

**Administrative Requirements Side by Side Comparison Chart
Exceptions and Changes Implementing the Uniform Guidance for ICDBG Recipients**

Final Administrative Requirements with Exceptions of 24 CFR 1003.501 as published in the Federal Register on December 7, 2015	Prior Administrative Requirements with Exceptions of 24 CFR 1003.501 for ICDBG Recipients
<p>§1003.501 Applicability of uniform administrative requirements and cost principles.</p> <p>(a) Grantees and subrecipients shall comply with the requirements and standards of 2 CFR part 200, except for the following sections:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>[NOTE: previously, 1003.501 (a)(1-21) inserted the <u>applicable</u> sections to the Uniform Administrative Requirements (24 CFR Part 85), however, this amendment provides the <u>excepted</u> sections to the new Uniform Guidance (2 CFR 200).</p> </div> <p>(1) Paragraph (a) of §200.302, “Financial management.”</p> <p>(2) Section 200.306, “Cost sharing or matching.”</p> <p>(3) Section 200.307, “Program income” applies as modified by §1003.503.</p> <p>(4) Section 200.308, “Revisions of budget and program plans.”</p> <p>(5) Section 200.311, “Real property,” except as provided in §1003.600.</p> <p>(6) Section 200.313, “Equipment” applies, except that in all cases in which the equipment is sold, the proceeds shall be program income.</p> <p>(7) Section 200.314, “Supplies,” applies, except in all cases in which the supplies are sold, the proceeds shall be program income.</p> <p>(8) Section 200.325, “Bonding requirements” applies. However, there may be circumstances under which the bonding requirements of 2 CFR 200.325 are inconsistent with other responsibilities and obligations of the grantee. In such circumstances, acceptable methods to provide performance and payment assurance may include:</p> <p>(i) Deposit with the grantee of a cash escrow of not less than 20 percent of the total contract price, subject to reduction during the warranty period, commensurate with potential risk; or</p>	<p>§1003.501 Applicability of uniform administrative requirements and cost principles.</p> <p>(a) Grantees and subrecipients which are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A-87, “Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally recognized Indian Tribal Governments”, OMB Circular A-128, “Audits of State and Local Governments” (implemented at 24 CFR part 44) and with the following sections of 24 CFR part 85 “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments”.</p> <p>(1) Section 85.3, “Definitions.”</p> <p>(2) Section 85.6, “Exceptions.”</p> <p>(3) Section 85.12, “Special grant or subgrant conditions for ‘high risk’ grantees.”</p> <p>(4) Section 85.20, “Standards for financial management systems,” except paragraph (a).</p> <p>(5) Section 85.21, “Payment.”</p> <p>(6) Section 85.22, “Allowable costs”.</p> <p>(7) Section 85.25, “Program income,” except as modified by §1003.503.</p> <p>(8) Section 85.26, “Non-federal audits”.</p> <p>(9) Section 85.32, “Equipment,” except in all cases in which the equipment is sold, the proceeds shall be program income.</p> <p>(10) Section 85.33, “Supplies”.</p> <p>(11) Section 85.34, “Copyrights”.</p> <p>(12) Section 85.35, “Subawards to debarred and suspended parties”.</p> <p>(13) Section 85.36, “Procurement,” except paragraphs (a) States, (i)(5) Compliance with the Davis Bacon Act (40 U.S.C. 276a to a-7) and (i)(6) Compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330). There may be circumstances under which the bonding requirements of §85.36(h) are inconsistent with other responsibilities and obligations of the grantee. In such circumstances, acceptable methods to provide performance and payment assurance may include:</p> <p>(i) Deposit with the grantee of a cash escrow of not less than 20 percent of the total contract price, subject to reduction during the warranty period, commensurate with potential risk; or</p>

