NIFA Policy Guide Updates

Katina D. Hanson
Division Director
Policy and Oversight Division
Office of Grants and Financial Management

May 5, 2021
PRESENTATION OVERVIEW

• Background
• Overview of 2020 Updates to 2 CFR 200
• Summary of 2021 Revisions to the Policy Guide
• Details of 2021 Updates to Policy Guide by Section
• Next Steps (Request for Feedback – 2022 Policy Guide)
Background

• The NIFA Federal Assistance Policy Guide (i.e., the Policy Guide) describes the statutory and regulatory responsibilities of NIFA federally-funded recipients.
  o Central source of NIFA’s administrative guidance for recipients of NIFA grants and partners in cooperative agreements.
  o Available online at: https://nifa.usda.gov/policy-guide.
• Statutes, regulations, or policies effective before the next revision of the NIFA Policy Guide will be published separately.
• Terms and Conditions were updated to reflect the 2 CFR 200 Changes that became effective in August and November 2020
• NIFA Update made partners aware of changes to Terms and Conditions (T&C)
• Policy Guide updated, routed through Executive clearance, published on NIFA website in April 2021
Major Revisions to 2CFR 200

- Emphasize stewardship and results-oriented accountability for grant program results
- Expanded use of the De Minimis Rate and clarified the requirement for recipients by no longer requiring documentation to provide proof of costs covered under the de minimis indirect cost rate
  §200.414(f), §200.414(h)
- Eliminate references to non-authoritative agency guidance in the terms and conditions of awards
  §200.105(b)
- Strengthen merit review by requiring agencies to establish a merit review process for discretionary awards
  §200.205; §200.202
- Promote free speech to align with E.O. 13798 and E.O. 13864
- Standardize of terminology and implementation of standard data elements to include the use of common forms and consistent with the PMA Grants CAP Goal strategy 1
- Encourage Federal award recipients, to the extent permitted by law, to maximize use of goods, products, and materials produced in the U.S.
  §200.322
Major Revisions to 2CFR continued

• Increase the number of days for recipients to submit closeout reports and liquidate all financial obligations from 90 days to 120 days to promote timely reporting and closeout of awards and hold recipients accountable for submitting required reports
  §200.329, §200.344

• Add exception in §25.110 allowing agencies to waive the requirement to register in SAM when there are exigent circumstances that would prevent an applicant from registering prior to the submission of an application.
  §25.110

• Emphasize the legislative requirement for information to be provided in a machine-readable information format whenever practicable
  §200.336

• Align 2 CFR with the 2019 NDAA section 889, Prohibition on certain telecom. and video surveillance services or equipment; added a new definition for Telecomm. and video surveillance costs
  §200.216; §200.471

• Align 2 CFR with the FFATA as amended by the DATA Act by expanding the types of Federal financial assistance to which they apply beyond grants and cooperative agreements to include loans, insurance, contributions, and direct appropriations
  §25.105, §25.110
Major Revisions to 2CFR continued

- Align 2 CFR with FAR by raising the subaward reporting threshold from $25,000 to $30,000
  §170.220, Appendix A to Part 170
- Align 2 CFR 200 to the FAR and the 2017 and 2018 NDAAAs to raise the micro-purchase threshold from $3,500 to $10,000 and the simplified acquisition threshold from $100,000 to $250,000
  §200.1, §200.320
- Align 2 CFR with the 2013 NDAA section 852 to require applicants of Federal assistance to provide info. in SAM on its immed. owner, highest-level owner, subsidiaries, and predecessors that have been awarded a Federal contract, grant or cooperative agreement within last 3 years. Federal awarding agencies are required to consider applicable FAPIIS info.
  §25.200, Appendix A to Part 25, §200.206, §200.344(i)
- Align 2 CFR with the GAAP, specifically the GASB statement 68, to allow Federal entities to claim pension costs that are both actual and funded
  §200.431
- Clarify the responsibilities of pass-through entity to address only subrecipient’s audit findings related to their subaward
  §200.332
- Clarify that questioned costs may not always result in an improper payment
  §200.1
Major Revisions to 2CFR continued

- Clarify that evaluation costs are an example of a direct cost under a Federal award for consistency among Federal awarding agencies.
  §200.413(b)
- Provide responses to frequently asked questions related to the prior release of 2 CFR (e.g., applicability, requirements for pass-through entities, indirect costs).
  §200.101, §200.332, §200.414
- Clarify that 2 CFR applies to Federal agencies that receive Federal financial assistance awards.
  §200.101
- Align 2 CFR with the 2015 NDAA sections 841 and 842 and 31 U.S.C. 503 to prohibit providing funds to the enemy through grants, cooperative agreements, and contracts.
  Appendix to Part 183, §200.215
- Align 2 CFR to the 2017 NDAA section 1290 to comply with the statutory requirement that agencies are prohibited from making awards to entities on SAM exclusions list.
  §183.15, §183.20
Federal Grants Lifecycle – Performance

