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Uniform Guidance Updates: A Rehab of the Federal Register

Wednesday 3/12/25

3:00 PM

National Self-Help Conference

Orlando, FL

Your Trainers Today!

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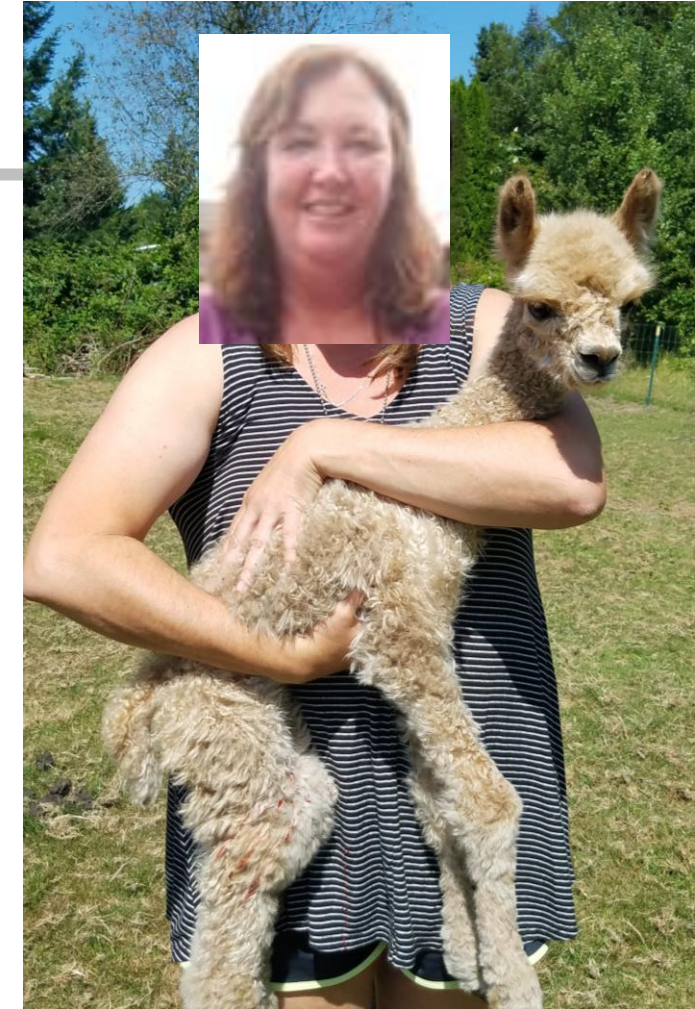
Since 2019

Donna Lea Brooks, Moderator

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Since 2017



Housekeeping

- Cell phones = set to SILENT
- Participation = encouraged
- Restrooms, hydration, stretch, do your thing, just minimize distraction please
- Attendance: sign in sheet, sign it!
- Evaluations: on your app, let us know your thoughts!



Let's Explore the Updates



Code of Federal Regulations

A point in time eCFR system



Title 2



Displaying title 2, up to date as of 1/31/2025. Title 2 was last amended 1/03/2025. ⓘ

[view historical versions](#)

Enter a search term or CFR reference (eg. fishing or 1 CFR 1.1)



Title 2 / Subtitle A / Chapter II / Part 200

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⊙ **PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS**

Timelines

Proposed updates published in
April 2024, effective **10/1/2024**

- *Last major update was November 2020*
- *Approximately every five years OMB will review the **2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards***

Lofty Goals

...OMB policy priorities related to Federal financial assistance and to **reduce agency and recipient burden**. OMB is also incorporating certain statutory requirements and **clarifying certain sections** of the prior version of the guidance that recipients or agencies have interpreted in different ways. OMB is also making revisions to **use plain language, improve flow, and address inconsistent use of terms** within the guidance text. Finally, OMB is making revisions to **improve Federal financial assistance management, transparency, and oversight through more accessible and readily comprehensible guidance**.

Compare and Contrast

[CFO.gov](https://www.cfo.gov) | [Uniform Guidance: Title 2 of the Code of Federal Regulations](#)

[eCFR:2CFRPart 200 updates10-1-24-compare](#)



Self-Help Related Only

Please note...Just reviewing changes in the UG that impact us in Self-Help, not a comprehensive review of all changes



Terms

- **“Non-Federal Entity”** (still there, still defined) but is now referenced throughout the UG as **“Recipient”**
- And **“Grants and agreements”** is now referred to as **“Federal financial assistance”**
 - Other general changes throughout, refers to websites such as **SAM.gov, CPARS, Grants.gov, and USASpending.gov** in place of more general descriptions of websites and systems

Terms

Participant generally means an individual participating in or attending program activities under a Federal award, such as trainings or conferences, but who is not responsible for implementation of the Federal award. Individuals committing effort to the development or delivery of program activities under a Federal award (such as consultants, project personnel, or staff members of a recipient or subrecipient) are not participants. Examples of participants may include community members participating in a community outreach program, members of the public whose perspectives or input are sought as part of a program, students, or conference attendees.

