

Global Regulatory Enforcement Alert

If you have questions or would like additional information on the material covered in this Alert, please contact one of the authors:

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Don't Miss Your Opportunity to Comment on OMB's Government-Wide Grant and Cooperative Agreement Reforms

The Office of Management and Budget ("OMB") recently proposed government-wide reforms to federal policies that could significantly impact organizations (other than for-profit organizations) performing federal grants and cooperative agreements. See Reform of Federal Policies Relating to Grants and Cooperative Agreements; Cost Principles and Administrative Requirements (including the single audit Act), 77 Fed. Reg. 11,778 (Feb. 28, 2012). The proposed reforms were published by OMB in an Advance Notice of Proposed Guidance ("ANPG") and are intended to:

...standardize information collections across agencies, adopt a riskbased model for Single Audits, and provide new administrative approaches for determining and monitoring the allocation of Federal funds.

Specifically, the ANPG focuses on the following areas:

- **Reforms to Audit Requirements in OMB Circulars A-133 and A-50.** Changes here include, but are not limited to increasing the threshold for triggering the Single Audit requirement from \$500,000 to \$1 million, as well as recommendations to streamline compliance requirements listed in A-133 when a Single Audit is required.
- **Reforms to Cost Principles in OMB Circulars A-21, A-87, A-122, and the Cost Principles for Hospitals.** Changes here include, but are not limited to consolidating the Cost Principles into a single document, using flat rates instead of negotiated rates for indirect Facilities & Administrative costs, expanding the number of institutions of higher education that may apply for the Utility Cost Adjustment ("UCA") under research grants, and exploring alternatives to time-and-effort reporting requirements for salaries and wages.
- **Reforms to Administrative Requirements under the Government-Wide Common Rule implementing OMB Circulars A-102, A-110 and A-89.** Changes here include, but are not limited to consolidating A-102 and A-110 into one uniform set of administrative requirements for all grant recipients and requiring agencies to provide 90-day advance notice of funding opportunities in a new Catalog of Federal Financial Assistance ("CFFA") that would replace the existing Catalog of Federal Domestic Assistance ("CFDA").

OMB has requested comments in the form of responses to questions it posed in the ANPG. In addition, OMB is accepting any other comments a respondent might have with regard to the proposed reforms. Comments must be received by OMB no later than 5 p.m. EST on March 29, 2012 via one of the delivery methods specified in the ANPG. Comments will be posted on the OMB website at <http://www.regulations.gov>. Please contact Chris Risetto and Stephanie Giese with any questions you might have regarding the potential impact of these proposed reforms or for advice regarding preparing comments for submission to OMB.

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