

What is the Omni-Circular

- Final Guidance on the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards



What are the Goals?

- Streamline guidance
- Reduce administrative burden
- Strengthen federal oversight of funding
- Set standard requirements for financial award management uniformly across all federal agencies
- Consolidation of 8 OMC Circulars into Title 2 of the CFR(Code of Regulations)
- Increase efficiencies and effectiveness – best use of funds



2 CFR Part 200 Uniform Guidance

- **§200.2 Acquisition cost.**

- *Acquisition cost* means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices.



- **§200.12 Capital assets.**

- *Capital assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- (a) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- (b) Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).



- **§200.20 Computing devices.**

- *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.

- **§200.33 Equipment.**

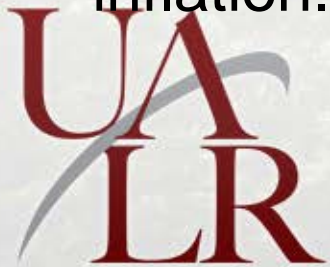
- *Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.



- **§200.48 General purpose equipment.**
- *General purpose equipment* means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.
- **§200.58 Information technology systems.**
- *Information technology systems* means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.



- **§200.67 Micro-purchase.**
- *Micro-purchase* means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.



- **§200.89 Special purpose equipment.**
- *Special purpose equipment* means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.
- **§200.94 Supplies.**
- *Supplies* means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.



Our Goals

- **§200.61 Internal controls.**
- *Internal controls* means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (a) Effectiveness and efficiency of operations;
 - (b) Reliability of reporting for internal and external use; and
 - (c) Compliance with applicable laws and regulations

Areas of Interest

- Incorporate new guidance for fixed amount awards
 - Payments based on specific requirements
 - Accountability based on performance & results
 - Award amount negotiated using cost principles as a guide
 - Significant changes require prior approval
- May require that the amount of the award be adjusted downward accordingly



Property Records

- **§200.313 Equipment.**
- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

§200.320 Methods of procurement to be followed.

- (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act).

Guideline

- For purchases under \$3,000
 - Use our contracts in place
 - In absence of contract, buy from approved vendor
- Using UALR credit (except for equipment which requires special inventory tag) or purchase order



- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Guideline

- Purchases from \$3,000 to \$50,000
 - Use Approved List of Contracts
 - In absence of contract, get three written quotes and purchase from lowest quote
- Using purchase order

- (c) Procurement by sealed bids (formal advertising).
- (d) Procurement by competitive proposals.
- (f) Procurement by noncompetitive proposals.
 - (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
 - (4) After solicitation of a number of sources, competition is determined inadequate.

Guideline

- Bids and proposals require some extra documentation that Procurement Services will be responsible for and after the purchase order has been issued, we will forward you documentation that will substantiate all the processes & standards required for your records.
- For a sole source, the department will fill out the Sole Source justification letter and forward it to Procurement Services for applicable signatures. And then ?????