Finding P1

Procurement Policy

In this finding, please find the following:

a. Resolution 09-18
b. HUD Notice 15-01SDN
c. Resolution 10-46
d. Resolution 09-41

The Procurement and Contracting Policy is referenced in DCHA Resolution 09-18 to Adopt Capital Fund Stimulus Grant Procurement Policy to amend the existing DCHA Procurement and Contracting Policy. In 2015 in response to HUD Notice 15-01SDN- Transition to 2 CFR Part 200, DCHA reviewed and updated the existing Procurement and Contracting Policy consistent with the updated procurement regulations and implemented the revised policy in 2017. In addition to OAS following this Procurement and Contracting Policy, OAS DCHA in accordance with Resolution 10-46 the DCHA Board of Commissioners has and does approve by Resolution all contract awards of $250K and above and approves Contract Modifications to contracts approved by DCHA Resolution that exceed the lesser of 10% of contract award amount or $100,000 as adopted by Resolution 09-41.
MEMORANDUM

TO: The Board of Commissioners
District of Columbia Housing Authority

FROM: Michael Kelly
Executive Director/Secretary

DATE: June 10, 2009

SUBJECT: Resolution to Adopt Capital Fund Stimulus Grant Procurement Policy

EXECUTIVE SUMMARY

The American Recovery and Reinvestment Act of 2009 ("ARRA") was signed into law by President Obama on February 17, 2009. ARRA includes $3 billion in formula capital funding for public housing authorities, of which $27 million has been allocated to the District of Columbia Housing Authority ("DCHA"). ARRA requires that housing authorities give priority for these funds to projects that can begin within 120 days and that (1) rehabilitate vacant units, or (2) are capital projects already underway and require additional funds or have previously been included in the housing authority’s annual MTW plan.

On March 18, 2009, the United States Department of Housing and Urban Development ("HUD") issued PIH Notice 2009-12 (the "PIH Notice") which set forth guidance and the requirements for obtaining the additional capital formula funds.

ARRA includes a number of unique provisions applicable to these funds, and HUD has incorporated those requirements into the ACC Amendment. Relevant new provisions include additional reporting requirements, a prohibition on the use of these capital funds for operations or rental assistance activities, and aggressive obligation and
expenditure deadlines. Specifically, 100% of these funds must be obligated within a year of the grant date, 60% must be spent within two years, and 100% must be spent within three years. Failure to meet any of these deadlines will result in recapture, and HUD has no flexibility to extend or alter these deadlines. DCHA anticipates contracting for the work to be performed through its existing contracts under DCHA’s job order contract systems (“JOC Contracts”). Such JOC Contracts have been previously approved by the DCHA Board of Commissioners and will allow DCHA to meet the strict obligation and expenditure deadlines set by HUD.

On April 8, 2009, the DCHA Board of Commissioners adopted Resolution 09-04 authorizing the Executive Director to execute the Amendment to the Annual Contributions Contract (“ACC”) with HUD for the additional capital formula funds under ARRA. In addition, the resolution authorized DCHA to submit to HUD the Capital Fund Annual Statement (Form 50075.1) which describes the specific activities DCHA will undertake with the formula capital funds.

The HUD PIH Notice provided that public housing authorities shall to the extent necessary amend their procurement policies and standards in order to expedite and facilitate the use of the capital funds. HUD has requested that DCHA adopt a specific Capital Fund Stimulus Grant Procurement policy related to Capital Fund stimulus Grants. The attached policy is comprised of DCHA’s existing procurement policy and also explicitly incorporates the specific provisions of the PIH Notice including the requirements of 24 CFR 85.36 and provisions regarding noncompetitive proposals and the Buy American requirements.

RECOMMENDATION

The attached resolution has been submitted for your review and consideration and I am requesting the Board of Commissioners’ formal approval of the resolution to adopt the attached Capital Fund Stimulus Grant Procurement Policy in accordance with PIH Notice 2009-0012.
RESOLUTION 09-18

TO ADOPT CAPITAL FUND STIMULUS GRANT PROCUREMENT POLICY

WHEREAS, on February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 ("ARRA") into law; and

WHEREAS, ARRA provides for $27,019,862 in additional formula capital funds from the United States Department of Housing and Urban Development ("HUD") to the District of Columbia Housing Authority ("DCHA"); and

WHEREAS, in order to obtain these funds, HUD required DCHA to 1) enter into an Annual Contributions Contract ("ACC") Amendment with requirements covering the use of these formula capital funds and 2) submit to HUD a Capital Fund Annual Statement which describes the specific activities DCHA will undertake with the capital grant funds; and

WHEREAS, on April 8, 2009, pursuant to Resolution 09-04, the DCHA Board of Commissioners, adopted a resolution authorizing the Executive Director to execute the ACC Amendment to obtain capital funds in the amount of $27,019,862 allocated to DCHA under the American Recovery and Reinvestment Act of 2009 and b) submit the Capital Fund Annual Statement (Form 50075.1) outlining the projects to be funded with such capital funds; and

WHEREAS, the PIH Notice 2009-012 issued on March 18, 2009 (the "PIH Notice") provides that public housing authorities shall adopt as necessary procurement policies to comply with the time frames for obligation and expenditures under ARRA; and

WHEREAS, HUD has requested that DCHA specifically adopt the procurement provisions set forth in the PIH Notice; and

NOW THEREFORE, BE IT RESOLVED, the DCHA Board of Commissioners does hereby adopt the attached Capital Fund Stimulus Grant Procurement Policy for procurements related to the Capital Fund Stimulus Grants.

ADOPTED, by the Board of Commissioners and signed in authentication of its passage the 10th day of June, 2009

ATTEST:

Michael Kelly
Executive Director/Secretary

APPROVAL:

William Slover
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Hans Froelicher
General Counsel
DISTRICT OF COLUMBIA HOUSING AUTHORITY
CAPITAL FUND STIMULUS GRANT PROCUREMENT POLICY

The Capital Fund Stimulus Grant Procurement Policy of the District of Columbia Housing Authority ("DCHA") is comprised of DCHA's existing procurement policy as modified by the following provisions as required in the HUD PIH Notice 2009-12 (the "PIH Notice") as set forth below. In implementing the capital funds under the American Reinvestment and Recovery Act (the "Recovery Act"), the following procurement requirements shall be followed:

1. **Priorities:** DCHA shall give priority to Capital Fund Stimulus Grant projects that can award contracts based on bids within 120 days from February 17, 2009.

2. **State and Local:** Any requirements relating to the procurement of goods and services arising under state and local laws and regulations shall not apply to Capital Fund Stimulus Grants. DCHA shall instead follow the Part 85 requirements.

3. **Part 85 Compliance:** DCHA shall comply with 24 CFR 85.36 in expediting and facilitating the use of the capital funds. This amended policy can be used only for procurements related to Capital Fund Stimulus Grants. Any procurement standards in DCHA's existing policy that are contrary to Part 85 or the Recovery Act are hereby superseded by the procurement requirements of the PIH Notice and this policy. DCHA shall continue to follow all Part 85 requirements regarding conflicts of interest, contract cost and price.

