

ELECTRONIC CODE OF FEDERAL REGULATIONS

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Title 2: Grants and Agreements

PART 2701—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS**Contents**

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AUTHORITY: 15 U.S.C. 634(b)(6), 2 CFR part 200.

SOURCE: 79 FR 76080, Dec. 19, 2014, unless otherwise noted.

[↑ Back to Top](#)**§2701.1 Adoption of 2 CFR Part 200.**

(a) Under the authority listed above, the U.S. Small Business Administration adopts the Office of Management and Budget (OMB) Guidance in 2 CFR part 200, except for 2 CFR 200.74, 200.92, and 200.93. Thus, this part gives regulatory effect to the OMB guidance and supplements the guidance as needed for the Administration.

[↑ Back to Top](#)**§2701.74 Pass-through entity.**

SBA will only make awards to pass-through entities where expressly authorized by statute.

[↑ Back to Top](#)**§2701.92 Subaward.**

SBA will only permit pass-through entities to make awards to subrecipients where expressly authorized by statute.

[↑ Back to Top](#)**§2701.93 Subrecipient.**

SBA will only permit non-Federal entities to receive subawards where expressly authorized by statute.

[↑ Back to Top](#)**§2701.112 Conflict of Interest.**

The following conflict of interest policies apply to all SBA awards of financial assistance:

(a) Where an employee or contractor of a non-Federal entity providing assistance under an SBA award also provides services in exchange for pay in her or his private capacity, that employee or contractor may not accept as a client for her or his private services any individual or firm she or he assists under an SBA award.

(b) No non-Federal entity providing assistance under an SBA award (nor any subrecipient, employee, or contractor of such an entity) may give preferential treatment to any client referred to it by an organization with which it has a financial, business, or other relationship.

(c) Except where otherwise provided for by law, no non-Federal entity may seek or accept an equity stake in any firm it assists under the auspices of an SBA award. Additionally, no principal, officer, employee, or contractor of such an entity (nor any of their Close or Secondary Relatives as those terms are defined by 13 CFR 108.50) may seek or accept an equity stake or paid position in any firm the entity assists under an SBA award.

[↑ Back to Top](#)**§2701.414 Indirect (F&A) Costs.**

(a) When determining whether a deviation from a negotiated indirect cost rate is justified, SBA will consider the following factors:

(1) The degree to which a non-Federal entity has been able to defray its overhead expenses via those indirect costs it has recovered under other, concurrent SBA awards;

(2) The amount of funding that must be devoted to conducting program activities in order for a project to result in meaningful outcomes; and

(3) The amount of project funds that will remain available for conducting program activities after a negotiated rate is applied.

(b) After conducting the analysis required in paragraph (a) above, the head of each SBA grant program office will determine in writing whether there is sufficient justification to deviate from a negotiated indirect cost rate.

(c) Where SBA determines that deviation from a negotiated rate is justified, it will provide a copy of that determination to OMB and will inform potential applicants of the deviation in the corresponding funding announcement.

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§2701.503 Relation to other audit requirements.

Non-Federal entities that are not subject to the requirements of the Single Audit Act and that are performing projects under SBA awards will be required to submit copies of their audited financial statements for their most recently completed fiscal year. Costs associated with the auditing of a non-Federal entity's financial statements may be included in its negotiations for an indirect cost rate agreement in accordance with 2 CFR 200.425.

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§2701.513 Responsibilities.

For SBA, the Single Audit Senior Accountable Official is the Chief Administrative Officer. The Single Audit Liaison is the Director, Office of Grants Management.

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§2701.600 Other regulatory guidance.

(a) In addition to the general regulations set forth above and those contained in 2 CFR part 200, the program-specific regulations governing the operation of SBA's individual grant programs may be found in title 13 of the Code of Federal Regulations beginning at the sections noted below:

(1) New Markets Venture Capital program—13 CFR 108.2000.

(2) Program for Investment in Microentrepreneurs (PRIME)—13 CFR 119.1.

(3) Microloan program—13 CFR 120.700.

(4) 7(j) Management and Technical Assistance program—13 CFR 124.701.

(5) Small Business Development Center program—13 CFR 130.100.

(b) [Reserved]

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