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- Protect culturally specific content and community-informed strategies;
- Maintain the integrity of federally funded training efforts;
- Ensure alignment with SDPI grant terms and conditions, as referenced in the Notice of Award and 2 CFR Part 200.

THANK YOU FROM THE TRAINER

To the resilient and wise people of the Navajo Nation,

Ahéhee' — thank you from the bottom of my heart for the honor of spending time with you, learning alongside you, and sharing in the powerful work you're doing to protect and uplift the health of your communities.

It was a true privilege to present and train among such deeply rooted strength, knowledge, and cultural richness. Your openness, thoughtful questions, and dedication to wellness reminded me that healing is not just about systems and policies—it's about people, relationships, and the spirit of community.

Thank you for welcoming me into your space, for listening with kindness, and for allowing me to walk briefly beside you on this journey of service and care. I am humbled by your generosity and inspired by your commitment to your people.

With gratitude and deep respect,

Ericha A. Stewart, MPH, MSP

Mastering SDPI Grant Compliance:

Strengthening Accountability
& Impact through 2 CFR 200
Best Practices



MARCH 24TH & 25TH

Window Rock, Arizona

INTRODUCTIONS

DAY 1: AGENDA

Morning:

- **Welcome & Opening Remarks**
- **Introduction to 2 CFR Part 200 – Subpart A**
- **Subpart E: Cost Principles**

Midday:

- **Lunch & Networking**

Afternoon:

- **Subpart D: Internal Controls & Performance Monitoring**
- **Practical Application of Cost Principles**
- **Action Planning, Wrap-Up, & Reflection**

DAY 1: OBJECTIVES

- DEFINE KEY TERMS AND ACRONYMS FROM 2 CFR PART 200 – SUBPART A THAT IMPACT SDPI GRANT OPERATIONS.
- IDENTIFY AND APPLY THE “GOLDEN RULES” OF ALLOWABLE COSTS USING SUBPART E: COST PRINCIPLES.
- RECOGNIZE COMMON PITFALLS AND REAL-WORLD AUDIT FINDINGS THROUGH CASE-BASED DISCUSSION.
- EXPLAIN THE IMPORTANCE OF INTERNAL CONTROLS AND THEIR ROLE IN FEDERAL GRANT PERFORMANCE (SUBPART D).

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ICE BREAKER

"THE PARADOX OF ACCOUNTABILITY"

THE SCENARIO: IMAGINE YOU ARE ON A GRANT REVIEW COMMITTEE RESPONSIBLE FOR ALLOCATING \$1 MILLION IN FEDERAL FUNDING FOR COMMUNITY HEALTH PROGRAMS. YOU HAVE TWO FINAL APPLICANTS:

PROGRAM A – THIS PROGRAM HAS A PERFECT COMPLIANCE RECORD (ALL REPORTS ON TIME, ALL EXPENSES ALLOWABLE, ZERO AUDIT FINDINGS), BUT IT HAS ONLY MODERATE COMMUNITY IMPACT (SERVING A LIMITED NUMBER OF INDIVIDUALS WITH AVERAGE HEALTH OUTCOMES).

PROGRAM B – THIS PROGRAM HAS AN OUTSTANDING COMMUNITY IMPACT (DEMONSTRATING SIGNIFICANT IMPROVEMENT IN DIABETES PREVENTION AND TREATMENT IN UNDERSERVED POPULATIONS), BUT IT HAS MINOR COMPLIANCE VIOLATIONS(OCCASIONAL LATE REPORTS, A FEW MINOR UNALLOWABLE EXPENSES THAT WERE LATER CORRECTED).



2 CFR 200

SUBPART A: ACRONYMS & DEFINITIONS

INTRODUCTION TO 2 CFR 200

- 2 CFR Part 200, also called the Uniform Guidance, consolidates federal grant rules across all agencies.
- Issued by the Office of Management and Budget (OMB) to streamline and strengthen accountability.
- Applies to all SDPI grants and other federally funded programs administered by tribal and urban Indian organizations.

Why It Matters to SDPI Grantees:

- Ensures funds are used appropriately.
- Helps maintain eligibility for future funding.
- Outlines rules for financial management, reporting, procurement, and audit requirements.

RECENT UPDATES MADE TO 2 CFR 200

Key Changes:

- Increased Single Audit threshold to \$1M (previously \$750K)
- Equipment definition threshold raised to \$10K (previously \$5K)
- De minimis indirect cost rate increased to 15% (previously 10%)
- Removal of certain prior approval requirements (e.g., participant support costs)
- Clarified terms ("recipient/subrecipient" replaces "non-Federal entity")
- New requirements for fraud disclosures, whistleblower protections, and cybersecurity safeguards

WHY DEFINITIONS MATTER IN FEDERAL COMPLIANCE

Subpart A

- Definitions in 2 CFR 200.1 clarify essential terms for financial accountability.
- Misinterpretations can lead to noncompliance and audit findings.

Examples:

- “Federal Award” (200.1): Financial assistance that a non-Federal entity receives directly from a Federal agency.
- “Allowable Cost” (200.403): A cost must be necessary, reasonable, and allocable to be reimbursed.
- “Subrecipient vs. Contractor” (200.331): Determines different oversight responsibilities.