• **Phase 1** Program Administration
• **Phase 2** Pre-Award Management
• **Phase 3** Award Management
• **Phase 4** Post-Award Management and Closeout
• **Phase 5** Program Oversight.
NIFA POLICY GUIDE

• Introductory Materials
• Section I: Overview and Purpose
• Section II: Pre-Award
• Section III: Application Evaluation
• Section IV: Award Issuance
• Section V: Post-Award Federal Requirements
• Section VI: Allowable Costs
• Section VII: Audit Requirements
• Section VIII: Other NIFA Assistance Programs

APPENDICES: Public Policy Requirements (I), Definitions (II), Capacity Program Guide (III), Authority References (IV)
Highlights of Policy Guide Revisions

1. Updated to reflect all major changes to 2 CFR 200 and other citations, aligned with November 2020 Terms & Conditions and removed references to FAQs.
2. Updated to align with terminology in 2 CFR. For example, the term “CFDA” has been changed to “Assistance Listing”. The term “obligation” has been changed to “responsibility” or “financial obligation” as appropriate.
3. Added language clarifying that provisions applicable to grants also apply to cooperative agreements.
4. Policy on progress reports continuations and non-competitive renewals updated.
5. Added language to ensure that, in future policy updates, NIFA is able to change the deadline time for RFAs.
6. Late application policy is now included fully in the Policy Guide, rather than in a separate Notice.
7. Updates to summarize Statutory Authority, Matching Requirements, Carryover and Waivers for Capacity Programs. Section 1444 carryover and performance period, consistent with RFA updates.
8. Minor stylistic and formatting edits, such as updating addresses & hyperlinks as needed.
9. Updated references including those to 2 CFR 200.1 (Definitions) due to renumbering.
10. Clarified for multiple extensions or extensions >12 months: extension(s) must be approved in writing by ADO. Awardee should prepare and submit a written request (received NLT 10 days prior to the expiration date of the award) to ADO.

11. Clarified final reports are due within 120 days of expiration of award and instructions on submitting a request for extension to submit SF-425 within 120 days of award expiration and after that time only on a case-by-case basis.

12. Clarified language on indirect cost.

13. For reporting subawards, updated threshold to $30,000 and referenced both non-federal and federal entities.

14. Updated SAM registration requirements.

15. Clarified language and example related to expiring appropriations.
Introductory Materials

• What’s included:
  – Table of Contents
  – List of Acronyms
  – Glossary of Frequently Used Terms
  – Using the Guide

• What’s changed
  – Table of Contents & Glossary have been updated
  – Using the Guide has been updated to reflect that 2021 changes to the guide are related to 2 CFR 200 and associated policies.
  – The Notice of Award will now incorporate the Policy Guide by reference.
NIFA POLICY GUIDE
Section I: Overview and Purpose
Section I: Overview and Purpose

• Section I.A – Scope
  – Clarified that the term "provisions" in the Policy Guide refers to both grants and cooperative agreements, unless otherwise specified.
• Section I.B – Supersession and Applicability
• Section I.C – Sources of Requirements
• Section I.D – Effect
• Section I.E – Roles & Responsibilities
  – Added "Ensure proper publication of Requests for Applications (RFA) and compliance with statutes, regulations and policies" to list of OGFM responsibilities.
  – "Obligation" updated to "Responsibility" or "Financial Obligation" (throughout Guide)
NIFA POLICY GUIDE
Section II: Pre-Award
Section II: Pre-Award

Section II.A – Types of NIFA Financial Assistance

Section II.B – Application Information

Updated "Catalog of Federal Domestic Assistance Listings" to "Federal Assistance Listings" and "CFDA" to "Assistance Listings" (throughout guide)

Updated SAM registration information

Recipients must “maintain an active SAM registration with current information, including information on a recipient’s immediate and highest-level owner and subsidiaries, as well as on all predecessors that have been awarded a Federal contract or grant within the last three years, if applicable, at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency”.

Section II: Pre-Award

• Section II.C – Submitting an Application
  – Updated Matching Requirement Information
    • Matching Requirements will be stipulated in the RFA
    • All matching or cost sharing contributions must be "Consistent with 48 U.S.C. 1469a(d) and 1469a note, notwithstanding any other provision of law, in the case of American Samoa, Guam, the Virgin Islands, and the Northern Mariana Islands, NIFA will waive any requirement for local matching funds under $200,000 (including in-kind contributions)."
  – Updated Late Submission Policy Information to reference Section II.C.17 of the Guide.

