Martini
Community Education..... Corey J. McKinnon
Special Education Kelly J. Lessman
Teaching & Learning.....Diane E. Giorgi

MEMORANDUM

TO: Dr. Linda Madsen, Superintendent

FROM: Larry Martini, Director of Business Services

DATE: August 17, 2016

SUBJECT: UNIFORM FEDERAL GRANT GUIDANCE
- Consent Agenda Item for September 1, 2016

I recommend that the District utilize the grace period provided for non-federal entities to comply with the new procurement standards in the Uniform Guidance for Federal Grants.

Since the District plans to delay implementation according to the grace period, the following language must be approved by the School Board within the consent agenda according to our auditors:

The District has elected to exercise the optional “grace period” (retroactive to July 1, 2015) for federal procurements and delay implementation of the procurement standards under Uniform Guidance for all federal grants through June 30, 2017. The District will continue to use existing procurement policies and procedures under the old standards for any federally funded procurements through June 30, 2017.

Please let me know if you have any questions.

From: Jackie Huegel <jhuegel@mmkr.com>
Date: Wed, Aug 10, 2016 at 6:15 PM
Subject: Uniform Guidance
To: "Paula Steele (psteele@flaschools.org)" <psteele@flaschools.org>

Paula –

When I was at the District Office last week, we talked about the new Uniform Guidance related to federal grants. One of the items we discussed with changes was procurement. In December 2013, the OMB issued new Uniform Guidance which includes a number of changes with the federal Single Audit process. Among these changes were new procurement standards which included, at times, more restrictive compliance requirements than Minnesota Statutes. As a District, consider whether or not you will utilize the federal government grace period provided for non-federal entities to comply with the new procurement standards in the Uniform Guidance. You must document in writing whether you will be in compliance with the old or new procurement standards.

Here is an example the District can use to elect the procurement grace period:

The District has elected to exercise the optional “grace period” (retroactive to July 1, 2015) for federal procurements and delay implementation of the procurement standards under Uniform Guidance for all federal grants through June 30, 2017. The District will continue to use existing procurement policies and procedures under the old standards for any federally funded procurements through June 30, 2017.

If the District plans to delay implementation, the above language will need to be approved so we have for audit. My recommendation is for this to be approved the same way any other policy would be approved. If your school board normally approves a policy, then this should be approved by the school board (could be through the consent agenda if Larry is fine with that).

I am also attaching a list of required documentation under Uniform Guidance. We discussed that the new Uniform Guidance requires a lot more written documentation of procedures and policies related to federal grants. We can discuss this in more detail when I come out to the District or feel free to give me a call.

Thanks,

Jackie Huegel, CPA
Senior Manager
jhuegel@mmkr.com

MMKR | (952) 545-0424 | fax (952) 545-0569
5353 Wayzata Blvd., Suite 410, Minneapolis, MN 55416 | www.mmkr.com

List of required documentation under Uniform Guidance – need to obtain during fieldwork

- 1.** Verify entity has written cash management procedures to implement the requirements of 2 CFR 200.305, which include payments for allowable costs charged to a federal program among other things. **2 CFR 200.302(b)(6)**
- 2.** Written procedures for determining the allowability of costs in accordance with 2 CFR 200 subpart E – Cost Principles. **2 CFR 200.302(b)(7)**
- 3.** Written budget to actual comparison of expenditures for each Federal award. **2 CFR 200.302(b)(5)**
- 4.** Verify whether or not the entity elected the 2 yr grace period for implementing procurement requirements under UG. If so, obtain written documentation of approval. If no documentation, assumed to be operating under UG.
- 5.** Obtain their written documented procurement procedures which reflect applicable State and local laws, provided they conform to applicable Federal law. **2 CFR 200.318(a)**
- 6.** Verify the entity has written standards of conduct that cover conflicts of interest and govern the performance of its employees engaged in the selection, award, and administration of contracts. **2 CFR section 200.318(c) and 48 CFR sections 52.203-13**
- 7. Any subrecipients?** (consider Title programs, cooperative agreements, and fiscal hosts of grants) If so, ask them to provide:
 - Written subrecipient monitoring policies and procedures **2 CFR 200.331**
 - Written risk assessment of each subrecipient. **2 CFR 200.331(b)**
 - Documentation of their monitoring **2 CFR 200.331(e)**
- 8.** Cost Allocation Plan (CAP) – required documentation of the methods used by the entity to identify and accumulate these costs, and to allocate them or develop billing rates based on them. **2 CFR 200 Appendix V, para. D.3**