4. **HUD Handbook:** DCHA may use the Procurement Handbook for Public Housing Agencies (7460.8 rev-2) for guidance where appropriate.

5. **Noncompetitive Proposals:** According to 24 CFR 85.36(d) (4), if solicitation of a proposal is only from one source or if DCHA finds that after solicitation of a number of sources, that competition is inadequate, DCHA may award the contract noncompetitively where small purchase procedures, sealed bids or competitive proposals are infeasible and one of the circumstances in 85.36(d)(4)(i) applies. One such circumstance is public exigency that will not permit a delay resulting from competitive solicitation (85.36(d)(4)(i)(B)). If DCHA finds that other competitive methods of procurement are infeasible, HUD will support DCHA's use of the public exigency circumstance based on the purpose and requirements of the Recovery Act. Section 3 of the Recovery Act provides that these funds shall be managed and expended to achieve the purposes specified including commencing expenditures and activities as quickly as possible consistent with prudent management. Further, the Recovery Act has imposed expeditious obligation and expenditure requirements on the Capital Fund Stimulus Grants and directs HUD to assist public housing authorities as necessary to expedite and facilitate the use of these grants. DCHA may use the noncompetitive proposals method, but must do so on a contract by-contract basis and in
compliance with all Part 85 requirements including the requirement for a cost analysis and the conflict of interest requirement. DCHA shall ensure that the noncompetitive proposals process followed is clearly captured in this Capital Fund Stimulus Grant Procurement Policy. Further, DCHA shall maintain records sufficient to detail the significant history of each contract’s procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (85.36(b)(9)). No HUD pre-award review is required for noncompetitive proposals as stated in Section 8.4(C), Chapter 8 of HUD Handbook No. 7460.8 Rev 2. DCHA shall make available upon HUD’s request the PHA Capital Fund Stimulus Grant Procurement Policy and any documents requested related to procurement activity as stated in 24 CFR 85.36(g).

6. **Force Account:** To the extent feasible, DCHA should consider employing existing or additional force account laborers on either a permanent or a temporary basis to perform Capital Fund stimulus grant work. See 24 CFR 968.105 and 968.120. No prior HUD approval is required specifically for force account labor, but such work must be incorporated into the Capital Fund planning, budgeting and reporting documents.

7. **Buy American:** DCHA shall follow Buy American requirements of section 1605 of the Recovery Act and use only iron, steel and manufactured goods produced in the United States in their projects.

   To the extent there is a conflict between DCHA’s existing procurement policy and the provisions required by the PIH Notice as set forth above, the procurement provisions required by the PIH Notice set forth above shall control.
RESOLUTION 09-18
SPECIAL ATTENTION OF: NOTICE: SD-2015-01
Issued: FEB 26 2015

HUD Regional Directors
HUD Field Office Directors
HUD Offices of Community Planning and Development (CPD),
   Fair Housing and Equal Opportunity (FHEO),
   Housing,
   Native American Programs (ONAP),
   Lead Hazard Control and Healthy Homes (OLHCHH),
   Public and Indian Housing (PIH),
   Policy Development and Research (PD&R)
HUD Grant Administrators, Grant Officers, Government Technical Monitors (GTM),s, and
Government Technical Representatives (GTRs) and Recipients of HUD Federal Financial
Assistance

This notice remains effective until amended,
superseded or rescinded

SUBJECT: Transition to 2 CFR Part 200, Uniform Administrative Requirements, Cost
Principles, and Audit Requirements for Federal Awards, Final Guidance

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1. **BACKGROUND**


The purpose of 2 CFR part 200 is to streamline the Federal government’s guidance on administrative requirements, cost principles, and audit requirements to more effectively focus Federal resources on improving performance and outcomes, while ensuring the financial integrity of taxpayer dollars in partnership with non-Federal stakeholders. The uniform guidance supersedes, consolidates, and streamlines requirements from eight OMB Circulars:

- A-21, *Cost Principles for Educational Institutions*,
- A-87, *Cost Principles for State, Local and Indian Tribal Governments*,
- A-89, *Catalog of Federal Domestic Assistance*,
- A-102, *Grants and Cooperative Agreements With State and Local Governments*,
- A-110, *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*,
- A-122, *Cost Principles for Non-Profit Organizations*,
- A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and

HUD adopted this guidance at a new part, 2 CFR part 2400. The uniform guidance also removed: 2 CFR parts 215, 220, 225, and 230. HUD amended 24 CFR parts 84 and 85, which had codified OMB Circulars superseded by 2 CFR part 200, by removing all substantive provisions and including a saving provision that provides that Federal awards made prior to December 26, 2014, will continue to be governed by parts 84 or 85 as codified in the 2013 edition of the Code of Federal Regulations (CFR) or as provided under the terms of the Federal award.
Major Reforms and Policy Changes

The policy reforms brought about by OMB’s consideration of public comments and efforts to streamline federal grant-making processes are identified as the following:

- Eliminate duplicative/conflicting guidance;
- Focus on performance over compliance for accountability;
- Encourage efficient use of information technology (IT)/shared services;
- Provide for consistent treatment of costs;
- Limit allowable costs for the best use of Federal resources;
- Incorporate standard business processes using data definitions;
- Strengthen oversight; and
- Target audit requirements on risk of waste, fraud, and abuse.

In addition to the consolidation of the OMB Circulars, major audit changes include the following:

- The Single Audit threshold is raised from $500,000 to $750,000, which eliminates the need for more than 5,000 audits, with a cost savings estimated at $250 million;
- The questioned cost limit in Single Audits is raised from $10,000 to $25,000;
- Assessment of government-wide audit quality is to be conducted every six years (beginning in 2018).

The uniform guidance, which provides a government-wide framework for grants management, is designed to reduce administrative burden for non-Federal entities receiving Federal awards.

2. EFFECTIVE DATE AND APPLICABILITY TO HUD

The uniform guidance was applicable for Federal agencies, including HUD, effective December 26, 2013. Federal agencies, including HUD, adopted 2 CFR part 200 as requirements for Federal financial assistance programs by the interim final rule published December 19, 2014. It was made applicable to non-Federal entities (recipients of Federal financial assistance) effective December 26, 2014, with one exception: §200.110(a) was revised to give a one-year grace period for implementation of the procurement standards. As will be detailed in the 2015 OMB Compliance Supplement, non-Federal entities choosing to delay implementation for the procurement standards will need to specify in their documented policies and procedures that they continue to comply with OMB Circulars A-87 or A–110 for one additional fiscal year which begins after December 26, 2014. For example, the first full fiscal year for a non-Federal entity with a June 30th year would be the year ending June 30, 2016. See also the General Transition Rules section of this Notice.
3. PURPOSE

The purpose of this Notice is to identify and explain significant changes made in 2 CFR part 200, and provide transition guidance and links to additional resource materials for HUD and its grant program stakeholders and other recipients of Federal financial assistance from HUD. This Notice is broken out by the six subparts in 2 CFR part 200:

- Subpart A – Acronyms and Definitions;
- Subpart B – General Provisions;
- Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards;
- Subpart D – Post-Federal Award Requirements;
- Subpart E – Cost Principles; and
- Subpart F – Audit Requirements.

