



U.S. Department of Transportation
Federal Highway Administration

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

Arizona COG, MPO, LPA Webinar

Presented by:

Bob Eatmon, FHWA Resource Center, Finance Team

Agenda

- What is the Uniform Guidance?
- 2 CFR 200 Structure
- Standards for Delivering Projects
- Cost Principles
- Eligible vs. Allowable
- Audit Requirements



U.S. Department of Transportation
Federal Highway Administration



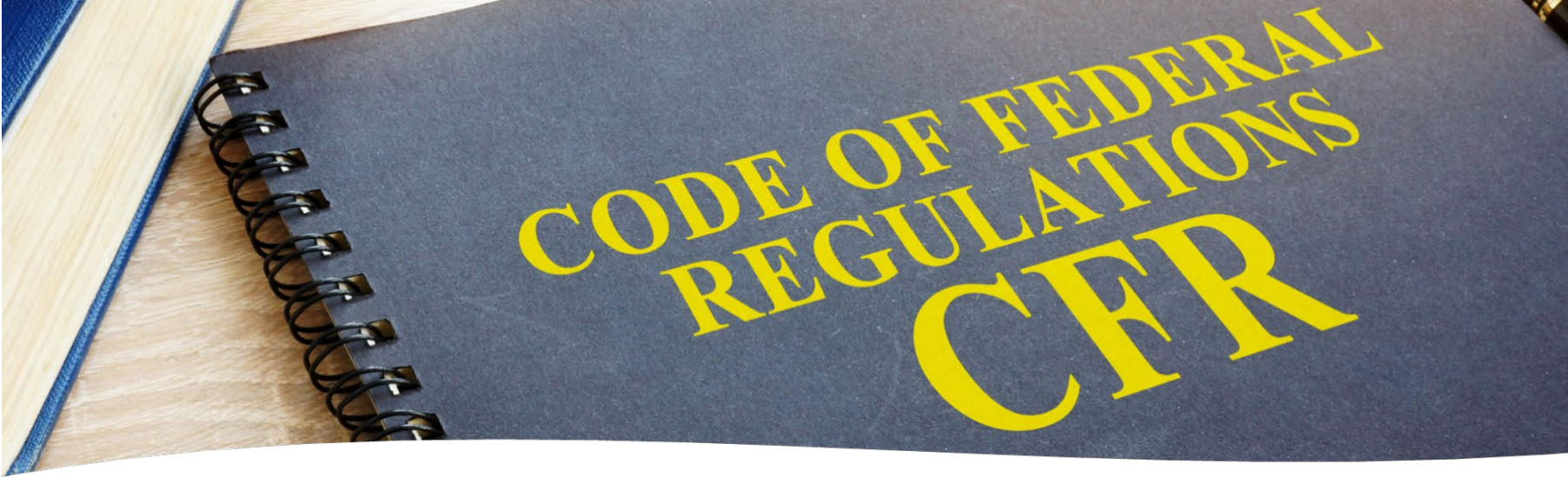
What is the Uniform Guidance?



U.S. Department of Transportation
Federal Highway Administration

- Official Name - ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards***
- Applies to all non-Federal entities that administer Federal funds
- FHWA delivers our program using Grant (project) Agreements
- Codified at **2 CFR 200**





CODE OF FEDERAL REGULATIONS CFR



U.S. Department of Transportation
Federal Highway Administration

2 CFR 200 Structure

- **The Uniform Guidance is divided into six parts:**
- 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
- Subpart F—Audit Requirements

It also includes 11 appendices. Of particular note to FHWA is:

- **Appendix VII—States and Local Government and Indian Tribe Indirect Cost Proposals.**

Standards for Delivering Projects

2 CFR 200 Subpart D



U.S. Department of Transportation
Federal Highway Administration

- Financial Management & Internal Controls
- Payments
- Cost Sharing and Matching
- Program Income
- Property Standards (Real Property, Equipment, Supplies)
- Procurement Standards
- Subrecipient Monitoring and Management
- Record Retention and Access
- Closeout



Cost Principles

2 CFR 200 Subpart E



U.S. Department of Transportation
Federal Highway Administration

Non-Federal entities will be responsible for:

