

From: [Youngman, Curtis](#)
To: [AS Budget State Financial Officers](#); [AS State Accounting Financial Contacts](#); [AS State Accounting ICC](#); [AS State Accounting Management](#); [AS State Accounting ARRA](#)
Subject: FW: Grant Reform and training session
Date: Wednesday, March 20, 2013 9:40:45 AM
Attachments: [image001.png](#)
[proposed-omb-uniform-guidance-for-federal-financial-assistance.pdf](#)

To all:

Two fold

1. To let you know that OMB is proposing to replace many of the grant guidance documents with a consolidated document, attached, to cover grants management issues. A review and comment period is open until May 1, 2013. All comments should be forwarded to Amy Wilson who will submit comments to OMB for the State.
2. To announce a training opportunity related to this release on March 27th.

State Accounting is participating in a NASACT webinar on the “OMB Grant Reforms” on Wednesday, March 27, 2013 from 1:00 – 3:00 p.m. in room 1524 in the State Capitol. For more information and to register for this free webinar visit the Employee Development Center at: <http://www.link.ne.gov>.

Background information:

Last February the Federal Office of Management and Budget (OMB) requested comments on proposed significant reforms of Federal policies relating to grants. The OMB received hundreds of comments and suggestions, which were carefully considered to develop the latest proposal.

The current grant reform proposal, which is attached, combines the multiple Federal regulations that currently govern the way grants are administered into a single, comprehensive, and streamlined uniform policy guide.

Highlights of proposed changes include:

Single Audit – Currently A-133

- Increase threshold for a Single Audit from \$500,000 to \$750,000
- Change in the major program determination
- Streamlining compliance requirements
- Increase questioned costs from \$10,000 to \$25,000
- Depository for findings resolution and management decisions

Cost Principles –Currently A-87

- Effort Reporting
- Direct Charges for Administrative and Clerical Salaries
- Allows extensions of negotiated rates up to four years if no major changes in F&A costs,

- with
cognizant agency approval
- Proposal allows 10% modified total direct cost rate for new grantees up to four years

Administrative Requirement for Recipients – Currently A-102 and A-89

- Proposal clarifies federal expectations for pass-through entities
- Consolidates and clarifies subrecipient monitoring
- Indicates that all subawards shall include a provision for indirect costs either negotiated or a de minimis rate of 10%

Please familiarize yourself with the attached document and consider the implications of the reforms on your agency. If you would like to comment, please provide your comments to State Accounting by April 12, 2013. This will allow State Accounting enough time to prepare a state response and submit before the comment period ends on May 1, 2013. You are encouraged to comment as it is believed by the OMB that feedback on this policy directive will be especially useful.

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