• Section II.D – Public Access to Application Information. Added the following language: When an application results in an award, it becomes a part of NIFA transaction records, which are available to the public. Information that the Secretary of Agriculture determines to be confidential, privileged, or proprietary in nature will be held in confidence to the extent permitted by law. Therefore, applicants should clearly mark any information within the application they wish to have considered as confidential, privileged, or proprietary. NIFA will retain a copy of an application that does not result in an award for three years. Such an application will be released only with the consent of the applicant or to the extent required by law. An applicant may withdraw at any time prior to the final action thereon.
NIFA POLICY GUIDE

Section III: Application Evaluation
Section III: Application Evaluation

- Section III.A – Capacity Grants
- Section III.B – Competitive Grants
- Section III.C – Initial Competitive Application Review
- Section III.D – Peer Review of Competitive Applications
  - Deleted: “Panels may be conducted as a combination of on-site reviews and virtual reviews.”
- Section III.E - Evaluation Criteria
  - Added citation: The review criteria are described in the RFA and will not include criteria concerning any cost sharing or matching requirements, per section 103(a)(3) of AREERA (7 U.S.C. 7613(a)(3)).); 2 CFR 200.306(a).
- Section III.F – Non-Competitive Application Review
- Section III.G – Pre-Award Review and Risk Assessment
  - Updated 2 CFR 200 Citations
    - 2 CFR 200.205 updated to 2 CFR 200.206 (pre-award reviews)
    - 2 CFR 200.327 updated to 2 CFR 200.328-329 (reporting requirements)
NIFA POLICY GUIDE
Section IV: Award Issuance
Section IV: Award Issuance

• Section IV.A – Notification
• Section IV.B – Payment
  — Updated ASAP contact information: ASAPCustomerService@usda.gov
• Section IV.C – Terms and Conditions
  — Federal administrative requirements allow agencies to adjust certain cost-related and administrative prior approval pursuant to expanded authorities (2 CFR 200.208)
Section IV: Award Issuance

• Section IV.D – Period of Performance
  – Citation updated: “Period of Performance” has the meaning given in 2 CFR 200.1, with the additional clarification that the term includes any extension of the end date of the award, such as a no-cost extension authorized by 2 CFR 200.308, paragraph (e)(2).
  – Extension at 1890s (section 1444) total period of performance with carryover provisions updated:
    • “2 years (carryover to year two limited to 20%)” has been changed to 5 years
  – Obligation Period Updated
    • 90 days has been updated to 120 days: Awarded NIFA capacity funds must be obligated within the period of performance and liquidated within 120 days of the end of the period of performance. For example, for 1-year awards with 1 year carry over, the period of performance is 2 years and liquidation would occur 120 days after the end of the 2-year period of performance.
Section IV: Award Issuance

- Section IV.E – No-Cost Extensions
- Section IV.F – Capacity Formulas
- Section IV.G – Capacity Programs: Pages 66-76 - 11 Separate Tables for CAPACITY Awards (includes Authority, Formula, Use of Funds, Limitations, Match and Carryover)
- Section IV.H – Memoranda of Understanding
- Section IV.I – Availability of Grant Information
- Section IV.J – Confidentiality and Retention of Information
- Section IV.K – Freedom of Information Act
- Section IV.M – Protecting Sensitive Data Used in Research
- Section IV.N – Privacy Act
NIFA POLICY GUIDE
Section V: Post-Award Federal Requirements
Section V: Post-Award Federal Requirements

• Section V.A – Standards for Financial and Program Management (2 CFR 200.300-309)
  – Grantee organizations must implement grants in full accordance with the U.S. Constitution, Federal Law, and public policy requirements, as detailed in the award terms and conditions.

• Section V.B – Financial Management Systems (2 CFR 200.302)
  – Further, financial management systems must support record retention requirements detailed in 2 CFR 200.335. Requests for transfer of records; 200.336 Methods for collection, transmission and storage of information; 200.337 Access to records; and 200.338 Restrictions on public access to records.
  – In Section V.B.2, Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in 2 CFR 200.328 Financial Reporting and 200.329 Monitoring and reporting program performance.
Section V: Post-Award Federal Requirements

• Section V.C – Grantee Internal Controls (2 CFR 200.303)
  — Citation updated: compliance with applicable laws and regulations (2 CFR 200.611).
  — Change: Internal controls must ensure that the grantee: complies with the U.S. Constitution, Federal statutes, regulations and the terms and conditions of the award; monitors its own compliance with statutes, regulations and the terms and conditions of the award; takes prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings. Additionally, awardees must take reasonable measures to safeguard protected personally identifiable information (PII) and other information designated as confidential consistent with applicable Federal, state, local, and tribal laws. Internal control requirements apply to subawards.

• Section V.D – Payment (2 CFR 200.305)

• Section V.E – Cost Sharing or Matching
  — Citation updated, language added: Cost sharing or matching means the portion of project costs not paid by Federal funds or contributions (2 CFR 200.1).

• Section V.F – Program Income (2 CFR 200.307)

• Section V.G – Revision of budget and program plans (2 CFR 200.308)
Section V: Post-Award Federal Requirements

- Section V.H.1 – Property Standards (2 CFR 200.310-316)
  - Citation Updated: The grantee also must follow appropriate procurement procedures in acquiring property, in accordance with 2 CFR 200.317-327

- Section V.H.3.a – Equipment
  - Citation Updated: General Purpose equipment... (2 CFR 200.1)... Special Purpose Equipment... (2 CFR 200.1)

- Section V.H.4.f – Publications
  - General Change: Proper acknowledgement of public funding in published scientific articles, manuscripts, and presentations in compliance with 2 CFR 415.2 is critical for the success of the agency’s programs.