Appendix A of this Notice provides the table of contents for 2 CFR part 200. HUD highly recommends that recipients familiarize themselves with 2 CFR part 200 in its entirety. This Notice is intended to highlight major changes and topical areas that may apply across all HUD programs or be of general interest.

4. SUBPART A – ACRONYMS AND DEFINITIONS: HIGHLIGHTS

Subpart A of 2 CFR part 200 lists definitions and acronyms for key terms found throughout the uniform guidance. Each definition is in its own section so that the reader can look at the table of contents to see defined terms. Since the uniform guidance originated in eight different Circulars, there are numerous conforming changes made to provide consistency for the terms used. In particular, part 200 uses “non-Federal entity” and “pass-through entity.” “Non-Federal entity” means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient. “Pass-through entity” means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Policy decisions are reflected in some definitions, including: §200.18, Cognizant agency for audit, §200.23, Contractor, §200.33, Equipment, §200.73, Oversight agency for audit, and §200.94, Supplies. Section 13.b of this Notice provides a link to a crosswalk developed by OMB from the existing OMB Circulars to the final uniform guidance in 2 CFR part 200.

Definition of Indian Tribe: The definition of Indian tribe in §200.54 differs from the definition in the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4013, et seq.). The definition of Indian tribe in §200.54 has no effect on programs with statutory definitions of “Indian tribe.”

5. SUBPART B – GENERAL PROVISIONS: HIGHLIGHTS

Subpart B covers general provisions, including the basic purpose of 2 CFR part 200 and its applicability to different types of Federal awards to non-Federal entities, and states that
Federal agencies, including HUD, may apply subparts A-E to for-profit entities. Exceptions to the applicability of the rule are listed in 2 CFR 200.101(d) and (e) and 2 CFR 200.102. This subpart makes clear that part 200 does not supersede any existing or future authority under law or by executive order or the Federal Acquisition Regulation (FAR). As an example, for public housing, the disposition statute at Section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p) supersedes the disposition instructions in §200.311(c). Subpart B also covers Authorities, Effect on other issuances, Agency implementation, OMB responsibilities, Inquiries, Effective date, English language, Conflict of interest, and Mandatory disclosures. Highlights are discussed below.

**Applicability:** Section 200.101 includes a table that summarizes how the guidance applies to types of Federal awards. This table must be read along with the other provisions of section 200.101:
<table>
<thead>
<tr>
<th>The following portions of Part 200:</th>
<th>Are applicable to the following types of Federal Awards (except as noted in paragraphs (d) and (e) of section 200.101):</th>
<th>Are NOT applicable to the following types of Federal Awards:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subpart A—Acronyms and Definitions.</td>
<td>—All.</td>
<td>—Agreements for: loans, loan guarantees, interest subsidies, and insurance.</td>
</tr>
<tr>
<td>Subpart B—General Provisions, except for §§200.111 English Language, 200.112 Conflict of Interest, 200.113 Mandatory disclosures</td>
<td>—All.</td>
<td>—Cost-reimbursement contracts awarded under the Federal Acquisition Regulation and cost-reimbursement subcontracts under these contracts.</td>
</tr>
<tr>
<td>§§ 200.111 English Language, 200.112 Conflict of Interest, and 200.113 Mandatory Disclosures</td>
<td>—Grant agreements and cooperative agreements.</td>
<td>—Fixed-price contracts and subcontracts awarded under the Federal Acquisition Regulation whenever cost analysis is performed or the contract requires the determination or negotiation of costs.</td>
</tr>
<tr>
<td>Subparts C–D, except for Subrecipient Monitoring and Management.</td>
<td>—Grant agreements and cooperative agreements</td>
<td>—Agreements for: loans, loan guarantees, interest subsidies, and insurance.</td>
</tr>
<tr>
<td>Subpart D—Post Federal Award Requirements, Subrecipient Monitoring and Management.</td>
<td>—All.</td>
<td>—Cost-reimbursement contracts awarded under the Federal Acquisition Regulation and cost-reimbursement subcontracts under these contracts.</td>
</tr>
<tr>
<td>Subpart E—Cost Principles.</td>
<td>—Grant agreements and cooperative agreements, except those providing food commodities. —Cost-reimbursement contracts awarded under the Federal Acquisition Regulation and cost-reimbursement subcontracts under these contracts in accordance with the FAR. —Fixed price contracts and subcontracts awarded under the Federal Acquisition Regulation whenever cost analysis is performed or the contract requires the determination or negotiation of costs.</td>
<td>—Grant agreements and cooperative agreements providing food commodities. —Fixed amount awards. —Agreements for: loans, loan guarantees, interest subsidies, insurance. —Federal awards to hospitals (see Appendix IX to Part 200—Hospital Cost Principles).</td>
</tr>
<tr>
<td>Subpart F—Audit Requirements.</td>
<td>—All.</td>
<td></td>
</tr>
</tbody>
</table>
Exceptions:

- Section 200.102(a) allows OMB to make exceptions to 2 CFR part 200 for certain classes of Federal awards or for certain non-Federal entities, but only in unusual circumstances and if such exceptions are not prohibited by law. Where the provisions of Federal statutes or regulations differ from the provisions of part 200, the provisions of the Federal statutes or regulations take precedence.
- Section 200.102(b) allows HUD to make certain exceptions on a case-by-case basis except where otherwise required by law or where OMB or other approval is expressly required by 2 CFR part 200. Under §200.102(c), HUD may apply more restrictive requirements to a class of Federal awards or non-Federal entities when approved by OMB or required by Federal statutes or regulations. HUD may also apply less restrictive requirements when making fixed amount awards as defined in Subpart A, §200.45.
- Exemptions from Subpart F, Audit Requirements, are not permitted under any circumstances.

English Language: Section 200.111 makes clear that all HUD financial assistance announcements, HUD award information (e.g., Notices of Funding Availability), and applications must be in the English language. Non-Federal entities may translate the Federal award and other documents into another language, however, in the event of any inconsistency, the English language meaning would control. Where a significant portion of the non-Federal entity’s employees working on the award are not fluent in English, the non-Federal entity must provide the HUD award in English and the language(s) with which the employees are more familiar.

Conflict of Interest: Section 200.112 requires HUD to establish conflict of interest policies for Federal awards and requires non-Federal entities to disclose in writing any potential conflict of interest to HUD or the pass-through entity in accordance with HUD’s policy. The general procurement standards in §200.318 require non-Federal entities to maintain written standards of conduct covering conflicts of interest, including organizational conflicts of interest. “Organizational conflicts of interest” means that, because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

6. SUBPART C – PRE-FEDERAL AWARD REQUIREMENTS AND CONTENTS OF FEDERAL AWARDS: HIGHLIGHTS

Subpart C prescribes the instructions and other pre-award information to be used in the funding announcement and application process.

Selecting the Instrument for Award: Section 200.201 requires the Federal awarding agency or pass-through entity to decide on the appropriate instrument for the Federal award (i.e., grant agreement, cooperative agreement, or Federal contract under the Federal Acquisition Regulation) in accordance with the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6301-08). The program statute or pass-through entity may have another name for
the document (e.g., annual contributions contract), but the choice is limited to these three instruments, in accordance with the Federal Grant and Cooperative Agreement Act.

