1. Were there any changes relating to the cost allowability from 2 CFR 225 to 2 CFR 200?

2 CFR 200 includes language that strengthened certain areas such as conferences, morale, relocations, and student activities to appropriately limit allowable costs under Federal awards. See Office of Management and Budget response to similar questions. [https://cfo.gov/wp-content/uploads/2013/01/2-C.F.R.-200-FAQs-2-12-2014.pdf](https://cfo.gov/wp-content/uploads/2013/01/2-C.F.R.-200-FAQs-2-12-2014.pdf)

2. What were some of the changes between the 2 CFR 225 and 2 CFR 200?

2 CFR 200 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.

2 CFR 200 updated policies on indirect costs and seeks to reduce the administrative burden by providing more consistent and transparent treatment governmentwide.

Please visit [www.cfo.gov/COFAR](http://www.cfo.gov/COFAR) for more information on the following resources:

- A link to a recorded webcast that was broadcast on December 20th.
- A link to a recorded training webcast that was broadcast on January 27th.
- Crosswalks and side-by-sides that explain where to find revised sections of the old guidance in the uniform guidance and show the language from the old guidance next to the new language. These crosswalks and side-by-sides are available at [http://www.whitehouse.gov/omb/grants_docs](http://www.whitehouse.gov/omb/grants_docs)


3. When does the new ICAP/ICRP process go into effect?

It’s effective for ICAPs/ICRPs for fiscal years beginning on or after July 1, 2015.

4. Can you clarify the Extension Request Process?
See Supplementary Guidance on the ICAP/ICRP Extension Request released on March 26, 2015 which is also posted on Caltrans website at [http://www.dot.ca.gov/hq/audits/index.html](http://www.dot.ca.gov/hq/audits/index.html)

5. How many years may the agency use the pre-determined rate if the extension request was utilized?

An agency may request the use of a predetermined rate for two to four years and request the one-time extension of the predetermined rate for a period of one to four years. See Supplementary Guidance for additional details.

6. If the extension request was utilized and a pre-determined rate was established, how would the carryforward be handled?

LGAs with a fixed rate(s) with carry-forward agreement(s) for previous year(s) that are requesting a predetermined rate(s), must resolve any over-recovery from the last two approved fixed rate year(s) using one of the following options:

- Provide evidence that Caltrans was reimbursed for projects over-billed, or provide evidence that an invoice was adjusted to compensate Caltrans for the over-billing.

- Divide the over-recovery amount by the number of years in the proposed predetermined period and reduce the total indirect costs used in the proposed predetermined rate by this amount.

7. Is the pre-determined method still subject to Audit?

Once a pre-determined rate is agreed and negotiated, except under very unusual circumstances it is not subject to adjustment. The results of each negotiation must be formalized in a written agreement between the cognizant agency for indirect costs and the governmental unit. This agreement will be subject to re-opening if the agreement is subsequently found to violate a statute, or the information upon which the plan was negotiated is later found to be materially incomplete or inaccurate. Also other audits of the local government agency may be performed.

8. A&I indicated if the extension request method is utilized and the average ICAP rate for the past three years for example is 82 percent, the negotiated rate will be less. How much less will the agency have to negotiate? What would A&I’s basis be for negotiating a lesser rate?
See Supplementary Guidance on the ICAP/ICRP Extension Request released on March 26, 2015, which is also posted on Caltrans website at http://www.dot.ca.gov/hq/audits/index.html

9. For agencies that have been submitting annually, do they have an option to stay with the current process?

   Yes.

10. For agencies who have been submitting annually and have no audit issues do they have to submit a complete ICAP Package similar to the current process? Agencies still have to prepare an ICAP annually. However, certain agencies may qualify for the Revised Streamline Process and only need to submit the ICAP/ICRP certification and the Streamline Submission Checklist. See Section I of Attachment A, ICAP/ICRP Submission Processes and Documentation of Proposal for additional details and to determine whether the Agency qualifies for the Revised Streamline Process. It can be found at http://www.dot.ca.gov/hq/audits/index.html.

11. The streamline process indicates an agency will qualify if they received $35 million or less. Is the $35 million threshold at the County level or is it at the Department level?

   It is at the Department level that is submitting the ICRP.

12. If an agency selects the streamline process are they subject to audit?

   Yes. The selection of agencies to be audited will continue to be risk based.

13. When would the Caltrans Supplemental ICAP process be available?

   It was released on March 26, 2015. It can be found at http://www.dot.ca.gov/hq/audits/index.html