KEY ACRONYMS EVERY GRANTEE MUST KNOW

Subpart A

- CFR – Code of Federal Regulations
- OMB – Office of Management and Budget
- IHS – Indian Health Service
- FAIN – Federal Award Identification Number
- FFR – Federal Financial Report (SF-425)
- UEI – Unique Entity Identifier

KEY ACRONYMS EVERY GRANTEE MUST KNOW

Subpart A

Notice of Award (NoA)

- The official document that confirms your grant and outlines terms, budget, and reporting requirements.

Authorized Carryover

- Unspent funds you're allowed to move into the next budget period.

Budget Period

- The timeframe for spending current grant funds (e.g., Jan–Dec 2024).
- Period of Performance
- The full length of the award, including all budget periods (e.g., 2024–2027).

Allowable Costs

- Expenses permitted under the grant based on Uniform Guidance.

**TERMS YOU NEED TO
MASTER: FROM
ALLOWABLE TO
SUBRECIPIENT**

Subpart A

- **Allowable Costs (200.403–200.405)** – Must meet the tests of necessity, reasonableness, and allocability.
- **Indirect Costs (200.414)** – Costs that benefit multiple projects but are not directly attributable to one.
- **Program Income (200.307)** – Gross income earned that must be used for the project's objectives.
- **Period of Performance (200.309)** – Timeframe in which funds must be obligated and spent.
- **Subrecipient vs. Contractor (200.331–200.333)** – Determines reporting and monitoring obligations.

REAL-WORLD IMPACTS OF MISUNDERSTANDING DEFINITIONS

Subpart A

- **Case Study 1:** Misclassifying a Subrecipient as a Contractor – A tribal health program treated a subrecipient as a vendor, leading to an audit finding for inadequate monitoring.
- **Case Study 2:** Unallowable Costs – An SDPI program purchased incentives beyond the reasonable threshold, leading to a cost disallowance.
- **Case Study 3:** Indirect Cost Rate Errors – An organization applied a depreciated indirect cost rate without federal approval, leading to repayment obligations.



2 CFR 200

SUBPART E: COST PRINCIPLES

THE “GOLDEN RULES” OF ALLOWABLE COSTS

Subpart E: Cost Principles

Regulations: 2 CFR §§ 200.404 and 200.405

Reasonable Cost Test (§ 200.404): Would a prudent person pay this cost in the same situation?

Considerations Include:

- Market price comparisons
- Sound business practices
- Necessity of the expense for program delivery
- Allocability Test (§ 200.405):
- Is the cost clearly linked to the specific project objective?

Application:

- A cost is allocable if it benefits the grant directly or can be assigned in proportion to the benefit received.

ALLOCABLE COSTS

Subpart E: Cost Principles

What is an Allocable Cost?

According to 2 CFR § 200.405, a cost is allocable when it:

- Is clearly linked to the specific project or activity.
- Benefits the grant in proportion to the amount charged.
- Is assignable to the award with a reasonable degree of accuracy.
- Is not charged to multiple awards without proper justification.

Example:

A diabetes educator's salary charged in proportion to time spent directly working on the SDPI program is allocable.

Remember:

A cost must be both allowable AND allocable to be charged to your SDPI grant.

Allowable = It's permitted.

Allocable = It truly benefits the program.

DIRECT COSTS VS. INDIRECT COSTS: WHAT IS THE DIFFERENCE?

Subpart E

Regulations: 2 CFR §§ 200.413 and 200.414

Direct Costs (§ 200.413):

- Can be specifically identified with a particular project
- Examples: project staff salaries, testing supplies, travel for program delivery

Indirect Costs (§ 200.414):

- Benefit multiple programs and cannot be directly assigned
- Examples: utilities, accounting staff, office rent

Application:

- Use a NICRA or the 10% de minimis rate unless you're a state-recognized tribe with a different agreement.

PRIOR WRITTEN APPROVALS: WHEN YOU NEED THEM

Subpart E

Regulation Reference: 2 CFR § 200.407

Costs That Require Prior Written Approval Include:

- Pre-award costs
- Equipment purchases
- Travel for conferences
- Capital expenditures
- Entertainment (rarely approved)
- Rearrangement and reconversion of facilities

What to Do:

- Submit a justification to your Grants Management Specialist
- Wait for written approval before incurring the cost
- Keep approval documentation in your grant file

**WHEN PRIOR
APPROVAL IS
REQUIRED (SELECTED
COST SCENARIOS)**

Subpart E

Regulation Reference: 2 CFR § 200.407

Common Scenarios That Require Approval:

- Purchase of a laptop over \$5,000
- Hiring consultants whose services weren't budgeted
- Shifting more than 10% between budget categories
- Hosting an event with meals or participant stipends
- Using program income for a new activity
- Modifying the project scope or objective

How to Request Approval:

- Submit a written request in GrantSolutions or by email
- Include a justification and impact on outcomes
- Wait for written response before proceeding

FRINGE BENEFITS, COMPENSATION & COST ALLOCATION PLANS

Subpart E

Regulations: 2 CFR §§ 200.430 and 200.431

Fringe Benefits (§ 200.431):

- Health insurance, retirement, FICA, workers comp
- Must be provided under an established written policy
- Must be applied equitably to both federal and non-federal activities

Compensation for Personal Services (§ 200.430):

- Must be based on institutional pay policies
- Time and effort reporting may be required

Cost Allocation Plans:

- Required if you allocate shared personnel or resources across multiple funding streams

NICRA: NEGOTIATING INDIRECT COST RATES

Subpart E

Regulation Reference: 2 CFR § 200.414 and Appendix III–VII

NICRA = Negotiated Indirect Cost Rate Agreement

Key Components:

- Issued by your cognizant federal agency
- Based on submitted indirect cost proposals
- Covers a specific period
- Must be applied consistently to all federal programs
- If You Don't Have a NICRA:
- You may elect to use the 10% de minimis indirect cost rate if eligible.