- Section V.H.4.h – Invention
  - Citation Updated: Any information that NIFA obtains from grantees related to subject inventions, as well as any information on utilization or efforts to obtain utilization as part of NIFA required reporting will be treated by NIFA as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under FOIA (35 U.S.C. 205).
Section V: Post-Award Federal Requirements

• Section V.H.4.k – Royalties and Licensing Fees
• Section V.H.4.l – Transfer of rights to the inventor
• Section V.H.4.m – Special Provisions for Grants with non-profit organizations
  – Citation Updated: The grantee non-profit will also be required to share royalties with the inventor (35 U.S.C. 202(c)(7)).
Section V: Post-Award Federal Requirements

• Section V.I – Procurement (2 CFR 200.317-327)
  – Citation Updated
    • Procurement (200.317-327) (this update is made multiple times in this section).

• Section V.I.1 – General Procurement Standards
  – Citation Updated: Added: **Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.**
  – Citation Updated: Grantees’ policies and procedures must be in compliance with any additional requirements contained in 2 CFR 200.318-327.

• Section V.I.2 – Competition
  – Added: Once it is determined that procurement is necessary to carry out the purpose of the Federal award, all procurement transactions **for the acquisition of property or services required under a Federal award** must be conducted in a manner providing full and open competition consistent with the standards of the Uniform Guidance. (2 CFR 200.319).
  – Citation Update/citation added: Grantees must have written procedures for procurements that ensure that all solicitations meet the criteria specified in 2 CFR 200.319(d). **Noncompetitive procurements can only be awarded in accordance with 2 CFR 200.320(c).**
Section V: Post-Award Federal Requirements

• Section V.I.3 – Methods of Procurement
  — Deleted: The frequently asked questions on the Uniform Guidance, issued by OMB, contains clarifications regarding procurement methods. On June 20, 2018, the Office of Management and Budget issued Memorandum M-18-18, which raises the threshold for micro purchases under Federal financial assistance awards to $10,000. Further, it implements an approval process for certain institutions that was to request micro purchase thresholds higher than $10,000.
  — Added: Generally, the micro-purchase threshold for procurement activities administered under Federal awards is not to exceed the amount set by the Federal Acquisition Regulation (FAR) at 48 CFR subpart 2.1 unless a higher threshold is requested by the non-Federal entity and approved by the cognizant agency for indirect costs."

• Section V.I.5 – Domestic Preferences for Procurements
  — Added (new sub-section): As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of 2 CFR 200.322 must be included in all subawards including all contracts and purchase orders for work or products under this award.
Section V: Post-Award Federal Requirements

• Section V.J – Performance and Financial Monitoring and Reporting (2 CFR 200.328-330)
  – Citation Updated: Performance and Financial Monitoring and Performing (2 CFR 200.328-330)

• Section V.J.1 – Financial Reporting
  – Citation Updated: All grantees must submit a final Federal Financial Report Form SF-425 within 120 days of the expiration of the award, in compliance with 2 CFR 200.344(a) and NIFA’s research terms and conditions.
  – Added: If the non-Federal entity fails to complete the requirements, the Federal awarding agency or pass-through entity will proceed to close out the Federal award with the information available.

• Section V.J.1.a.ii – Contact Information
  – a) Competitive grants: The report must be submitted as a PDF attachment to an email sent to awards@usda.gov.
  – b) Capacity grants: For FY 2017 awards and later, the report must be submitted through the ezFedGrants portal. For awards prior to FY 2017, reports are submitted to capacitygrantquestions@usda.gov
Section V: Post-Award Federal Requirements

- Section V.J.1.b – Final SF-425
  - Changed: All grantees must submit a final Federal Financial Report Form SF-425 within 120 days of the expiration of the award, in compliance with 2 CFR 200.344(a). The final SF-425 report must not show any unliquidated financial obligations. If, in the unlikely event that the awardee still has valid financial obligations that remain unpaid when the SF-425 is due, it must request and justify an extension of time due to extenuating circumstance, to submit the report. After review of documentation, the ASAP account may be reopened if justified to make the final payments, as applicable. When a final report is overdue (beyond the 120-day period following the award expiration date and not covered by an approved extension of the due date for submission of the report)"

- Section V.J.1.c – REEport Project Financial Report
  - References to the "REEport Manual" have been updated to "REEport Financial Report Manual"

- Section V.J.2.a.i – Program Performance Reporting
  - Contact information updated: Technical questions regarding the online completion of the reports should be directed to NIFA via email at electronic@usda.gov.
Section V: Post-Award Federal Requirements