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<p>(ii) Letter of credit for 25 percent of the total contract price, unconditionally payable upon demand of the grantee, subject to reduction during the warranty period commensurate with potential risk.</p>	<p>(ii) Letter of credit for 25 percent of the total contract price, unconditionally payable upon demand of the grantee, subject to reduction during the warranty period commensurate with potential risk.</p>
<p>(9) Paragraphs (b) through (d) and (f) of §200.328, “Monitoring and reporting program performance.”</p>	<p>(14) Section 85.37, “Subgrants”.</p> <p>(15) Section 85.40, “Monitoring and reporting program performance,” except paragraphs (b) through (d) and paragraph (f).</p> <p>(16) Section 85.41, “Financial reporting,” except paragraphs (a), (b), and (e).</p>
<p>(10) Section 200.333, “Retention requirements for records” applies. However, the retention period referenced in 2 CFR 200.333 pertaining to individual ICDBG activities starts from the date of the submission of the final status and evaluation report as prescribed in §1003.506(a) in which the specific activity is reported.</p>	<p>(17) Section 85.42, “Retention and access requirements for records”. The retention period referenced in §85.42(b) pertaining to individual ICDBG activities starts from the date of the submission of the final status and evaluation report as prescribed in §1003.506(a) in which the specific activity is reported.</p> <p>(18) Section 85.43, “Enforcement”.</p> <p>(19) Section 85.44, “Termination for convenience”.</p>
<p>(11) Section 200.343, “Closeout.”</p>	<p>(20) Section 85.51 “Later disallowances and adjustments”.</p> <p>(21) Section 85.52, “Collection of amounts due”.</p> <p>(b) Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A-122, “Cost Principles for Nonprofit Organizations,” or OMB Circular No. A-21, “Cost Principles for Educational Institutions,” as applicable, and OMB Circular A-133, “Audits of Institutions of Higher Education and Other Nonprofit Institutions” (implemented at 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the following provisions of 24 CFR part 84 “Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations”).</p> <p>(1) Subpart A—“General”.</p> <p>(2) Subpart B—“Pre-Award Requirements,” except for §84.12, “Forms for Applying for Federal Assistance”.</p> <p>(3) Subpart C—“Post-Award Requirements,” except for §84.22, “Payment Requirements,” grantees shall follow the standards of §§85.20(7) and 85.21 in making payments to subrecipients.</p> <p>(4) Section 84.23, “Cost Sharing and Matching”.</p> <p>(5) Section 84.24, “Program Income”, as modified by §1003.503.</p> <p>(6) Section 84.25, “Revision of Budget and Program Plans”.</p> <p>(7) Section 84.32, “Real Property.” In lieu of §84.32, ICDBG subrecipients shall follow §1003.504 of the ICDBG regulations.</p>

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(b) Cost principles. (1) All items of cost listed in 2 CFR part 200, subpart E, which require prior Federal agency approval are allowable without the prior approval of HUD to the extent that they comply with the general policies and principles stated in 2 CFR part 200, subpart E, and are otherwise eligible under subpart C of this part, except for the following:

- (i) Depreciation methods for fixed assets shall not be changed without the approval of the Federal cognizant agency.
- (ii) Fines, penalties, [damages, and other settlements](#) are unallowable costs to the ICDBG program.
- (iii) [Costs of housing \(e.g., depreciation, maintenance, utilities, furnishings, rent\), housing allowances and personal living expenses \(goods or services for personal use\), regardless of whether reported as taxable income to the employees \(2 CFR 200.445\), require HUD prior approval.](#)
- (iv) [Organization costs \(2 CFR 200.455\) require HUD prior approval](#)

(2) No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with ICDBG funds. In no event, however, shall such compensation exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule.

(Approved by the Office of Management and Budget under control number 2577-0191)

[62 FR 12349, Mar. 12, 1998, as amended at 80 FR 75944, Dec. 7, 2015]

(8) Section 84.34(g) "Equipment," except that in lieu of the disposition provisions of this paragraph:

- (i) In all cases in which equipment is sold during the grant period as defined in 24 CFR 85.25, the proceeds shall be program income; and
- (ii) Equipment not needed by the subrecipient for ICDBG activities shall be transferred to the grantee for the ICDBG program or shall be retained after compensating the grantee.

(9) Section 84.51, "Monitoring and Reporting Program Performance." Only §84.51(a) applies to ICDBG subrecipients.

(10) Section 84.52, "Financial Reporting".

(11) Section 84.53(b), "Retention and access requirements for records." The retention period referenced in §84.53(b) pertaining to individual ICDBG activities starts from the date of the submission of the final status and evaluation report as prescribed in §1003.506(a), in which the specific activity is reported.

(12) Section 84.61, "Termination." In lieu of the provisions of this section, ICDBG subrecipients shall comply with §1003.502 (b)(7) of the ICDBG regulations.

(13) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures".

(c) Cost principles. (1) All items of cost listed in Attachment B of OMB Circulars A-21, A-87, or A-123, as applicable, which require prior Federal agency approval are allowable without the prior approval of HUD to the extent that they comply with the general policies and principles stated in Attachment A of such circulars and are otherwise eligible under subpart C of this part, except for the following:

- (i) Depreciation methods for fixed assets shall not be changed without specific approval of HUD or, if charged through a cost allocation plan, the Federal cognizant agency.
- (ii) Fines and penalties are unallowable costs to the ICDBG program.

(2) No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with ICDBG funds. In no event, however, shall such compensation exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule.