



# The Super Circular

## Uniform Guidance

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# Today's Program

- Super Circular Background
-  Super Circular TOP SIX
-  Pass-through Entity Risk Assessment
- Resources and Contacts

# Background

- Developed in response to two presidential directives - Reduction of Improper payments (Executive Order 13520) and Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments (Presidential Memorandum).
- Combines 8 grant circulars that create uniform requirements with minor exceptions.
- Eliminates 49 CFR Parts 18 and 19 (Common Rule).

# Super Circular – Primary Objectives

1. Streamline regulations to ease administrative burden.
2. Strengthen oversight to reduce the risk of waste, fraud, and abuse.

# Super Circular – TOP SIX

# Promotional Items - 2 CFR § 200.421

- Federal funds may be used for advertising costs and public relations costs **only** for certain, specified purposes. *See* 2 C.F.R. § 200.421.
- The Super Circular specifies that “costs of promotional items and memorabilia, including models, gifts, and souvenirs” are unallowable advertising and public relations costs. 2 C.F.R. § 200.421(e)(3).
  - Promotional items and memorabilia that are unallowable costs include: t-shirts, hats, keychains, bike reflectors, bumper stickers, etcetera.
- Full compliance with regulation starts **4-29-2015**.
  - **In general: If it is on paper, it is probably ok.  
If it is on an item, it is probably not.**

# Time and Attendance - 2 CFR § 200.430

## Standards for Documentation of Personnel Expenses

- The Super Circular differs from 2 CFR Part 225 by requiring States to rely on strong internal controls standards, but allowing more flexibility on how to meet those standards. For example, biannual certifications and personal activity reports (PARs) are no longer required although States may still opt to use them.
- As always, charges to Federal awards for salaries and wages must be based on records that accurately reflect work performed. 2 CFR § 200.430(8)(i).

**NEW**

# Indirect Cost – 2 CFR § 200.414, Appendix VII to Part 200

Once an entity (recipient or sub recipient) has a federally negotiated indirect cost rate, it **must** be accepted and used by all Federal agencies and pass-through entities unless prohibited or limited by statute.

The State cannot negotiate a lesser indirect cost rate with subrecipients.

# Indirect Cost cont.

**NEW**

If a subrecipient does not have an approved federally recognized indirect cost rate, the State may negotiate a rate with the subrecipient using the rules in the Super Circular, or may extend the ten percent de minimis indirect cost rate.

If the subrecipient is a State, local government, or Indian tribe, it may only use the de minimis rate if it receives less than \$35 million in direct Federal funding.

**NEW**

Any non-Federal entity that has a federally negotiated indirect cost rate may apply for a one-time extension of a current negotiated indirect cost rate for a period of up to four years.

# Single Audit – 2 CFR § 200.501,.516

**NEW**

Raises threshold for Single audit from \$500,000 to \$750,000.

**NEW**

Raises threshold for reporting known questioned costs from \$10,000 to \$25,000.

# Pass-through Entities -2 CFR § 200.331

## HIGHLIGHTS of Pass-through Entity Requirements

- All subawards must include specified information, including all 13 Federal award identification items.
- States must conduct an annual subrecipient risk evaluation.
- Requires greater responsibilities for subrecipient monitoring.
- Requires verification that any subrecipient who meets the \$750,000 threshold has a Single audit.

See [2 CFR § 200.331](#) for additional pass-through entity responsibilities.

# Risk Assessment -2 CFR § 200.331(b)

## Pass-through Entity Risk Assessment

*All pass-through entities **must** "evaluate **each** subrecipient's risk of non-compliance with Federal statutes, regulations, and the terms and conditions of the subaward **for the purposes of determining the appropriate subrecipient monitoring.**"*

# Risk Assessment -2 CFR § 200.331(b)

What risk assessment documentation will NHTSA require from States?

- Risk assessment tool.
- Process/procedure on how to conduct the assessment and use results.
- Documentation of risk assessment results.
- Implementation - evidence of how results were applied to subrecipient monitoring.

# Risk Assessment – State Example

**Audrey Allums, Grant Bureau Chief**  
**William Tuck, NHTSA Grants Accountant**

**Montana Department of Transportation**

# Risk Assessment - State Example

**Brent Jennings, Highway Safety Manager**

**Idaho Office of Highway Safety**

# RESOURCES

## Council on Financial Assistance Reform (COFAR)

- <http://.whitehouse.gov/omb/circulars/default/>

## Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

- [2 CFR Part 200](#)

## Interim Final Rule

- [2 CFR Part 1201](#)

# Super Circular Contacts

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# Keep This in Mind...

**The best is yet to come!**

# Questions and Answers

## Risk Assessment Development