• Section V.J.2.a.ii – Annual Progress Report
  – Changed: According to 2 CFR 200.329, annual reports must be due no later than 90 calendar days after the reporting period. Alternatively, the Federal awarding agency or pass-through entity may require annual reports before the anniversary dates of multiple year Federal awards.
  – Updated: Failure to submit an annual Progress Report within **120 calendar days** after the award’s anniversary date may result in grant funds being withheld until the report has been submitted as specified.
  – Added: For NIFA grants awarded under RFAs that allow continuations or non-competitive renewals, REEport Annual Progress Reports will be due no later than March 1 (and may be submitted up to 90 days prior). Example:
    • Grant is awarded January 1, 2021.
    • First Progress Report is required on March 1, 2021.
    • Grant is awarded June 1, 2021.
    • First Progress Report is required on March 1, 2022.
  – Note: For existing awards where the Terms and Conditions specify a different submission schedule for the Annual Progress Report, those reports will still need to be provided according to terms and conditions. However, the recipient may optionally submit an additional progress report earlier in the year via email to NPL to allow for processing of continuation or non-competitive renewal.
  – Changed: The following information, when applicable, must be included in the **Problems/Changes** section of the annual Progress Report.
Section V: Post-Award Federal Requirements

• Section V.J.2.a.iii – Final Progress Report
  – Changed: iii. Final Progress Report. In the month that an award is due to expire, a request notification for the Final Progress Report will be sent electronically to the award contact designated in REEport. The Final Progress Report from the recipient is required within 120 calendar days after the expiration or termination of the award. (2 CFR 200.344(a)). A subrecipient must submit to the pass-through entity, no later than 90 calendar days after the period of performance end date, all final performance reports as required by the terms and conditions of the Federal award.
  – Updated: Failure to submit an acceptable Final Progress Report within 120 calendar days after the award’s anniversary date may result in funds being withheld...
Section V: Post-Award Federal Requirements

• Section V.J.2.b – Capacity Grant Performance Reporting
  – Changed: Capacity grant recipients must submit a REEport Project Initiation and receive NIFA approval prior to expending capacity funds on a specific project. Once a project is approved, a REEport Progress Report is required annually, as well as a REEport Final Progress Report at the project’s conclusion. Hatch and Hatch/Multistate, Evans-Allen, McIntire-Stennis, and Animal Health grants must submit a REEport Financial Report annually, which is due each February 1st (different than the SF-425).

• Section V.J.2.b.iii – REEport Final Progress Report (accomplishments)
  – Updated: However, it is important to note that the system will only accept the submission of the Final Report if the date of submission is within 120 days prior to the current end date listed on the active project. If a PD or SA wishes to submit a Final Report earlier than 120 days prior to the end date of the project, then they must submit a “Project Change” to change the end date of the project so that the proper 120 day window is created in relation to the day they want to submit the Final Report.

• Section V.J.2.c – Summary Chart of due dates: Due dates updated throughout from 90 to 120 days. Contact information also updated as needed.

• Section V.J.2.d – Plan of Work: Deleted: NOTE: The Plan of Work system is in the process of undergoing a complete redesign, and is scheduled to launch Nov. 1, 2018.
Section V: Post-Award Federal Requirements

• Section V.J.3 – Stakeholder Input
  – Added: Each institution must submit a report to NIFA by April 1 of each fiscal year with the following information regarding any changes to stakeholder input

• Section V.J.4 – Subaward and Executive Compensation Reporting
  – "Changed: The Federal Funding and Accountability Transparency Act (FFATA) of 2006 and the Digital Accountability and Transparency Act of 2014 (DATA Act) (P.L. 113-101) include reporting requirements that facilitate providing the public with information on Federal spending. The requirements of the FFATA do not apply to individuals receiving NIFA grants under exceptions included in 2 CFR 170.110.
  – Updated: Grantees must report all actions that obligate $30,000 or more in Federal funds. All information regarding financial obligations of $30,000 or more must be reported to https://www.fsrs.gov/ and total executive compensation must be reported as part of the SAM registration process.
Section V: Post-Award Federal Requirements

• Section V.K – Subrecipient monitoring and Management (2 CFR 200.303-333)
  – Citation updated: Subrecipient monitoring and Management (2 CFR 200.303-333); When a grantee makes a subaward to a subrecipient to carry out part of a Federal program, it is called a pass-through entity (2 CFR 200.1) and the requirements for pass-through entities are summarized below. Full requirements are contained in 2 CFR 200.331-333.

• Section V.K.1
  – Change: The recipient is accountable for the performance of the project, program, or activity; the appropriate expenditure of funds under the award by all parties; and all other responsibilities of the recipient, as cited in the Notice of Award.

