



Gladys Carrión
Commissioner

MEMORANDUM

Susan Nuccio
Deputy Commissioner/
Chief Financial Officer
Financial Services

DATE: May 15, 2015
TO: EarlyLearn NYC
Head Start Fiscal and Executive Directors

David Brandwein
Chief Operating Officer
Financial Services

FROM: Steve Schimmele 
SUBJECT: **New Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) EL Numbered Memorandum #20**

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Administration

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This memorandum is specifically for ACS EarlyLearn NYC Head Start delegates and addresses the following:

- Mandatory training for the Federal Office of Management and Budget (OMB) issued Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) that became effective December 26, 2014.
- Updated guidance on Use Costs and other related topics
- General principles of Uniform Guidance that all delegates must become familiar with.

Uniform Guidance Training

On Wednesday, June 17 and Thursday, June 18, 2015, ACS will sponsor and require two representatives from each Head Start Delegate (subrecipient) to attend Uniform Guidance training provided by Wipfli LLP, a nationally recognized leader in Head Start consulting. The training will be held in Flushing, NY at the LaGuardia East Sheraton. We also encourage your organization to take advantage of this training and register additional spots for executives, board members and policy committee members. This training may be charged as an allowable Head Start cost. ACS covered registration information will be sent separately.

Immediate Action Items

- Familiarize yourself with Uniform Guidance and new terminology
- Submit requests to purchase equipment greater than \$5,000 to ACS for approval¹
- Update your agency's Policies and Procedures to reflect Uniform Guidance
- Review ACF-IM-HS-15-01 on property reporting (recently added) under the new Uniform Guidance

¹ §75.439 (2)

- Develop board- approved cost allocation and cost allocating plans
- Implement a credit card usage policy and submit monthly reporting of credit card usage to the policy committee and governing board

Actions No Longer Permitted by Delegates:

1. Employee morale spending is no longer permitted
2. Use Costs are no longer allowable under Head Start once a building has been fully depreciated.

Head Start no longer allows use costs. If you own the building in which Head Start operates you can charge depreciation costs for rent (based on documentation) until the building has been fully depreciated, however, once the building has been fully depreciated, use costs are no longer allowable under Head Start.

Indirect Cost Rates

ACS is not recognizing indirect cost rates in FY15. You must continue the direct reporting method and report administrative costs based on your cost allocation and cost allocating plans. More information will be forthcoming.

Uniform Guidance: General Principles

On December 26, 2013, OMB published the requirements in the Federal Register – Title 2, Code of Federal Regulations 200 (2 CFR 200) which became effective for federal agencies on December 26, 2013 and applicable for non-federal recipients on December 26, 2014. The purpose of the regulations, commonly referred to as *Uniform Guidance*, was to reform federal grant making to focus resources on: improving performance and outcomes, reducing administrative burdens for grant applicants and recipients, and reducing the risk of waste, fraud and abuse.

Uniform Guidance is triggered for recipients of federal funding when they receive new/incremental funding or when there is a new grant period that begins on or after the December 26, 2014 effective date. The ACS Head Start grant year that began on February 1, 2015 was a trigger for the ACS Head Start grant. Therefore, the new rules under Uniform Guidance apply to your organization for Head Start expenditures made on or after February 1, 2015. There will be changes and over the next few months ACS will communicate the scope and actions required of your organization as a result.

Delegates are responsible for maintaining compliance with the new regulations in addition to maintaining compliance with Head Start Performance Standards and the 2007 Head Start Reauthorization Act.

Uniform Guidance (2 CFR 200) supersedes eight different Circulars, e.g. A-133 and A-110. In addition, the Department of Health and Human Services issued 45 CFR Part 75 that codifies grant management regulations and supersedes 45 CFR Part 74 and 45 CFR

Part 92.

Many documents exist on-line including various summaries from the government and other organizations. Below is a listing of the main documents you should read and use for reference. In addition we are attaching a “Highlights” document that can serve as an introduction to the new rules (it covers some, but not all changes) if this is the first time you are reading about Uniform Guidance.

Document	Title	Where to find it
2 CFR 200	Uniform Guidance	Federal Register
45 CFR Part 75	HHS codification of Uniform Guidance for entities receiving grants from HHS, including Head Start	HHS 45 CFR Part 75
Highlights	ACS Head Start Uniform Guidance Highlights	Attachment

ACS as the pass-through entity will be providing training and technical assistance, monitoring your compliance, and notifying you of upcoming training opportunities.

During the transition over the next few months ACS will work to provide as much information as possible. If you have questions, please submit them to EL.Monitoring@acs.nyc.gov.