**Fixed Amount Awards:** Section 200.201(b) allows for “fixed amount” awards under which the amount is negotiated using the cost principles (or other pricing information) as a guide. Fixed amount awards generally may be used if the project scope is specific and if adequate cost, historical, or unit pricing data are available to establish a fixed amount award based on a reasonable estimate of actual cost. Accountability is based on performance. There is no governmental review of the actual costs incurred by the non-Federal entity in performance of the award. Payments may be based on milestones, on a unit price basis, or in a single payment upon completion of the Federal award. The non-Federal entity is required to provide a certification regarding completion. Periodic reports may be required.

**Funding Announcements and Award Agreements:** Sections 200.202, 200.203, 200.210, and Appendix I require funding opportunities to be available for at least 60 days and impose standard requirements on HUD’s notices of funding opportunities, on application requirements, and Federal award requirements. HUD will include with each Federal award any program-specific or other terms and conditions, and will share both the general and the program-specific or other requirements on a public website and in Notices of Funding Availability (NOFAs).

**Risk-Based Awards:** Sections 200.204 and 200.205 require Federal agencies to design and execute a merit review process for competitive applications using a risk-based approach that relies, in part, on HUD review of OMB-designated repositories of government-wide eligibility qualification or financial integrity information (such as the Federal Awardee Performance and Integrity Information System (FAPIIS), “Do Not Pay” lists, etc.)\(^1\). This assessment can include, for example:

- financial stability,
- the quality of management systems and ability to meet the management standards in 2 CFR part 200,
- history of performance,
- reports and findings from audits, and
- the applicant’s ability to effectively implement statutory, regulatory, or other requirements, and debarment and suspension guidelines.

HUD must also comply with the debarment and suspension guidelines in 2 CFR part 180.

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\(^1\) FAPIIS is a database that has been established to track contractor misconduct and performance. The database contains Federal contractor criminal, civil, and administrative proceedings in connection with federal awards; suspensions and debarments; administrative agreements issued in lieu of suspension or debarment; non-responsibility determinations; contracts terminated for fault; defective pricing determinations; and past performance evaluations (see: [https://www.fapiis.gov/fapiis/index.jsp](https://www.fapiis.gov/fapiis/index.jsp)). The “Do Not Pay” Business Center was developed for programs administered and/or funded by the Federal government to help prevent, reduce and stop improper payments while protecting citizens’ privacy, and partner with agencies to identify potential fraud, waste, and abuse while protecting citizens’ privacy (see: [http://donotpay.treas.gov/index.htm](http://donotpay.treas.gov/index.htm)).
Section 200.207 authorizes Federal agencies and pass-through entities to impose additional specific award conditions on applicants or recipients who have a history of failure to comply with terms and conditions, or failure to meet performance goals, or are not otherwise responsible. The conditions include requiring reimbursements rather than advance payments, requiring additional, more detailed reports, additional monitoring, etc. If such additional requirements are imposed, HUD or the pass-through entity must notify the applicant or non-Federal entity as to the nature of, and reasons for, the requirements, actions needed, and timeframe, if applicable. Special conditions must be promptly removed once the causal conditions have been corrected.

7. **SUBPART D – POST-FEDERAL AWARD REQUIREMENTS: HIGHLIGHTS**

Subpart D describes the requirements standards for managing and administering HUD awards. It includes standards for financial and program management, property and procurement standards, performance and financial monitoring and reporting, subrecipient monitoring and management, record retention and access, remedies for noncompliance, the provisions of the Federal Funding and Accountability Transparency Act (FFATA)\(^2\) and closeout. NOTE: There will be exceptions to the items listed below and they will be published by regulation. See also Section 5 of this Notice.

**Performance Measurement:** Section 200.301 requires, as appropriate and in accordance with OMB information collection requirements, recipients to relate financial data to performance accomplishments of the Federal award and provide cost information to demonstrate cost effective practices (e.g., through unit cost data). This is in line with the shift in 2 CFR part 200 from compliance to performance. It also requires Federal agencies to use only OMB-approved forms for performance reports. Non-Federal entities must comply with FFATA. A recipient’s performance should be measured in a way that will help HUD and other non-Federal entities improve program outcomes, share lessons learned, and spread the adoption of promising practices.

**Internal Controls and Protected Personally Identifiable Information:** Section 200.303 sets forth requirements for internal controls. This section reflects requirements that were previously in the A-133 audit requirements. It also addresses the non-Federal entity’s responsibilities to take reasonable measures to safeguard protected personally identifiable information and other information designated as sensitive by the Federal awarding agency or the pass-through entity, consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

**Payment:** Section 200.305 describes cash management requirements applicable to states and other non-Federal entities to minimize the time elapsed between agencies’ advance

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\(^2\) FFATA, signed September 26, 2006, requires information on Federal awards (Federal financial assistance and expenditures) to be made available to the public via a single, searchable website, which is [www.USASpending.gov](http://www.USASpending.gov). The intent is to empower every American with the ability to hold the government accountable for each spending decision. The end result is to reduce wasteful spending in the government. Amendments to FFATA have expanded its scope. See also [https://www.fsrs.gov/](https://www.fsrs.gov/).
payments of funds to the non-Federal entity and the entity’s disbursement of funds for direct program or project costs.

**Interest Earned on Federal Advances:** Section 200.305(b)(8) requires non-Federal entities to maintain advance Federal payments in interest-bearing accounts (with some exceptions). Interest amounts up to $500 per year may be retained by the non-Federal entity for administrative expenses. Under §200.303(b)(9), interest earned in excess of $500 must be remitted annually to the Department of Health and Human Services’ Payment Management System (either electronically through the system, or by check to the Department of Health and Human Services to the Treasury-approved lockbox: HHS Program Support Center, P.O. Box 530231, Atlanta, GA 30353-0231).

**Program Income:** Section 200.307 generally encourages recipients to earn income to offset program costs. This section has several provisions that include, but are not limited to, the following:

- Proceeds from the sale of property or equipment are not program income; such proceeds will be handled in accordance with the requirements of §200.311, Real property, and §200.313, Equipment, or as specifically identified in Federal statutes, regulations, or the terms and conditions of the Federal award.
- If the Federal awarding agency does not specify in its regulations or the terms and conditions of its award, or give prior approval for how program income is to be used, then, ordinarily, program income must be deducted from total allowable costs to determine the net costs. Program income must be used for current costs unless HUD authorizes otherwise. Program income that the recipient did not anticipate at time of the Federal award must be used to reduce the award rather than to increase the funds committed to the project.

**Revision of Budget and Program Plans:** Section 200.308 requires, among other things, recipients to obtain Federal agency approvals for budget and program or project scope revisions.

**Property Standards:** Sections 200.310-200.316 set forth standards for real property, equipment, supplies, and intangible property. The regulations cover title, insurance, property trust relationships, and disposition. When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from HUD that provides for: 1) retention of title after compensation to HUD, 2) sale of the property and compensation to HUD, or 3) transfer of title to HUD or a third party approved or designated by HUD.