**UNALLOWABLE
COSTS: GIFT CARDS,
ALCOHOL,
ENTERTAINMENT**

Subpart E

Regulation Reference: 2 CFR § 200.420 – 475 (Selected Items of Cost)

Always Unallowable:

- Alcoholic beverages (§ 200.423)
- Entertainment (§ 200.438)
- Lobbying (§ 200.450)
- Fundraising (§ 200.442)
- Bad debts (§ 200.426)

Gift Cards:

- Not explicitly addressed but generally treated as cash equivalents
- Typically unallowable unless part of an approved incentive program with documentation and prior approval

SDPI Guidance:

- Use non-cash items like water bottles or educational materials for incentives.

COMMON ALLOWABLE COSTS FOR SDPI PROGRAMS

Subpart E

Examples Based on 2 CFR Part 200 and SDPI Best Practices:

- Salaries for health educators or coordinators
- Diabetes prevention supplies (test strips, A1C kits)
- Community outreach events focused on diabetes
- Staff training relevant to diabetes care
- Equipment under \$5,000 with program use
- Travel to IHS-approved SDPI training sessions

ALLOWABLE COST FOR SDPI GRANTEE COMMUNITY-SPECIFIC INTERVENTIONS

Traditional Foods & Nutrition Programs

Activities:

- Cooking demos, Indigenous gardening, farmers' markets
- Food sovereignty and traditional agriculture education

Compliance Alignment:

- Allowable under SDPI if directly tied to the approved Best Practice (e.g., Nutrition Education, Healthy Eating)
- Must be clearly aligned with the selected Best Practice and RKM
- Must be reasonable and necessary (2 CFR § 200.403–404)
- Cultural food demonstrations and traditional garden support may be allowable costs for educational purposes (2 CFR § 200.420)

ALLOWABLE COST FOR SDPI GRANTEE COMMUNITY-SPECIFIC INTERVENTIONS

Storytelling & Oral Tradition

Activities:

- Elders leading traditional story circles
- Narrative-based diabetes education through personal testimony

Compliance Alignment:

- Educational workshops are allowable under SDPI if tied to self-management support, prevention, or outreach goals
- Elder stipends or honoraria may be allowed with prior written approval and documentation (2 CFR § 200.430, § 200.464)
- Must be connected to measurable outcomes or participant engagement

ALLOWABLE COST FOR SDPI GRANTEE COMMUNITY-SPECIFIC INTERVENTIONS

Integration of Traditional Healing and Western Medicine

Activities:

- Collaboration with traditional healers
- Ceremonies integrated into care models

Compliance Alignment:

- May be allowable if integrated into holistic wellness education and approved in budget narrative
- Costs must be reasonable, culturally appropriate, and documented in relation to project goals
- Ceremony-related expenses require justification under health education or support services
- Use of healers may require subrecipient/contractor determination (2 CFR § 200.331)

APPLICABLE CREDITS & ADJUSTMENTS

Subpart E

Regulation Reference: 2 CFR § 200.406

Definition:

- Credits that offset or reduce allowable costs, such as:
- Purchase discounts or rebates
- Insurance refunds
- Recoveries or reimbursements
- Cost corrections

Responsibility:

- Grantees must apply these credits to the appropriate federal award when they relate to costs previously charged.

Example:

- If you receive a refund for a cancelled flight, you must credit the refund back to the grant if the original cost was charged to the grant.

EXERCISE 2:

SDPI COST CLASSIFICATION INTERACTIVE WORKSHEET



2 CFR 200

SUBPART D: POST-AWARD REQUIREMENTS

PERFORMANCE MEASUREMENT (200.301)

Subpart D: Post-Award Requirements

Regulation Reference: 2 CFR § 200.302

What You Must Maintain:

- Accurate, current, and complete financial records
- Systems that can trace every dollar to its authorized use
- Internal controls to safeguard federal funds
- Procedures for budget control and cash management
- Source documentation for all expenditures (invoices, payroll, etc.)

Tribal or Program-Specific Implication:

- Track progress using measurable goals and objectives
- Ensure data is accurate and verifiable
- Report on outputs and outcomes linked to the federal purpose
- Tribal/SDPI Implication:
- Align reporting with selected Best Practice goals in the SDPI Outcomes System (SOS)

OVERVIEW OF PROCUREMENT RESPONSIBILITIES

Subpart D

Regulation Reference: 2 CFR § 200.325

Federal Awarding Agency Rights:

- May review your procurement system to ensure compliance.
- Can require prior approval for specific contracts or methods.
- May impose additional oversight if previous issues are identified.

