February 2014 COGR Meeting Guest Speaker

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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.

Year: 1960
- $7B

Year: 1970
- $24B

Year: 1978
- $91B

Year: 1986
- $200B

Year: 2002
- $600B

Year: 2010
- $600B
Council On Financial Assistance Reform Priorities

1. Guidance Targets Risk & Minimizes Burden
2. Standardized Business Processes & Data
3. Well Trained Workforce
4. Strong Program Oversight: Audit Resolution
5. Evidence
6. Spending Transparency
7. Financial Management
8. Better Outcomes for Grants

Evidence

Shared Services

Spending Transparency

Financial Management

Standardized Business Processes & Data

Well Trained Workforce

Strong Program Oversight: Audit Resolution

Better Outcomes for Grants

Guidance Targets Risk & Minimizes Burden
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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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
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
Engage With COFAR

For More Information Visit: CFO.gov/COFAR

Send Questions To: COFAR@omb.eop.gov

Thank you!