**Procurement:** §§200.317- 200.326 cover procurement standards. The standards are generally consistent with the requirements in 24 CFR part 85 for all non-Federal entities. For governmental recipients, the regulations have not substantially changed.

- The regulations require non-Federal entities to maintain written standards of conduct covering conflicts of interest, including organizational conflicts of interest, and governing the performance of their employees engaged in the selection, award and administration of contracts. “Organizational conflicts of interest” means that,
because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization (§200.318(c)(2)).

- The non-Federal entity’s procurement procedures must be designed to avoid acquisition of unnecessary or duplicative items and the non-Federal entity is encouraged to enter into intergovernmental or inter-entity agreements to procure or use common goods and services (§200.318(d) and (e)).

- Non-Federal entities, in conducting procurements, must conduct them in a manner providing full and open competition and are prohibited from using state or local geographical preferences in evaluating bids or proposals (except where applicable Federal statutes expressly mandate or encourage geographical preferences, such as HUD’s Section 3 requirements in 24 CFR part 135) (§200.319).

- Methods of procurement now include a micro-purchase option, which is the acquisition of supplies or services that do not exceed $3,000 (or $2,000 for acquisitions for construction subject to the Davis-Bacon Act) (§200.320(a)).

- “Supplies” includes computing devices if the acquisition cost was less than the lesser of the capitalization level established by a non-Federal entity for financial statement purposes or $5,000, regardless of the length of their useful life (§200.94).

- The Simplified Acquisition Threshold for small purchase procedures, which are those relatively simple and informal procurement methods for securing services, supplies or other property, is now $150,000. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. The Simplified Acquisition Threshold is set by the Federal Acquisition Regulation (FAR) at 48 CFR Subpart 2.1 and will be periodically adjusted for inflation (§200.88 and §200.320(b)).

- The non-Federal entity’s contracts must contain certain provisions which are included in Appendix II of 2 CFR part 200 (§200.326).


**Bonding Requirements:** Section 200.325 permits the Federal agency to accept the recipient’s bonding policy and requirements if the Federal agency has determined that the Federal interest is adequately protected, and if not, the minimum requirements (abbreviated) are as follows:

- A bid guarantee equal to five percent of the bid price.
- A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.
- A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment.
as required by law of all persons supplying labor and materials in the execution of the work provided for in the contract.

Performance and Financial Monitoring and Reporting: Sections 200.327-328 address the frequency, standards, and OMB approval requirements for agency collection of recipient performance and financial data and monitoring of recipient performance.

Real Property Reporting: Section 200.329 requires annual reporting on real property for which there is a Federal interest, but permits an option for various and less stringent multi-year reporting periods where the Federal interest extends beyond 15 years.

Subrecipient or Contractor: Section 200.330 provides guidance for determining whether an entity is a subrecipient or contractor, in order to apply the appropriate oversight of the Federal funds.

Requirements for Pass-Through Entities: Section 200.331 requires pass-through entities to comply with certain requirements in order to meet their own responsibility to the Federal awarding agency. Many of these requirements were in OMB Circular A-133. Pass-through entities are required to identify certain, clearly identified subaward information. This includes an indirect cost rate if the subrecipient has indirect costs. Pass-through entities must consider risks associated with subawards. The evaluation of a subrecipient’s risk of noncompliance with Federal statutes and regulations is used to determine the appropriate level of subrecipient monitoring. Specific subrecipient monitoring tools are outlined, giving pass-through entities flexibility to adjust their oversight framework based on that consideration of risk.

Record Retention: Section 200.333 continues the existing record retention period of generally three years, with some exceptions and caveats. Federal agencies and non-Federal entities should, whenever practicable, collect, transmit and store Federal award-related information in machine-readable formats instead of closed formats or on paper.

Remedies for Noncompliance: Sections 200.338-200.342 cover remedies for noncompliance, including termination and notices of termination. Section 200.338 permits conditions to be imposed on the award if the non-Federal entity fails to comply with the requirements of the award. Previously, only pre-award conditions were authorized.

Closeout: Section 200.343 describes specific closeout actions that are required for all Federal awards at the end of the period of performance and should be completed no later than one year after receipt and acceptance of all required final reports. The non-Federal entity must submit all required final reports within 90 days after the end of the period of performance. The period of performance, defined at §200.77, means from the start to the end dates in the Federal award.

Post-closeout Adjustments and Continuing Responsibilities: Section 200.344 limits the period during which any post-closeout adjustments can be made. The Federal awarding agency or pass-through entity must make any cost disallowance determination and notify
the non-Federal entity within the record retention period. However, amounts due can be collected after this period.

8. **SUBPART E – COST PRINCIPLES: HIGHLIGHTS**

Subpart E covers the principles that must be used in determining the allowable costs of work performed by a non-Federal entity under a Federal award and in the pricing of fixed-price contracts and subcontracts where costs are used in determining the appropriate prices. It covers exemptions (§200.401(c)) and basic considerations (§§200.402-200.411). The application of the cost principles should require no significant changes in the internal accounting policies and practices of non-Federal entities. The Basic Considerations for costs are largely unchanged. Changes have been made to some select items of cost.

**Profit:** Section 200.400(g) states that non-Federal entities may not earn or keep any profit resulting from the Federal financial assistance (unless explicitly authorized by the terms and conditions of the Federal award). This is not new.

**Prior Approval:** In recognition of the difficulty in determining the reasonableness and allocability of certain items of cost, non-Federal entities may seek the prior written approval of the cognizant agency for indirect costs or the Federal awarding agency in advance of incurring unusual or special costs. Prior approval is specifically required for allowability under certain circumstances as described in §200.407.

**Direct Costs:** Direct costs are covered in §200.413. This section is largely unchanged from previous OMB cost principles.
   - Direct costs are identified specifically with the Federal award or can be easily and accurately assigned to activities of the award. Typical direct costs include employee compensation, fringe benefits, materials and other items attributable to the award.
   - If directly related to a specific award, certain costs that would otherwise be included with an indirect cost rate can be direct charged, such as extraordinary utility consumption, cost of materials supplied from stock or services from specialized facilities or other institutional service operations.

**Indirect Costs:** Indirect costs are addressed in §200.414. This section is largely unchanged from previous OMB cost principles.
   - Negotiated indirect cost rates must be accepted by all Federal awarding agencies unless certain conditions are met. A Federal awarding agency must implement and make publicly available (e.g., via the Federal Register) the policies, procedures, and general decision-making criteria the programs would follow in seeking and justifying deviations from negotiated rates.
   - Pass-through entities must accept a federally recognized indirect cost rate between a subrecipient and the Federal government or, if no such rate exists, either negotiate a rate between the entity and the subrecipient or establish a de minimis indirect cost rate (see also §200.331(a)(4)).
If a non-Federal entity has never received a negotiated indirect cost rate, it may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) as defined in §200.68, which may be used indefinitely (§200.414(f)). (Exceptions for some non-Federal entities are listed in Appendix VII, paragraph (d)(1)(B).)