Typical Oversight Actions:

- Review of solicitations or contracts
- Pre-procurement technical specifications reviews
- Review of procurement records post-award

Grantee Responsibility

- Maintain full procurement documentation.
- Follow your written procedures that align with 2 CFR Part 200.
- Be prepared for random or risk-based procurement reviews.

INTERNAL CONTROLS:

Subpart D

Required Internal Control Elements:

- Prevent and detect fraud, waste, and abuse
- Maintain compliance and efficiency
- Establish risk-based policies and staff training
- Key Practices for SDPI Grantees:
- Segregation of duties
- Documented procurement and conflict disclosures

BUDGET REVISIONS & SCOPE CHANGES (200.308)

Subpart D

Regulation Reference: 2 CFR § 200.308

Key Requirements for Revisions:

- Grantees must obtain prior written approval from the federal awarding agency for certain changes.

Prior Approval is Required When:

- The scope or objectives of the project change
- A key person specified in the award is replaced or has a reduced role
- The transfer of funds causes a change in cost categories that exceeds 10% of the total approved budget
- There is a need to transfer funds between construction and non-construction categories
- Program income is used in a way not previously approved

Best Practices for SDPI Grantees:

- Submit budget revision requests through GrantSolutions
- Document justification clearly
- Align revisions with your approved scope of work

PROCUREMENT METHODS & THRESHOLDS

Subpart D

“Procurement methods under 2 CFR § 200.320 vary by cost and complexity:

Micro–Purchase (\leq \$10,000):

- No quotes required if the price is reasonable. Document justification.

Small Purchase (\$10,001–\$250,000):

- Requires informal price or rate quotes from at least 3 qualified vendors.

Sealed Bids (\geq \$250,000 – typically for construction):

- Formal public process. Award goes to the lowest responsive and responsible bidder.
- Competitive Proposals (\geq \$250,000):
- Use when price isn’t the only deciding factor (e.g., RFPs with technical scoring).
- **Sole Source (Non-Competitive):**
- Allowed only when there’s a documented justification, such as:
- Only one source is available
- Emergency situations
- Federal agency approval

COST SHARING AND PROGRAM INCOME

Subpart D

Regulation References: 2 CFR §§ 200.306 (Cost Sharing) and 200.307 (Program Income)

Cost Sharing (or Matching):

- Contributions not paid by the federal award
- Must be verifiable and necessary for program objectives
- Subject to the same allowability criteria as federal funds

Program Income:

- Gross income earned from federally funded activities
- Includes: fees for services, sale of items, interest income
- Must be used for the project or deducted from total allowable costs

WHAT HAPPENS TO PROPERTY AT GRANT CLOSEOUT

Subpart D

Regulation Reference: 2 CFR § 200.313(e), § 200.314(a), § 200.344(i)

At Closeout, Grantees Must:

- Report on real and personal property
- Follow disposition instructions from the federal agency
- Ensure property records are updated and retained

For Equipment and Supplies:

- Equipment with current per-unit value over \$5,000 must be:
- Transferred to another program
- Sold (with proceeds credited to the program)
- Disposed of according to agency rules
- Supplies worth more than \$5,000 must also follow federal disposition requirements

FFR (SF-425) & PROGRAMMATIC REPORTING (200.328)

Subpart D

Regulation References: 2 CFR §§ 200.328–200.329

Grantees are required to submit two primary types of reports:

Must use Standard Form SF-425.

- Submitted at least annually through the Payment Management System (PMS).
- Due no later than 90 days after the end of the budget period.
- Reports must reflect accurate, current, and complete financial data.

Programmatic Performance Reports – § 200.329:

- Describe progress toward meeting objectives, milestones, and deliverables.
- Must include accomplishments, challenges, and deviations from plan.
- Annual reports are due 90 days after the budget period ends.
- For SDPI: submitted via GrantSolutions and the SDPI Outcomes System (SOS).

BUDGET REVISIONS & SCOPE CHANGES (200.308)

Subpart D

Regulation Reference: 2 CFR § 200.309

Definition:

- The period of performance is the timeframe during which a grantee can incur and obligate costs under the federal award.

Key Guidelines:

- Extensions require written prior approval unless automatic carryforward authority applies
- Modifications must be submitted before the end of the current performance period
- No funds can be obligated or spent outside this approved period

Grantee Tip:

- Review the end date listed in your Notice of Award (NOA). Begin closeout planning at least 90 days in advance.