- Administering Federal funds efficiently and effectively
- Comply with programmatic requirements and other terms of the Federal award
- Maintain internal accounting policies consistent with cost principles
- Support cost charged with adequate supporting documentation
- Not earn or keep any profit (unless authorized)



**Allowable
Allocable
Reasonable
Necessary**

Eligible vs. Allowable



U.S. Department of Transportation
Federal Highway Administration

Eligible Activities

- Projects are authorized for eligible activities performed on an eligible system, as defined in law. (23 U.S.C.)
- Each individual FHWA program has its own eligibilities

Allowable Cost

- Costs incurred must be allowable in accordance with the cost principles identified in 2 CFR 200 Subpart E

Please
Note

The activity must be determined eligible first and all costs associated with that activity must also be determined allowable. (construction activity vs. material cost)

Audit Requirements

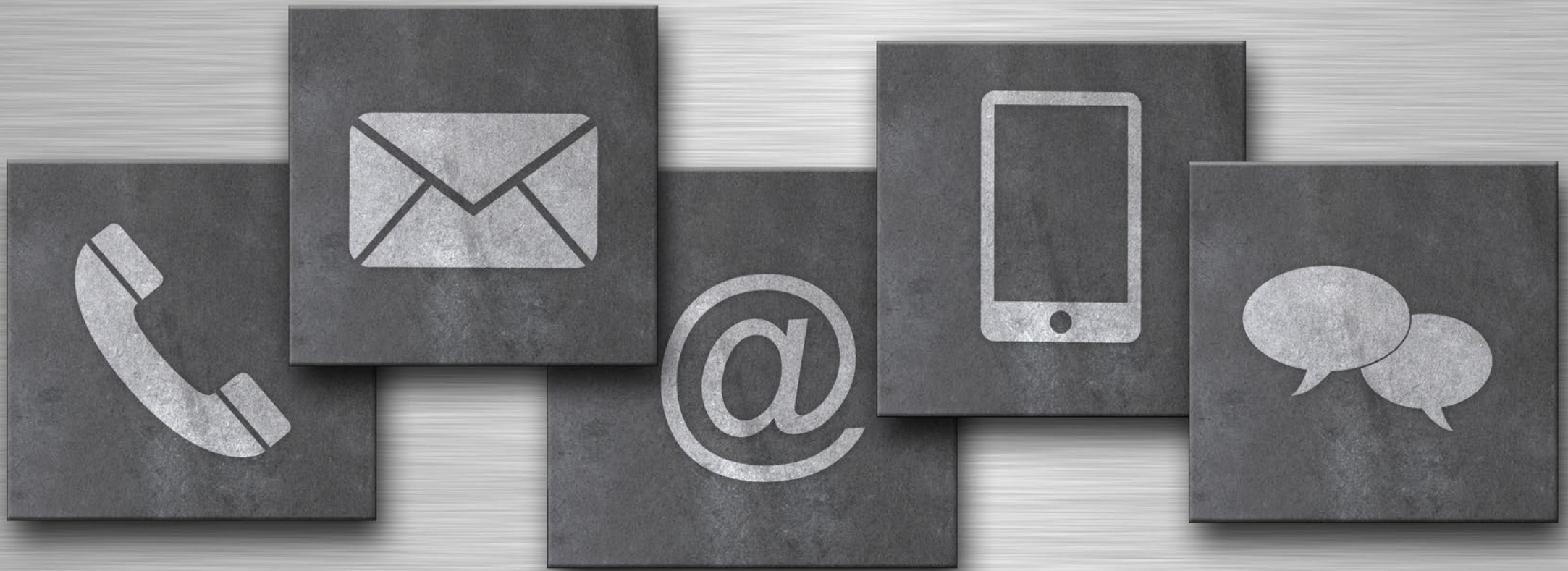
2 CFR 200 Subpart F



U.S. Department of Transportation
Federal Highway Administration

- Non-Federal entities that expend **\$750,000** or more in Federal awards during its FY must have a single or program-specific audit conducted in that year.
- Performed annually
- Prepare financial statements and schedule of Federal expenditures
- Arrange audit using procurement standards
- Submit Audit when due (9 months after audit period)
- Follow-up and remedy corrective actions





Follow-up Questions or Assistance?

Please contact the FHWA Arizona Division Office

THANK YOU!

For your participation