Non-Federal entities that are able to allocate and charge 100% of their costs directly may continue to do so. Charging the Federal award for indirect costs is never mandatory; a non-Federal entity may conclude that the amount it would recover thereby would be immaterial and not worth the effort needed to obtain it.

Non-Federal entities that have a federally negotiated indirect cost rate may apply for a one-time extension of the current rate for a period up to four years, subject to the review and approval of the cognizant agency for indirect costs. At the end of the four-year extension period, the non-Federal entity must negotiate a rate. This rate may be extended.

Certifications: Section 200.415 addresses certifications, which are required to be submitted with annual and final fiscal reports, vouchers for payment, and proposals to establish a cost allocation plan or indirect cost rate. Specific language is included acknowledging the statutory consequences of false certifications.

Special Considerations: Special considerations for states, local governments, and Indian tribes for identification and assignment of central service costs are included in §§200.416 and 200.417. Special considerations for institutions of higher education are covered in §§200.418 and 200.419.

General Provisions for Selected Items of Cost: General provisions for 56 selected items of cost are covered in §§200.420-200.475; this section uses language from three Circulars, A-21 (2 CFR part 220), A-87 (2 CFR part 225), and A-122 (2 CFR part 230). These principles apply whether a particular item is properly treated as either a direct or indirect cost. These selected items include two additions (§200.428, Collections of Improper Payments, and §200.440, Exchange Rates), some changed provisions (including the deletion of Communications, which OMB thought could be addressed through “Basic Considerations,” §§200.402 – 200.411), and some clarifications.

- **Audit Services:** Any costs when audits required by the Single Audit Act have not been conducted or costs of auditing grantees or recipients that are not required to have a single audit are not allowable (§200.425). This provision was in OMB Circular A-133.
- **Collections of Improper Payments:** Costs of recipients to recover improper payments may be charged as direct or indirect, and may be used in accordance with cash management standards described in §200.305 (§200.428).
- **Compensation – Personal Services:** §200.430 requires non-Federal entities to maintain a strong system of internal controls over their records to justify costs of salaries and wages and provides additional flexibility in the processes they use to meet these standards.
- **Conferences:** Allowable conference costs paid by non-Federal entities must be necessary and reasonable for successful performance under the award and may include facilities rentals, speakers’ fees, costs of meals and refreshments, local
transportation, and other incidental items, unless further restricted by the terms and conditions of the Federal award (§200.432).

- **Contingency Provisions:** Contingency definitions, allowances, and disallowances are set forth in §200.433.

- **Fines, Penalties, Damages, and Other Settlements:** Costs resulting from a recipient’s violations of, alleged violations of, or failure to follow Federal, State, local, tribal, or foreign laws or regulations are unallowable (§200.441).

- **Lobbying:** The cost to influence activities associated with obtaining grants, contracts, cooperative agreements or loans is unallowable (§200.450).

- **Organization Costs:** Costs for items such as incorporation fees, attorneys, or accountants in connection with establishment or reorganization of an entity are unallowable except with prior approval of the Federal awarding agency (§200.455).

- **Pre-award Costs:** Are only allowable to the extent that they would have been approved if incurred after the date of the Federal award and only with prior approval of the Federal awarding agency (§200.458).

**9. SUBPART F – AUDIT REQUIREMENTS: HIGHLIGHTS**

Subpart F sets forth the standards for audits of non-Federal entities expending Federal awards.

**Increased Audit Threshold:** One of the significant changes is the raised threshold which requires a non-Federal entity to have a single or program-specific audit conducted for any year in which the non-Federal entity expends $750,000 or more (up from $500,000) (§200.501(a)).

**Making Audits Publicly Available:** Auditees must make copies of their audit available for public inspection, ensuring that protected personally identifiable information is not included. Audit reports must be submitted to the Federal Audit Clearinghouse (FAC) and all Federal agencies, pass-through entities, and others interested in an audit report must obtain it from the FAC.Indian tribes may opt out of authorizing the FAC to publish the reporting package on the Web, but are then responsible for providing the reporting package directly to any affected pass-through entities and also making it available for public inspection (§200.512(b)(2)).

**Federal Agency Responsibilities:** §200.513 requires Federal agencies, including HUD, to:

- Appoint a Single Audit Accountable Official (SAAO) and a Single Audit Liaison;
- Participate in a government-wide project to determine the quality of single audits;
- Use cooperative audit resolution mechanisms to improve Federal program outcomes through better audit resolution follow-up and corrective action; and
- Develop a baseline, metrics, and targets to track, over time, the effectiveness of the Federal agency’s process to follow up on audit findings and the effectiveness of Single Audits in improving non-Federal agency accountability and their use in making award decisions.
Audits and GAGAS: Audits must be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) (§200.514(a)).

Higher Threshold for Known Questioned Costs: The threshold for known questioned costs has been increased to $25,000 from $10,000. As before, in evaluating the effect of questioned costs on its opinion on compliance, the auditor must consider the best estimate of total costs questioned (likely questioned costs), not just the questioned costs specifically identified (known questioned costs). The higher threshold amount is also used in several related aspects of auditing (§200.516(a)).

Major Program Determinations and Low-Risk Auditees: Changes have been made to the auditor’s risk-based approach for determining which Federal programs are major programs (§200.518). Auditees that meet the criteria for a low-risk auditee are eligible for reduced audit coverage (§200.520).

Transition Guidance: To ensure the uniform application of the requirements of Subpart F for all Federal programs, the requirements will be effective for audits of fiscal years starting December 26, 2014, or later. These revised audit requirements are not applicable to fiscal years beginning before that date.

10. 2 CFR PART 200 APPENDICES: A BRIEF DESCRIPTION

2 CFR part 200 contains 11 Appendices, briefly described here:

- Appendix I: This Appendix provides the full text of the notice of funding opportunities as required by §200.203, along with application and submission information, application review information, Federal award administration information, and Federal awarding agency contact(s) requirements.

- Appendix II: This Appendix contains required contract provisions for all contracts made by a non-Federal entity under a Federal award. The description of each provision should be sufficient for a non-Federal entity to determine if the provision needs to be included in a specific contract.

- Appendix III: This Appendix provides criteria for identifying and computing indirect cost rates at institutions of higher education (IHEs).

- Appendix IV: This Appendix provides guidance for identifying and assigning indirect costs and making rate determinations for nonprofit organizations.

- Appendix V: This Appendix provides guidance on a process for state and local governments to identify and assign central service costs to benefitted activities on a reasonable and consistent basis.

- Appendix VI: This Appendix extends requirements by the Department of Health and Human Services (HHS) on developing, documenting, submitting, negotiating, and approving public assistance cost allocation plans to all Federal agencies whose...
programs are administered by a state public assistance agency. (Most such programs are funded by HHS; few, if any, are funded by HUD.)

- Appendix VII: This Appendix provides guidance to state and local governments and Indian tribes on developing, submitting and documenting indirect cost rate proposals.

- Appendix VIII: This Appendix lists those nonprofit organizations that are exempted from the requirements of Subpart E, Cost Principles.

