



STATE OF SOUTH CAROLINA DEPARTMENT OF EDUCATION

Mick Zais
Superintendent

1429 Senate Street
Columbia, South Carolina 29201

MEMORANDUM

TO: District Superintendents
Federal Subgrant Recipients

FROM: Mick Zais, Ph.D.
State Superintendent of Education

DATE: October 27, 2014

RE: Federal Grant Regulations Changes

On December 26, 2014, the reformed grant guidance from the U.S. Office of Management and Budget (OMB) at 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, becomes effective for all federal grant awards. This guidance supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in OMB guidance); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.

As the regulations become effective, the South Carolina Department of Education (SCDE) will begin activities to comply with these new federal regulations and you will hear more from your specific program office regarding your grant award.

I encourage you to review the new guidance, accessible at <http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf> and note the specific items that will apply to you as a subrecipient of federal grant awards that the SCDE administers as a pass-through entity.

Note that to comply with 2 CFR Part 200.210 and §200.331, the SCDE will confirm that each recipient of a federal grant under its administration has an active DUNS number that is registered in the organization's name.

Also, to comply with §200.331 (b), the SCDE will conduct a pre-award review of risks posed by applicants, which may include consideration of such factors as:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of 2 CFR Part 200, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of SCDE program monitoring and federal awarding agency monitoring (e.g., if the subrecipient also receives federal awards directly from a federal awarding agency).

Please contact your organization's certified public accountant if you have any questions.