• Section V.K.2
  – Citation updated: A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency (2 CFR 200.1).
Section V: Post-Award Federal Requirements

• Section V.K.3.e – Requirements for pass-through entities
  – Added: The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving cross-cutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the passthrough entity may rely on the subrecipient’s cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section 2 CFR 300.513(a)(3)(vii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward (2 CFR 200.332).
Section V: Post-Award Federal Requirements

• Section V.L – Record Retention (2 CFR 200.334-338)
  – Citation Updated
    • Requirement elements are listed in 2 CFR 200.334-338; 2 CFR 200.334

• Section V.M – Post-award compliance reviews

• Section V.N – Post-award compliance reviews
  – inadvertently duplicated which shifted V.N to V.O and V.O to V.P
Section V: Post-Award Federal Requirements

• Section V.O: Changed: The Uniform Guidance, specifically 2 CFR 200.339, provides NIFA may impose one or more of the following remedies for noncompliance:

• Section V.O.1: Added: NIFA may impose additional requirements on the grantee. (2 CFR 200.208).

• Section V.O.2: Added: When grantees fail to materially comply with the terms and conditions of the award, NIFA may take certain enforcement actions in accordance with 2 CFR 200.339-343...

• Section V.O.4
  – Changed: NIFA has the authority to terminate an award in accordance with 2 CFR 200.340, partially or wholly
  – Citation updated: If a grantee seeks to terminate their award, they must send NIFA written notification setting forth the reasons for termination, and if partial termination is requested, the portion of the award to be terminated (2 CFR 200.340(4))

• Section V.O.6
  – Changed: Suspension of an award is NOT the same as Government-wide suspension pursuant to suspension and debarment regulations.
Section V: Post-Award Federal Requirements

• Section V.P - Closeout

– Changed: NIFA’s closeout procedures ensure that grantees have met all financial and technical requirements, submitted their final SF-425 Federal financial report and REEport final reports, and returned any unspent or financial unobligated balances. All closeout documents must be submitted in the 120 days following the project period’s end date on the Notice of Award, unless otherwise provided. If the non-Federal entity fails to complete the requirements, the Federal awarding agency or pass-through entity will proceed to closeout with the information available.

– Citation updated (multiple times): (2 CFR 200.344(a)); 2 CFR 200.345; 90 days changed to 120 days (multiple times)

– Added: A subrecipient must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and subrecipient) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award.

– Changed: Awards in the fifth year with expiration dates in the months of JUNE, JULY, and AUGUST do not have the full 120 days after expiration to draw down funds (does not apply to AFRI awards or no-year/X-year appropriation funded programs).
Section V: Post-Award Federal Requirements

- Section V.P - Closeout (continued)
  - Changed: Closeout does not affect NIFA’s right to disallow costs and recover funds based on later audits and financial reviews or the grantee’s responsibility to report and return any funds later acquired through refunds, corrections or other transactions.
  - Changed: Also within this 120 day period, grantees must liquidate all financial obligations incurred under the award (GAO 12- 360).
  - Added: When a recipient or subrecipient completes all closeout requirements, NIFA will promptly complete all closeout actions for awards. NIFA will make every effort to complete closeout actions no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes. Closeout actions include Federal awarding agency actions in the grants management and payment systems. If the non-Federal entity does not submit all reports in accordance with 2 CFR 200.344 and the terms and conditions of the award, NIFA must proceed to close out with the information available within one year of the period of performance end date. If the recipient does not submit all reports in accordance with this section within one year of the period of performance end date, NIFA must report the recipient’s material failure to comply with the terms and conditions of the award with the OMB- designated integrity and performance system (currently FAPIIS). NIFA may also pursue other enforcement actions per 2 CFR 200.339.
Section V: Post-Award Federal Requirements

• Section V.P.1.a – Final Federal Financial Report
  — Changed: Final financial reports must be submitted within 120 days of the expiration of the award. An additional extension may be given, on a case by case basis, in extenuating circumstances if there is adequate justification/documentation.

• Section V.P.3 — Expired Appropriations Accounts
  — Changed: Grantee access to accounts will expire at the end of the closeout period. ASAP automatically suspends access to accounts 121 days after the period of performance ends. All unliquidated financial obligations are subject to 31 USC Sec. 1554 (Audit, control, and reporting).

• Section V.Q – Continuity of Operations
NIFA Policy Guide - Section VI: Allowable Costs

• Section VI.A – Factors affecting allowability of costs (2 CFR 200.403)
  – Updated: Be determined in accordance with generally accepted accounting principles (GAAP) as guided by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB), except, for state and local governments and Indian tribes only, as otherwise provided for in 2 CFR 200.
  – Clarified: Be incurred during the approved budget period. See also 2 CFR 200.308(e)(3).

• Section VI.B – Reasonable costs (2 CFR 200.404)

• Section VI.C – Allocable Costs (2 CFR 200.405)

• Section VI.D – Applicable credits

• Section VI.E – Prior written approval: Updated and Citation added related to transfer of an award: NIFA prior approval must be obtained and is subject to an assessment by NIFA of the risk posed by the new (transferee) grantee institution in accordance with 2 CFR 200.206.

