

Summary of NEW 2 CFR 200 - Financial Management Regulation

Change	Regulation	Summary of Change	How it will effect CACFP
Acronyms and Definitions Added	200.0 – Acronyms 200.3-200.99 – Definitions	<ul style="list-style-type: none"> 99 broad definitions to put uniformity into all federal programs Key definitions added: Federal Award; Federal financial assistance; Non-federal entity; Pass-through entity; State; Subrecipient; Contractor 	<ul style="list-style-type: none"> 796-2 will need to be revised to include new terms/definitions Uniformity between all federal programs
Should vs. Must	Throughout regulation	<ul style="list-style-type: none"> Should = best practices or recommended approach Must = Required 	<ul style="list-style-type: none"> 796-2 will need to be revised to include new terms/definitions Uniformity between all federal programs
Conflict of Interest & Mandatory Disclosures	200.112 & 200.113	<p>Two new requirements:</p> <ul style="list-style-type: none"> Must disclose in writing any potential conflict of interest to the Federal awarding agency. Must disclose all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. 	<ul style="list-style-type: none"> No Change. Already in CACFP regulation. DPI has questions in the online application and verbiage in the permanent agreement.
Interest	200.305 (Subpart D)	<ul style="list-style-type: none"> Change in amount of interest earned on federal funds can be retained from \$250 to \$500. 	<ul style="list-style-type: none"> Guidance Memo F has been revised (July 2015) 796-2 will need to be revised
Supplies	200.314	<ul style="list-style-type: none"> Tangible personal property could be defined as supplies if fall below the threshold for equipment. Change made to incorporate computing devices as supplies rather than equipment (if under threshold amount). 	<ul style="list-style-type: none"> 796-2 (rev. 4) already addresses this change FFY2016 Attachment E budget form revised to include this as well
Methods of collection, transmission and storage of information	200.335 (new section)	<ul style="list-style-type: none"> Addresses electronic record requirements Whenever practicable, collect, transmit and store Federal award information in machine readable formats. Federal or pass through must always provide or accept paper versions upon request. 	<ul style="list-style-type: none"> No change as CACFP regulation already requires accessible information. Further clarification from USDA may be needed.
Prior (Written) Approval	200.407 (Subpart E: Cost Principles)	<ul style="list-style-type: none"> First time Feds actually listed the items that require prior written approval. 	<ul style="list-style-type: none"> 796-2 (rev. 4) covers most of the changes. Minor revisions may need to be done.

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Indirect Cost Rates	200.414 (Subpart E: Cost Principles)	<ul style="list-style-type: none"> • Federal acceptance of already approved IDC • New de minimums rate – provides for a rate of 10% MTDC to agencies that have never had a negotiated rate. Can be used indefinitely. • If already established federal negotiated rate, a onetime extension of rate up to 4 years. • Negotiated rates must be allowed with pass-through entities. 	<ul style="list-style-type: none"> • 796-2 will need to be revised. • Guidance Memo F has been revised to incorporate SuperCircular language. • Additional guidance maybe issued by USDA
Salaries and Wages	200.430	<ul style="list-style-type: none"> • Charges to federal awards must be based on records that accurately reflect the work performed; • Federal agencies can approve alternative methods of accounting for salaries based on achievement of performance outcomes, including instances where funding from multiple programs is blended to more efficiently achieve a combined outcome 	<ul style="list-style-type: none"> • Already incorporated into 796-2 (rev. 4) • Additional guidance maybe issued by USDA
Depreciation	200.436	<ul style="list-style-type: none"> • Use allowance no longer accepted • Must use depreciation 	<ul style="list-style-type: none"> • Already incorporated into 796-2(rev. 4)
Single Audit / Program Specific Audit	Subpart F	<ul style="list-style-type: none"> • Increases audit threshold from \$500,000 to \$750,000 in federal expenditures • Modifies how Risk is defined (Low/High) • Audit Findings (§200.516) • FAC sole data warehouse of all Single Audit Reports (§200.36 & §200.512) • Effective for Fiscal Years start after December 26, 2014 	<ul style="list-style-type: none"> • USDA policy memo SP-30-2015 (March 18, 2015) implements this requirement • GM F has been revised