EXERCISE 3:

INTERNAL CONTROL PROCESS DEVELOPMENT WORKSHEET

MANAGING REAL & FEDERALLY-OWNED PROPERTY SUBPART D

Subpart D

Regulation Reference: 2 CFR § 200.311

Real Property Responsibilities:

- Must be used for the originally authorized purpose
- Cannot be encumbered without prior federal approval
- Must follow disposition instructions from the awarding agency at closeout

Federally-Owned Property:

- Title remains with the federal government
- Must be tracked in an inventory system
- Disposal or return must be managed in accordance with federal instructions

Recordkeeping Must Include:

- Description and use
- Location
- Acquisition date and cost
- Condition and disposition data

MANAGING REAL & FEDERALLY-OWNED PROPERTY

Subpart D

Regulation References: 2 CFR §§ 200.313 – Equipment, 200.314 – Supplies, 200.315 – Intangible Property

Equipment (value \geq \$5,000 and useful life $>$ 1 year):

- Must be used for the program as long as needed
- Cannot be used for other purposes without prior approval
- Maintain inventory and conduct regular audits

Supplies (value $<$ \$5,000):

- If unused supplies exceed \$5,000 in value at closeout, disposition instructions are required
- Must be managed to avoid unnecessary purchases
- Intangible Property (e.g., software, copyrights):
- Rights acquired or developed must be used in line with federal objectives
- Federal agencies may retain rights or require acknowledgements in publications

OVERVIEW OF PROCUREMENT RESPONSIBILITIES

Subpart D

“Procurement rules apply to how grantees buy goods and services using federal funds.

Key Points (§§ 200.317–200.327):

- States & Tribes (§ 200.317): May follow their own procurement laws.
- Non-State Entities (§ 200.318): Must follow federal procurement standards.

All Grantees Must:

- Use written procurement procedures
- Ensure full and open competition
- Avoid conflicts of interest
- Conduct cost or price analysis when required
- Maintain full documentation of all procurement actions
- Use small and minority-owned businesses when possible (§ 200.321)

SUBRECIPIENT MONITORING RESPONSIBILITIES

Subpart D

Monitoring Activities May Include:

- On-site visits or virtual check-ins.
- Review of financial and programmatic reports.
- Technical assistance and capacity building.
- Issuance of management decisions on audit findings.

Documentation Requirements:

- Maintain records of risk assessments, subaward agreements, communications, monitoring activities, and corrective actions in grant files.

GRANT CLOSEOUT

Subpart D

Regulation Reference: 2 CFR § 200.344

Grantees Must Submit Within 120 Days of Award End Date:

- Final Federal Financial Report (SF-425)
- Final Performance Report
- Final inventory of equipment and unused supplies
- Other reports required by the federal awarding agency

Agency Responsibilities:

- Complete closeout within 1 year of receiving final documents.
- Make final reconciliations and recover unused funds if needed.

Best Practices for SDPI Closeout:

- Track due dates using a closeout checklist.
- Coordinate between finance, program, and property staff.
- Review GrantSolutions guidance for uploading reports.

Mastering SDPI Grant Compliance:

Strengthening Accountability
& Impact through 2 CFR 200
Best Practices



MARCH 24TH & 25TH

Window Rock, Arizona

DAY 2: AGENDA

Morning:

- Ice Breaker & Recap of Day 1
- Subpart B: General Provisions
- Subpart C: Federal Award Life Cycle

Midday:

- Lunch & Networking

Afternoon:

- Subpart F: Audit Requirements
- Action Planning, Training Assessment, & Awarding of Training Certificates

ICE BREAKER: “COMPLIANCE NETWORKING”

**"SHARE YOUR FUNNIEST GRANT-
REPORTING MISHAP"**

OR

**"DESCRIBE YOUR BIGGEST 'AHA'
MOMENT IN COMPLIANCE").**

RECAP OF DAY 1:

KEY SECTIONS OF 2 CFR 200

A – Acronyms & Definitions

Sets clear, consistent definitions across all agencies.

B – General Provisions

Purpose, applicability, and exceptions.

C – Federal Award Lifecycle

Covers pre-award requirements, public notices, and award contents.

D – Post-Award Requirements

Financial management, procurement, property, reporting, closeout

.

E – Cost Principles

What's allowable and reasonable? (e.g., fringe benefits, travel, equipment)

F – Audit Requirements

Single audit threshold (\$750,000+), responsibilities, findings, follow-up.

ALLOWABLE COSTS

Subpart E: Cost Principles

What is an Allowable Cost?

An allowable cost is one that meets federal criteria outlined in 2 CFR § 200.403. To be allowable, a cost must:

- Be necessary and reasonable for the performance of the grant.
- Be allocable to the federal award.
- Be consistent with organizational policies and federal regulations.
- Be treated consistently as either direct or indirect.
- Be adequately documented.

Example:

Travel expenses to attend an IHS–approved SDPI training are typically allowable.

INTERNAL CONTROLS: WHAT 200.303 EXPECTS OF YOU

Subpart D

Regulation Reference: 2 CFR § 200.303

Required Internal Control Elements:

- Safeguard against fraud, waste, and abuse
- Ensure compliance with federal statutes and terms
- Promote operational effectiveness and reliable reporting
- Maintain documented policies and procedures
- Identify and address risk

Key Practices for SDPI Grantees:

- Segregation of duties
- Reconciliation of accounts
- Documented procurement protocols
- Conflict of interest disclosure process
- Training for staff on compliance

EXCERCISE 1:

**DIGITAL BROWSING
THROUGH “ 2 CFR 200”**



2 CFR 200

SUBPART B: GENERAL PROVISIONS

OVERVIEW OF 2 CFR 200 SUBPART B: GENERAL PROVISIONS

Subpart B

Subpart B outlines the core principles, legal authority, and scope of the Uniform Guidance (2 CFR Part 200). It defines how and to whom the rules apply and establishes expectations for agencies and grantees before, during, and after receiving federal awards.

