## Overview

As of December 26, 2014, the Federal Government released the Uniform Administrative Requirements (OMB Super Circular) that combines eight grant-related circulars into one document (2 CFR). This document applies to federal agencies that make federal awards to non-federal entities which can flow down to sub-recipients. Non-federal entities must comply with these requirements whether they are recipients or sub-recipients. OWEB has worked with its primary federal agency, NOAA, to clarify administrative requirements for the treatment of indirect costs, matching funds and eligible sub-recipients.

## Summary of Changes

**Treatment of Indirect Costs.** The Uniform Administrative Requirements require OWEB to accept all federally negotiated indirect rates. It also establishes a 10% *de minimis* indirect rate that sub-recipients can elect.

**Matching Funds.** OWEB’s lottery funds are used as match to the federal awards it receives. Therefore, OWEB must follow the Uniform Administrative Requirements for funds that are used as match.

**Non-Federal Entity.** OWEB clarified with NOAA and the Oregon Department of Justice that sub-recipients must be legal entities. Applicants will be required to identify their organizational type as one of the following:

* State or local government (SWCDs fall into this category)
* Non-profit organization. (This includes watershed councils, land trusts, corporations, cooperatives, associations, and other non-profits that are legally formed and have a federal tax identification number)
* Institution for Higher Education
* Individual (not eligible for Grant Administration costs)

**Grant Administration Budget Category Change**

OWEB no longer considers grant administration a direct cost; grant administration charges must be paid for from indirect charges. When applying for funding, applicants will complete a required Attachment to identify one of the following indirect methods for charging grant administration costs.

### Federally Negotiated Indirect Cost Rate: Organizations that have an approved indirect cost rate with a federal agency will be allowed to use this rate for their grant administration with no receipts required.

### Federally Accepted *de minimis* indirect rate: Organizations that have never received a federally negotiated indirect cost rate can charge a flat *de minimis* indirect cost rate of 10% of modified total direct cost (MTDC) with no receipts required.

### OWEB Negotiated Indirect Cost Rate: Organizations that do not currently plan to obtain a federally negotiated indirect rate will be allowed to negotiate a rate of up to 15% of modified total direct costs (MTDC) with OWEB. Receipts will be required for rates above 10%.

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| Allowable Grant Administration Rates by Grant Type |
|  | **NO Grant Administration Allowed** | **Federally Negotiated Indirect Cost Rate** | **10% *de minimis* Indirect Cost Rate** | **OWEB Negotiated Indirect Cost Rate (up to 15%)** |
| **Restoration** |  | **X** | **X** | **X** |
| **Technical Assistance** |  | **X** | **X** | **X** |
| **Monitoring (all types)** |  | **X** | **X** | **X** |
| **Outreach** |  | **X** | **X** | **X** |
| **Acquisition \*** |  | **X** | **X** | **X** |
| **Weed**  |  |  | **X** |  |
| **Small Grants** |  |  | **X** |  |
| **Council & District Capacity** | **X** |  |  |  |
| **CREP Cost Share** | **X** |  |  |  |

 \*Indirect costs are calculated on the modified total direct costs (MTDC) less capital assets costs such as land and water rights.