- Appendix IX: This Appendix makes clear that existing principles at 45 CFR Part 74 Appendix E, Principles for Determining Cost Applicable to Research and Development under Grants and Contracts with Hospitals, remains in effect until OMB implements revised guidance for hospitals.

- Appendix X: This Appendix states that the Data Collection Form SF-SAC for Single Audits is available on the Federal Audit Clearinghouse (FAC) website. The FAC website address http://harvester.census.gov/sac/, given in §200.36, Federal Audit Clearinghouse (FAC), for accessing the FAC, was valid as of the issuance of this Notice.

- Appendix XI: This Appendix states that the audit compliance supplement for Single Audits cited by §200.21, Compliance supplement, is available on OMB’s website, and provides an address (http://www.whitehouse.gov/omb/circulars) that was valid for accessing the supplement as of the issuance of this Notice.

11. GENERAL TRANSITION RULES

HUD’s regulations adopting the requirements of 2 CFR part 200 for HUD programs were published in the Federal Register on December 19, 2014 (https://www.federalregister.gov/articles/2014/12/19/2014-28697/federal-awarding-agency-regulatory-implementation-of-office-of-management-and-budgets-uniform). Questions have been raised about the applicability of these requirements. The following applies:

- Federal awards made before December 26, 2014, will continue to be governed by the terms and conditions of the Federal award. The grant agreements for some HUD programs (e.g., Community Development Block Grant, HOME Investment Partnerships, Emergency Solutions Grants, Indian Housing Block Grants, Native Hawaiian Block Grants, Indian Community Development Block Grants) incorporate the regulations “as now in effect and as may be amended from time to time” and, therefore, 2 CFR part 200 will be applicable to these grants.

- New Federal awards made on or after December 26, 2014, are governed by 2 CFR part 200, including formula awards.
• For Federal agencies that consider incremental funding action on previously made awards to be opportunities to change award terms and conditions, 2 CFR part 200 applies to the first funding increment issued on or after December 26, 2014, and any subsequent funding increment. Awards made before then that have been modified on or after that date in ways that do not increase the funding amount (such as a no-cost extension, or more frequent reporting) will continue to be governed by the terms and conditions of the Federal award. As a result, 2 CFR part 200 will not apply to such awards unless there is another requirement that makes that part apply to them.

• For Federal agency incremental funding actions that are subject to 2 CFR part 200, non-Federal entities are not obligated to segregate or otherwise track old funds and new funds but may do so at their discretion. For example, a non-Federal entity may track the old funds and continue to apply the Federal award flexibilities to the funding awarded under the old rules (e.g., local ability to issue fixed price subawards, non-Federal entity determination of the need to incur administrative and clerical salaries based on major project classification).

• For Federal awards made with modified award terms and conditions at the time of incremental funding actions, Federal awarding agencies may apply 2 CFR part 200 to the entire Federal award that is uncommitted or unobligated as of the Federal award date of the first increment received on or after December 26, 2014.

• Existing negotiated indirect cost rates will remain in place until they are due to be re-negotiated. HUD and indirect cost negotiating agencies will use 2 CFR part 200, both in generating proposals and negotiating new rates (when the rate is due to be re-negotiated) for non-Federal entities’ fiscal years that start on or after December 26, 2014.

• The effective date of 2 CFR part 200 for subawards is the same as the effective date of 2 CFR part 200 for the Federal award from which the subaward is made. The requirements for a subaward, no matter when made, flow from the requirements of the original Federal award from the Federal awarding agency.

• Subpart F, Audit requirements, applies to audits of non-Federal entity fiscal years beginning on or after December 26, 2014. The revised audit requirements are not applicable to fiscal years beginning before that date.

OMB provided additional guidance on the effective dates in its Frequently Asked Questions updated November 2014:

Q.110-13 (Previously Q II-2) Effective Dates and Federal Awards Made Previously
Will this apply only to awards made after the effective date, or does it apply to awards made earlier?
• Once the Uniform Guidance goes into effect for non-Federal entities, it will apply to Federal awards or funding increments after that date, in cases where the Federal agency considers funding increments to be an opportunity to modify the terms and conditions
of the Federal award. It will not retroactively change the terms and conditions for funds a non-Federal entity has already received.

• We would anticipate that for many of the changes, non-Federal entities with both old and new awards may make changes to their entity-wide policies (for example to payroll or procurement systems). Practically speaking, these changes would impact their existing/older awards. Non-Federal entities wishing to implement entity-wide system changes to comply with the Uniform Guidance after the effective date of December 26, 2014 will not be penalized for doing so.

12. CONFORMING PROGRAM REGULATIONS AND GUIDANCE

HUD will publish conforming rule changes for its programs and will provide notification of these changes when they are made. These changes will update the program regulations to revise the sections that refer to the OMB Circulars and HUD regulations in 24 CFR parts 84 and 85, as well as to reflect the provisions of 2 CFR part 200 that are not applicable because they are inconsistent with a program statute or because OMB has given an exception to specific requirements.

HUD recognizes that there may be uncertainty pending publication of the conforming program regulations. The provisions of 2 CFR part 200 apply, consistent with the exceptions given to the HUD program for requirements which are detailed in the 2013 edition of the Code of Federal Regulations in 2 CFR parts 215, 220, 225, and 230, 24 CFR parts 84 and 85, and OMB Circulars. HUD will notify recipients through program regulations, grants or cooperative agreements, or other guidance, which subparts are applicable to specific programs.  

13. ADDITIONAL RESOURCE MATERIALS

Grant recipients are strongly encouraged to review this information to obtain a better understanding of the uniform guidance and its implications for their Federal awards. The Council on Financial Assistance Reform (COFAR) has provided additional tools to assist in the transition including:

a. Frequently Asked Questions for New Uniform Guidance at 2 CFR 200:

b. Uniform Guidance Crosswalk from Existing Guidance to Final Guidance:

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3 Separate guidance will be issued as necessary to identify and clarify whether all provisions of part 200 apply to the Section 8 project-based and tenant-based programs, particularly with respect to financial management concerns and alternative requirements. This guidance will be based, in part, on the treatment of this assistance in CMS Contract Management Services et al v. Massachusetts Housing Finance Agency v. United States for which the Solicitor General has sought certiorari from the Supreme Court (745 F.3d 1379 (Fed. Cir. 2014)).
c. COFAR Webcast Trainings & Slides:
   i. Uniform Guidance 1-27-14 Training Webcast
      COFAR Training Intro 1-27-14
      http://youtu.be/SOET4b-7my8
   ii. COFAR Training Administrative Requirements 1-27-14
      http://youtu.be/BP3l3Pj11JQ
      Link to the Training Webcast Presentation Slides
      COFAR Training Administrative Requirements 1-27-14 Slides
   iii. COFAR Training Cost Principles 1-27-14
      http://youtu.be/q0rWXdy2ICM
      Link to the Training Webcast Presentation Slides
      COFAR Training Cost Principles 1-27-14 Slides
   iv. COFAR Training Audit Requirements 1-27-14
      http://youtu.be/g-U8HGbbC-Y
      Link to the Training Webcast Presentation Slides
      COFAR Training Audit Requirements 1-27-14 Slides
      https://www.youtube.com/channel/UCL7wVVxWI4pRHL6cHgj0vQ/videos

14. UPCOMING TRAINING AND ADDITIONAL GUIDANCE

   Additional upcoming training and/or guidance by COFAR will be publicized on its website; recipients of Federal financial assistance, and their subrecipients and contractors, are encouraged to periodically check https://cfo.gov/cofar/. HUD is also planning program-specific guidance and additional training, including an on-line financial management curriculum that integrates and highlights the requirements of 2 CFR part 200, and will provide notification of such when developed. In addition, we have established an internal Frequently Asked Questions (FAQ) Outlook mailbox in the Grants Management and Oversight Division of the Office of Strategic Planning and Management to which HUD employees may address implementation questions. Questions can be sent to the email address: 2 CFR 200 Administrative Requirements@hud.gov.