Why It Matters for SDPI Grantees:

- Provides clarity on which regulations apply to tribes, tribal organizations, and urban Indian health programs
- Sets expectations for conflict of interest, disclosures, and ethical conduct
- Clarifies the relationship between 2 CFR Part 200 and other federal guidance

PURPOSE & APPLICABILITY OF 2 CFR 200

Subpart B: General Provisions

200.100

The purpose of this part is to establish a government-wide framework for managing federal awards. It ensures:

- Consistent requirements across all federal agencies
- Clear cost principles and administrative standards
- Efficient oversight of funds and performance
- Transparency and accountability for recipients

This framework helps IHS and grantees work from shared rules regarding budget use, performance monitoring, financial reporting, and audits.

APPLICABILITY OF 2 CFR 200

Subpart B: General Provisions

Who Does 2 CFR 200 Apply To?

- Tribal governments
- Nonprofit organizations
- Health programs receiving SDPI funding
- Any entity receiving federal grants.

Why It Matters:

- Ensures funding accountability.
- Protects against fraud, waste, and abuse.
- Required for continued funding eligibility.
- Direct Quote from 2 CFR 200.101:
- “These requirements are applicable to all costs related to Federal awards.”

WHEN AND HOW EXCEPTIONS APPLY

Subpart B

§ 200.102 Exceptions

- Exceptions to the Uniform Guidance are permitted only in limited cases:
- Class-wide exceptions must be approved by OMB
- Case-by-case exceptions for specific grantees can be authorized by IHS or the cognizant agency
- Statutory exceptions (for example, under the Indian Self-Determination and Education Assistance Act) override conflicting guidance

If you believe a specific Uniform Guidance rule conflicts with tribal law, federal statute, or local requirements, work with IHS and your Grants Management Specialist to document and resolve the issue.

ENGLISH LANGUAGE REQUIREMENT

Subpart B

English Language Requirement – § 200.111

- “All Federal financial assistance announcements and Federal award information must be in the English language.”
- Submissions must be in English and in U.S. dollars.
- Translations are permitted for internal use, but English governs if a conflict arises.

Inquiries – § 200.108

- “Inquiries should be directed to the Federal awarding agency or pass-through entity.”
- Contact IHS/DDTP, your ADC, or the Grants Management Officer for guidance.
- Grantees should maintain a log of compliance inquiries made to federal officials.
- Review Date – § 200.109
- OMB must review 2 CFR 200 every 5 years (last major review: 2020–2024 updates in effect).

AGENCY RESPONSIBILITIES UNDER UNIFORM GUIDANCE

Subpart B

Conflict of Interest (COI):

- “The non-Federal entity must disclose in writing any potential conflict of interest...” – § 200.112
- A COI exists if personal, financial, or professional interests could bias decisions.
- COIs must be disclosed to the federal awarding agency or pass-through entity.

Mandatory Disclosures:

- “...disclose, in a timely manner, in writing... all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.” – § 200.113
- Applies to both the prime recipient and subrecipients.
- Failure to disclose may result in remedies under § 200.339 (e.g., cost disallowance, suspension, termination).

EFFECT ON OTHER ISSUANCES

Subpart B: General Provisions

§ 200.105 Effect on Other Issuances

**All agency-specific rules or manuals must align with the
Uniform Guidance unless they are:**

- Required by statute, or
- Officially approved exceptions

For SDPI grantees: If you are using program guidance (e.g., the SDPI Best Practices guidance or IHS policy memos), make sure it does not conflict with 2 CFR Part 200. The Uniform Guidance controls unless otherwise authorized.

EFFECT ON OTHER ISSUANCES

Subpart B: General Provisions

§ 200.104 Supersession

The Uniform Guidance replaces earlier Office of

Management and Budget (OMB) circulars, including:

- OMB A-87 (State, Local, and Tribal Governments)
- OMB A-122 (Nonprofits)
- OMB A-133 (Audits)
- OMB A-21 (Colleges and Universities)

For SDPI grantees: You are no longer subject to the older circulars. Follow the rules in 2 CFR Part 200 for cost principles, administrative practices, and audit procedures.



2 CFR 200

SUBPART C: PRE- AWARD REQUIREMENTS

OVERVIEW OF 2 CFR 200 SUBPART C: THE FEDERAL AWARD LIFECYCLE

Subpart C

Subpart C outlines the processes, requirements, and standards that govern how federal grants are announced, reviewed, awarded, and documented. It applies to both the IHS as the awarding agency and to SDPI grantees during the pre-award phase and the issuance of the Notice of Award (NoA).

Why It Matters for SDPI Grantees:

- Explains the structure and content of Notices of Funding Opportunities (NOFOs)
- Details application evaluation criteria, including risk and merit review
- Defines key elements of your award document, including funding, reporting, and conditions
- Outlines rules for pre-award costs, certifications, and public transparency.

WHAT IS REQUIRED IN A FEDERAL AWARD: REQUIRED ELEMENTS

Subpart C

Key Provisions After Application Submission:

- § 200.207 Specific Conditions
- § 200.208 Certifications and Representations
- § 200.210 Pre-Award Costs
- § 200.211 Contents of a Federal Award (Notice of Award)
- § 200.212 Public Access to Award Info
- §§ 200.213–200.216 Risk and Restrictions

AGENCY RESPONSIBILITIES UNDER UNIFORM GUIDANCE

Subpart C

“Federal awarding agencies have several responsibilities before issuing a grant:

- Ensure funding programs are publicly listed (§ 200.203)
- Clearly outline eligibility and review procedures in the NOFO (§ 200.204)
- Use transparent, merit-based review processes (§ 200.205)
- Evaluate risk and apply special conditions when necessary (§ 200.206–208)
- Include all required information in the award notice: purpose, terms and conditions, performance metrics, and indirect cost info (§ 200.210–211)

NOTICES OF FUNDING OPPORTUNITIES (NOA)

Subpart C

Regulation Reference: 2 CFR § 200.210

Required Components of a Federal Award:

- Federal Award Identification Information (e.g., FAIN, CFDA number, award date)
- Terms and Conditions
- Performance Goals and Expected Outcomes
- Reporting Requirements
- Payment Provisions and Authorized Funding Levels

Why This Matters:

Understanding the components of your Notice of Award ensures full compliance with program and fiscal responsibilities. Review the Notice of Funding Opportunity (NOFO) closely. It will guide your selection of one Diabetes Best Practice, reporting responsibilities, and expectations for outcomes and training participation.

MERIT REVIEW OF PROPOSALS

Subpart C

Federal awarding agencies must evaluate applications through a merit review process to select recipients most likely to meet program goals. This includes:

- Assessing program design, outcomes, and alignment with federal and community priorities
- Reviewing staff qualifications and organizational capacity
- Evaluating cost-effectiveness and sustainability

HOW THE MERIT REVIEW PROCESS WORKS

Subpart C

“The Federal awarding agency must have a framework for evaluating risks posed by applicants...” (200.206)

What Agencies Assess:

- Financial stability of the applicant
- Quality of management systems
- History of performance on prior awards
- Audit results and unresolved findings
- Capacity to meet programmatic goals

If Risks Are Identified:

- Agency may add special conditions to your award (§ 200.208), such as additional reporting or oversight.

PRE-AWARD COSTS

Subpart C

Regulation Reference: 2 CFR § 200.458

Definition:

- Pre-award costs are expenses incurred before the official start date of the period of performance.

Key Requirements:

- Pre-award costs are allowable only with written approval from the federal awarding agency.
- They must be necessary for the project's performance and aligned with program objectives.

PRE-AWARD COST

Subpart C

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Examples of Potentially Allowable Pre-Award Costs:

- Staff recruitment or early planning
- Needs assessments
- Purchase of supplies directly tied to approved scope

Prohibited Without Prior Approval:

- Program activities outside of the approved scope
- Capital purchases or construction
- Consultant costs not tied to authorized planning

CERTIFICATIONS AND REPRESENTATIONS

Subpart C

“Agencies are authorized to require certifications and representations... at the time of application or award.” (200.209)

What You Must Certify:

- No conflicts of interest exist or will be reported.
- You comply with lobbying restrictions and drug-free workplace rules.
- You are not suspended or debarred from federal funding.
- You will comply with all terms and conditions outlined in the award.

Automated Systems:

- Certifications often happen automatically when you submit through:
- GrantSolutions
- Grants.gov
- PMS (Payment Management System)

PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE EQUIPMENT

Subpart C

Regulation Reference: 2 CFR § 200.216

Key Rule:

You may not use federal funds to purchase or contract with certain foreign-owned technology vendors.

Prohibited Vendors Include:

- Huawei Technologies
- ZTE Corporation
- Hytera Communications
- Hikvision
- Dahua Technology

Covered Equipment/Services:

- Telecommunications infrastructure
- Video surveillance systems
- Any system using critical or essential components from the prohibited list

Required Action:

Grantees must review vendors and avoid any ties to prohibited sources when procuring technology.

NEVER CONTRACT WITH THE ENEMY

Subpart C

Grantees are prohibited from using federal funds to contract with entities associated with enemies of the United States. This primarily applies to overseas conflict zones and is not typically relevant for domestic SDPI grantees.

Although not directly applicable, acknowledge this requirement as part of your overall federal award responsibilities.

DEBARTMENT AND SUSPENSION

Subpart C

Regulation Reference: 2 CFR §§ 180 and 200.214

What This Means:

- Entities suspended or debarred from receiving federal funds are prohibited from participating in grant programs.
- Federal agencies and grantees must check the System for Award Management (SAM.gov) before awarding or subawarding funds.

Grantee Responsibility:

- You must verify that all vendors, consultants, and subrecipients are not debarred or suspended.
- Maintain documentation of these checks as part of your procurement records.
- Risk of Noncompliance:
- Failing to check can result in cost disallowance or audit findings.

EXCERCISE 2:
SEARCH FOR
“EXCLUDED ENTITIES”



2 CFR 200

SUBPART F: AUDIT REQUIREMENTS

OVERVIEW OF 2 CFR 200 SUBPART F: AUDIT REQUIREMENTS

Subpart F

Subpart F establishes the audit standards and requirements for non-federal entities that receive federal awards. It ensures that programs like SDPI are operating with fiscal integrity and in compliance with applicable laws and terms.

Why It Matters for SDPI Grantees:

- Determines when a Single Audit or program-specific audit is required
- Outlines responsibilities for audit preparation, submission, and corrective actions
- Provides criteria for identifying high-risk programs or grantees
- Helps IHS and OMB ensure funds are used effectively and lawfully

OVERVIEW OF AUDIT REQUIREMENTS (200.500)

Subpart F: Audit Requirements

Regulation Reference: 2 CFR § 200.500

Purpose of Subpart F:

- Establishes standards for audits of non-Federal entities that expend Federal funds
- Promotes transparency, accountability, and detection of fraud, waste, or abuse
- Ensures that federal programs are managed properly and meet intended outcomes

Applicability:

- All non-Federal entities (including tribes, nonprofits, hospitals, educational institutions) that meet the expenditure threshold must comply.

WHO NEEDS A SINGLE AUDIT? (200.501)

Subpart F

Regulation Reference: 2 CFR § 200.501

Single Audit Requirement:

- Applies to non-Federal entities that expend \$750,000 or more in federal awards during the fiscal year.

If Below \$750,000:

- No Single Audit is required
- Must still maintain records and be ready for review or monitoring
- May be subject to program-specific audits

Special Note for SDPI Grantees:

- If SDPI is your only federal funding source and you expend less than \$750,000, you may be exempt. Still, you must maintain accurate records and internal controls.

KEY RESPONSIBILITIES OF THE AUDITEE

Subpart F

Regulation References: 2 CFR §§ 200.508–511

The Auditee Must:

- Prepare accurate financial statements and Schedule of Expenditures of Federal Awards (SEFA)
- Provide auditor access to records and personnel
- Take corrective actions on findings
- Submit reports timely via the Federal Audit Clearinghouse (FAC)
- Follow procurement, financial management, and internal control standards

Best Practice:

- Keep an audit readiness file with grant agreements, drawdown records, timekeeping data, procurement documentation, and financial reports.

AUDIT REPORT SUBMISSION & DEADLINES

Subpart F

Regulation Reference: 2 CFR § 200.512

Submission Timeline:

- Due no later than 30 calendar days after receipt of the auditor's report
- Or 9 months after the end of the auditee's fiscal year—whichever comes first

Where to Submit:

- Federal Audit Clearinghouse (FAC) at <https://www.fac.gov>

What Must Be Submitted:

- SEFA
- Financial statements
- Auditor's opinion
- Schedule of findings and questioned costs
- Corrective action plans

AUDIT FINDINGS & CORRECTIVE ACTIONS

Subpart F

Regulation References: 2 CFR §§ 200.516–200.511

Findings May Include:

- Internal control deficiencies
- Noncompliance with grant terms or federal statutes
- Material weaknesses or significant deficiencies

Auditee Must Respond With:

- A written Corrective Action Plan (CAP)
- Description of action taken or planned
- Expected completion date
- Name of responsible party
- Corrective actions must be submitted to the Federal Audit Clearinghouse and shared with the grantor (e.g., IHS) as part of the audit package.

CRITERIA FOR MAJOR PROGRAMS & LOW- RISK AUDITEES

Subpart F

Regulation References: 2 CFR 200.518–520

Major Program Determination:

- Based on size, risk, and federal oversight
- Programs with the largest expenditures and known risk are usually audited
- Low-Risk Auditee Criteria (§ 200.520):
- Single audits submitted timely for past 2 years
- Unmodified (clean) audit opinions
- No material weaknesses or significant deficiencies
- No audit findings that required repeat corrective actions

Why It Matters:

- Low-risk auditees may have fewer programs selected for audit, reducing administrative burden.

WHAT FEDERAL AGENCIES AND AUDITORS MUST DO

Subpart F

Regulation References: 2 CFR § 200.513–515

Federal Agency Responsibilities (§ 200.513):

- Review audit reports
- Follow up on audit findings
- Use audit results to assess risk

Auditor Responsibilities (§§ 200.514–515):

- Perform the audit under Generally Accepted Government Auditing Standards (GAGAS)
- Evaluate internal controls and compliance
- Identify questioned costs and report findings in detail

Key Outcome:

- Audit results influence future funding decisions, grant conditions, and monitoring.

MANAGEMENT DECISIONS: HOW FINAL RESOLUTIONS ARE MADE

Subpart F

Regulation Reference: 2 CFR § 200.521

Definition of a Management Decision:

- A written evaluation by the federal awarding agency or pass-through entity that determines:
- Whether the audit finding is sustained
- What corrective actions are necessary
- Timeline for resolution

Timing:

- Must be issued within 6 months of receiving the audit report
- The grantee must implement the corrective actions as outlined

Grantee Tip:

- Follow up with your Grants Management Specialist if you do not receive written resolution instructions within six months of submission.

ACTION PLANNING

**DEVELOP & SHARE 2-3 GOALS, YOU
BELIEVE YOUR ORGANIZATION
SHOULD SET IN THE NEXT 30 DAYS
TO ACHIEVE IMPROVED
COMPLIANCE OUTCOMES**

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POST TRAINING ASSESSMENT



**CERTIFICATES OF
TRAINING AWARDED**