• Section VI.E.6 – Salaries and Awards: Updated: The Executive Level IV salary range will change year to year and is listed at www.opm.gov. Requests for approval must include the salary rate of pay and a justification for the rate and be sent to the ADO at awards@usda.gov
NIFA Policy Guide - Section VI: Allowable Costs

- Section VI.F – Direct and Indirect Costs
- Section VI.F.1 – Direct Cost
  - Updated: Direct costs typically include, but are not limited to, salaries and related fringe benefits, travel, equipment, program evaluation costs
- Section VI.F.2 – Indirect Cost and Limitations
  - Updated and Citation Added: NIFA’s annual appropriations legislation can limit indirect costs and will be communicated in the annual RFA. As an example, for FY 2018, The congressionally mandated limit on indirect costs for most agricultural research, education, and extension grant programs is limited to an amount not to exceed 30 percent of the total Federal funds provided under the grant award including the indirect cost rate charged by sub-awardees, as provided in section 1462 of NARETPA (7 U.S.C. 3310).
  - Updated: The annual appropriation acts may impose a different indirect cost rate for funds appropriated that year. Therefore, the recovery of indirect costs for agricultural research, education, and extension programs cannot exceed the lesser of either the institution’s negotiated indirect cost rate or the equivalent of 30 percent of the total Federal funds awarded.
Section VI.F.3 – Indirect Costs Rates

Updated and Citation Added: Organizations that do not have a current negotiated (including provisional) rate, except for those non-Federal entities described in appendix VII, paragraph D.1.b, may elect the De Minimis rate. (2 CFR 200.414). The Uniform Guidance offers the option of electing to charge a de Minimis rate of 10 percent of modified total indirect costs (MTDC) which may be used indefinitely.

Section VI.G – Disallowed Costs
Section VI.H – Selected Items of Cost – Allowable and Unallowable Costs

Section VI.H.1 – Allowable/Unallowable Costs Matrix (Pre-Award Cost)

Updated: As outlined in 2 CFR 200.308 (1), all costs incurred before the USDA awarding agency makes the award, are at the risk of the recipient. The USDA awarding agency is not required to reimburse costs if for any reason the:

1. award is not made;
2. award is less than anticipated; or
3. award is inadequate to cover such costs.

If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by NIFA.

Section VI.H.1 – Allowable/Unallowable Costs Matrix (Social Security)

Section VI.H.1 – Allowable/Unallowable Costs Matrix (Travel Domestic)

Added Citation: Reference 2 CFR 200.474
NIFA Policy Guide - Section VI: Allowable Costs

• Section VI.H.1 – Allowable/Unallowable Costs Matrix (Travel Foreign/International)
  — Correction: Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business. Foreign travel includes any travel outside of North American and/or U.S. Possessions. Domestic travel includes Canada, Mexico, and U.S. Possessions. Reference 2 CFR 200.474

• Section VI.H.1 – Allowable/Unallowable Costs Matrix (Telecommunications and video surveillance costs)
  — Added: Costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, cloud servers are allowable except for the following circumstances:
  — Obligating or expending covered telecommunications and video surveillance services or equipment or services as described in §200.216 to:
    (1) Procure or obtain, extend or renew a contract to procure or obtain;
    (2) Enter into a contract (or extend or renew a contract) to procure; or
    (3) Obtain the equipment, services, or systems.
    Reference §200.471
Section VI: Allowable Costs

• Section VI.H.2.a – Support and documentation for specific
  – Added: **Retirement Contribution:** The applicability of the 5 percent retirement cap to capacity programs listed in section 251(f)(1) of the Department of Agriculture Reorganization Act of 1994, 7 U.S.C. 6971(f)(1) will depend on final appropriations act language. The authority to pay for the retirement of land-grant college employees is found in 7 U.S.C. 331. Section 331 applies to Acts supplementary to the First Morrill Act and to programs authorized under authorities that specifically provide for the application of section 331. Therefore, the 5 percent retirement cap applies to Smith-Lever, Smith Lever special needs, DC PERA, Hatch, 1890 Extension, 1890 Research, and Animal Health grants. This includes these grants in Puerto Rico, US Virgin Islands, Guam, American Samoa, Northern Marianas, and Micronesia. The retirement cap does NOT apply to the following programs: McIntire-Stennis, 1890 Facilities, RREA, EFNEP, and Tribal College Endowment.

• Section VI.H.2.c – Travel
  – Citation Updated: 2 CFR 200.475 (multiple updates)
NIFA POLICY GUIDE
Section VII: Audit Requirements
Section VII: Audit Requirements

- Section VII – Audit Requirements
  - Citation Added: NIFA grantees (other than Federal institutions) are subject to the audit requirements of the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and the Uniform Guidance 2 CFR 200, Subpart F.

- Section VII.A – Audit Cognizant Agency
  - Citation Added: Generally, any non-Federal entity expending more than $750,000 a year in Federal funds must have a single audit. (see 2 CFR 200.501).

- Section VII.B.3 – Auditee Responsibilities
  - Citation Added: Promptly follow up and take corrective action on audit findings, in accordance with 2 CFR 200.511(a), including preparation of a summary schedule of prior audit findings and a corrective action plan as provided in 2 CFR 200.511(b)(1-3) and 2 CFR 200.511(c), respectively.