15. CONTACTS FOR QUESTIONS
Questions from grant recipients, subrecipients and contractors should be directed to their HUD Headquarters or Field Office contacts, Government Technical Representatives (GTRs) or Government Technical Monitors (GTM).

For HUD Headquarters and field office staff, operational questions should be directed to the Office of Strategic Planning and Management’s Grants Management and Oversight Division at (202) 402-3964 (this is not a toll-free number), or Loyd.LaMois@hud.gov, and policy questions should be directed to the Office of the Chief Financial Officer’s Financial Policy & Procedures Division at (202) 402-2277 or Scott.Moore@hud.gov. Persons with hearing or speech impairments may access the number above through TTY by calling the toll-free Federal Relay Services at (800) 877-8339.
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RESOLUTION 10-46

TO AFFIRM THE DISTRICT OF COLUMBIA HOUSING AUTHORITY’S REQUIREMENT FOR CONTRACTS FOR GOODS AND SERVICES IN EXCESS OF $250,000 BE APPROVED BY THE BOARD OF COMMISSIONERS

WHEREAS, The Board of Commissioners (“Board”) of the District of Columbia Housing Authority (“DCHA”) has established in its procurement policy, consistent with its enabling statute, that contracts for goods and services for which the value exceeds $250,000 must be approved by the Board prior to any work being performed under the contract for which the contractor expects payment.

WHEREAS, The Board, in the past, has received requests to approve contracts for which the associated work has already begun, and the value has either already exceeded the $250,000 threshold, or is set to exceed it.

WHEREAS, The Board, based on these past requests, has determined the need to reaffirm its procurement policy for contracts for goods and services where the value will exceed $250,000.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of the District of Columbia Housing Authority affirms that only the Board may approve contracts for goods and services for which the value exceeds $250,000. Further, the Board may withhold any payment due in excess of $250,000 for contracts brought to the Board for approval after the work being performed under the contract has begun. Further, contracts with the same contractor(s) covering the same or related scopes of work may not be broken into separate contracts for the purposes of avoiding Board approval.
RESOLUTION 10-46

To Affirm The District Of Columbia Housing Authority's Requirement For Contracts For Goods And Services In Excess Of $250,000 Be Approved By The Board Of Commissioners

ADOPTED, by the Board of Commissioners and signed in authentication of its passage the 20th day of December, 2010.

ATTEST:

Adrianne Todman
Executive Director/Secretary

APPROVAL:

LaRuby May
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Hans Froelicher
General Counsel
RESOLUTION 10-46
RESOLUTION 09-41

TO ADOPT DCHA POLICY REGARDING TEN PERCENT (10%) CONTRACT MODIFICATION

WHEREAS, the District of Columbia Housing Authority (DCHA) operates a public housing authority; and

WHEREAS, the operation of this public housing authority requires DCHA to enter into contracts for the procurement of goods or services to address DCHA needs in the maintenance and operation of its facilities and programs; and

WHEREAS, from time to time, DCHA enters into fixed-price contracts that require additional goods or services at the request of DCHA, in excess of $250,000;

WHEREAS, Section 6-211 of the Housing Authority Act of 1999 requires the Board of Commissioners to review and approve all contracts in excess of $250,000;

WHEREAS, DCHA recognizes that the need for additional goods or services may result in an increase in the original contract price, in excess of the originally approved contract amount; and

WHEREAS, DCHA must delay the procurement of additional goods or services until the Board reviews and approves such contract increases in excess of $250,000; and

WHEREAS, DCHA desires to promote flexibility in its procurement process and maintain a level of efficiency necessary to adequately address DCHA interests without delay; and

WHEREAS, DCHA desires to establish a new policy with respect to modification of contracts which were previously authorized and approved by DCHA Board of Commissioners; and

WHEREAS, the new DCHA Policy Regarding Ten Percent (10%) Contract Modification (the "Ten Percent Policy"), a copy of which is attached hereto, provides that with respect to contracts which were properly authorized and approved by the Board of Commissioners, the Executive Director may authorize an increase in amount up to the lesser of ten percent (10%) of the originally approved contract amount or $100,000, without Board approval but in accordance with the Ten Percent (10%) Policy Regarding Contract Modification;
RESOLUTION 09-41

TO ADOPT DCHA POLICY
REGARDING TEN PERCENT (10%)
CONTRACT MODIFICATION

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the District of Columbia Housing Authority hereby approves the adoption of the DCHA Policy Regarding Ten Percent (10%) Contract Modification to permit the Executive Director to authorize an increase in the amount of contracts previously approved and authorized by the Board of Commissioner in an amount up to the lesser of ten percent (10%) by no more than the original contract price or $100,000, all in accordance with the DCHA Policy Regarding Ten Percent (10%) Contract Modification.

Adopted by the Board of Commissioners and signed in authentication of its passage the 9th day of December, 2009.

ATTEST:

Adrienne Todman
Interim Executive Director/Secretary

APPROVAL:

LaRuby May
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Hans Froelicher
General Counsel
DCHA POLICY REGARDING TEN PERCENT (10%) CONTRACT MODIFICATION

In order to promote a more efficient management of District of Columbia Housing Authority's ("DCHA") time and resources in its contracting and procurement process, for contracts which have been previously authorized and approved by the DCHA Board of Commissioners ("Board"), it is the policy of DCHA to permit the Executive Director to authorize an increase in the original contract amount in an amount up to the lesser of (i) ten percent (10%) or (ii) $100,000, without prior approval of the Board. Prior to such modification, the Executive Director, or at the direction of the Executive Director, his or her designee, shall notify the Chairman ("Committee Chair") of the Board Committee that recommended approval of the original contract and Chairman of the Board of such proposed modification and obtain consent of such proposed modification. If consent of such proposed modification is obtained, the Executive Director may authorize such proposed modification to the contract.

If the modification of any validly authorized contract results in an increase in excess of ten percent (10%) or more than $100,000, such modification must be submitted to the Board for prior review and approval.

Prior to any Modification, the Contracting Officer shall verify that all such required funds are authorized and in compliance with: i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349, 1350, and 1351 and ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 et seq., as the foregoing statutes may be amended from time to time.

The Executive Director shall provide regular written reports to the Board of any exercise of this policy.
RESOLUTION 09-41