- Section VII.C.3.d – NIFA Responsibilities
  - Citation Updated: Coordinate a management decision for cross-cutting audit findings (as defined in 2 CFR 200.30)

- Section VII.D – Fraud, Waste, and Abuse of NIFA Grant Funds
NIFA POLICY GUIDE

Section VIII: Other NIFA Assistance Programs
Section VIII: Other NIFA Assistance Programs

- Section VIII – Other NIFA Assistance Programs
- Section VIII.A – 4-H Youth Development Program
- Section VIII.B – 1994 Institution Endowment Interest Distribution (Tribal)
- Section VIII.C – Hispanic-Serving Agricultural Colleges and Universities (HSACU)
  - Section VIII.C.1 – HSACU’s Eligibility
    - Duplicate Text Deleted: All recipients must be registered with SAM and maintain an active registration until they are no longer receiving NIFA funds, unless otherwise provided (2 CFR 25.110).
  - Section VIII.C.2 – Allocation
    - Updated: An annual payment of $80,000 will be made to each HSACU (7 U.S.C. 3243).
- Section VIII.D.3 – Veterinary Medicine Loan Repayment Program (VMLRP)
  - Contact Information Updated: To download the application forms, go to the NIFA website, the VMLRP webpage. If there is no access to the web page or trouble downloading material, potential applicants may contact the VMLRP Program Office by email at vmlrp@usda.gov.
NIFA POLICY GUIDE
APPENDICES
Appendices

• Appendix I: Public Policy Requirements
  – Citations updated related to civil rights, confidentiality, discrimination on the basis of sex, age and national origin, environmental justice, information security, fly America, IACUC, industrial hemp, genetically engineered plants, genetic resources, health and safety, internal confidentiality agreements, responsible and ethical conduct of research, research misconduct, tax liability and felony convictions

• Appendix II: Definitions
  – Definitions and citations to 2 CFR 200 have been updated as needed.

• Appendix III: Capacity Program Guide
  – For the Renewable Resource Extension Act: For additional information on the mission and vision for forest and rangeland extension programs supported by RREA, request a copy of the NIFA-18-018 RREA Strategic Plan FY 2018-2022 | National Institute of Food and Agriculture (usda.gov).
  – For Agricultural Research & Agricultural Extension: Removed: Please consult 7 CFR 3419 for additional detail and information on the matching funds requirement for 1890 land-grant institutions receiving agricultural research and extension capacity funds.

• Appendix IV: Authority References
  – Citations updated as needed

- We are excited to announce the revised set of Frequently Asked Questions (FAQs) related to the Uniform Guidance for Grants (2 CFR). These FAQs align with the revisions to 2 CFR published in 85 FR 49506 (August 13, 2020) and replace the July 27, 2017 version. They are available at the following CFO.gov site link.

- [https://www.cfo.gov/assets/files/2CRF_FrequentlyAskedQuestions_2021050321.pdf](https://www.cfo.gov/assets/files/2CRF_FrequentlyAskedQuestions_2021050321.pdf)

- Please reach out to the OMB Grants Team at GrantsTeam@omb.eop.gov with any questions.
M-21-20 Flexibilities – Appendix 3

• The Twelve Flexibilities – Reduce Burden

1. Sam Registration
2. NOFO Publication
3. Pre-Award Costs
4. No-Cost Extension
5. Abbreviated Non Competitive Continuation
6. Prior Approval Requirements
7. Procurement Standards
8. Extension of Financial and Other Reporting
9. Single Audit Extension
10. Application Deadlines
11. Closeout Extension
12. Physical Inventories
M-21-20 Versus M-20-17

• Salaries and Other Project costs
• Canceled Events, Travel Cost
• IDC Rate Extension
  - Single Audit Extension
  - Physical Inventories
What’s Next?

• NIFA staff and partners can now access the 2021 Policy Guide by section or download the entire document at: (https://nifa.usda.gov/policy-guide)

• Webinars are being scheduled with the Regions

• We will gather input from staff and partners for future revisions to the Policy Guide
Annual Clearance Process
Estimated/Projected Timeline for FY22 Policy Guide Revision

• April-May 2021: Schedule and hold webinars and receive comments from staff and partners on existing Policy Guide.
• June – July 2021: Preparation and Initial Clearance through NIFA
• August 2021: General Counsel review
• September – October 2021: Agency Clearance
• November 2021: Department and White House OMB Clearance
• December 2021: Final preparation of Policy Guide
• January 2022: Policy Guide final for FY2022 publish & present to partners
Comments and Questions

• Submit comments or questions about proposed updates and/or additional comments and proposed edits to policyguide@usda.gov with the Subject NIFA Policy Guide Comments.

• If possible, please submit comments using a “comment box” in the Adobe PDF FY21 Policy Guide.

—Comments received by May 24, 2021 will be considered for incorporation in the FY22 version of the Policy Guide

Note: Comments received after that date will be considered for incorporation into the FY23 revision to the Policy Guide.