Participant support costs means direct costs that support participants (see definition for *Participant* in § 200.1) and their involvement in a Federal award, such as stipends, subsistence allowances, travel allowances, registration fees, temporary dependent care, and per diem paid directly to or on behalf of participants.

Continuation funding means the second or subsequent budget period within an identified period of performance.

Prior approval means the written approval obtained in advance by an authorized official of a Federal agency or pass-through entity of certain costs or programmatic decisions.



Thresholds

- Increased thresholds
 - The **Single Audit Threshold increases to \$1 million** from \$750,000
 - the **de minimis indirect cost rate increases “up to 15%”** from 10% (more below)
 - **Modified Total Direct Costs threshold** increased for up to **\$50,000 of each subaward** (was \$25,000)
 - Threshold for **equipment and other capital expenditures** increases to \$5,000 to **\$10,000**

Equipment

- The definition of **Equipment** was changed to increase the per-unit acquisition and the disposition threshold to \$10,000 and **Supplies** total value (matches @ \$10,000) and language was tightened up to avoid risk of “*stockpile spending*”
- **.313 Equipment** clarification language updates around conditional titles, disposition requirements, original intent use, theft/loss reporting, and ***retention without obligation may now be permitted by the funder.***





Procurement

- Good deal of clarification language and category heading identification around **Procurement .317-.327**:
 - **200.318** modified procurement standards to remove geographic preference
 - **318(c)(1) Conflict of Interest** policies need to include board members as well as employees
 - **200.320(2)** terminology change from “small purchases” to “simplified acquisitions”
 - **200.321** include “veteran-owned businesses” in contract prioritization
 - **200.323 (b) new!** *The recipient or subrecipient should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. See Executive Order 14057, section 101, Policy.*

Procurement: No Change to FAR Thresholds

Subpart D—Post Federal Award Requirements

§200.320 Methods of procurement to be followed

The NFE *must have and use documented procurement procedures*, consistent with the standards of this section

(a) Informal procurement method	(b) Formal procurement method	(c) Noncompetitive method
1. MICRO PURCHASE (<\$10K*) 2. SMALL PURCHASE**	3. SEALED BID 4. PROPOSALS	5. NONCOMPETITIVE
**Up to the <i>simplified acquisition threshold</i> (currently \$250K) <i>Or an approved threshold established by the NFE</i>	Exceeds <i>simplified acquisitions threshold</i> <i>Or an approved threshold established by the NFE</i>	Not to exceed <i>micro-purchase threshold</i> (\$10K currently)
Expedite the completion of transactions and minimize administrative burden	Formal documented procedures, public advertising	Emergency or inadequate competition



Closeout

⦿ § 200.344 Closeout.

- (a) The Federal agency or pass-through entity must close out the Federal award when it determines that all administrative actions and required work of the Federal award have been completed. When the recipient or subrecipient fails to complete the necessary administrative actions or the required work for an award, the Federal agency or pass-through entity must proceed with closeout based on the information available. This section specifies the administrative actions required at the end of the period of performance.
- (b) A recipient must submit all reports (financial, performance, and other reports required by the Federal award) no later than 120 calendar days after the conclusion of the period of performance. A subrecipient must submit all reports (financial, performance, and other reports required by a subaward) to the pass-through entity no later than 90 calendar days after the conclusion of the period of performance of the subaward (or an earlier date as agreed upon by the pass-through entity and subrecipient). When justified, the Federal agency or pass-through entity may approve extensions for the recipient or subrecipient. **When the recipient does not have a final indirect cost rate covering the period of performance, a final financial report must still be submitted to fulfill the requirements of this section. The recipient must submit a revised final financial report when all applicable indirect cost rates have been finalized.**

Closeout

⦿ § 200.344 Closeout.

- (h) The Federal agency must make every effort to complete all closeout actions no later than one year after the end of the period of performance. **If the indirect cost rate has not been finalized and would delay closeout, the Federal agency is authorized to mutually agree with the recipient to close an award using the current or most recently negotiated rate. However, the recipient is not required to agree to a final rate for a Federal award for the purpose of prompt closeout.**
- (i) If the recipient does not comply with the requirements of this section, including submitting all final reports, the Federal agency must report the recipient's material failure to comply with the terms and conditions of the Federal award in *SAM.gov*. A Federal agency must use the Contractor Performance Assessment Reporting System (CPARS) to enter or amend information in *SAM.gov*. Federal agencies may also pursue other enforcement actions as appropriate. See [§ 200.339](#).

Prior Approval Removal

- **407 Prior written approval** – removal of nine categories (doesn't necessarily preclude from requesting, which still may be a good idea 😊)
 - Use of grant agreements
 - Real property
 - Equipment
 - Direct costs
 - Entertainment costs
 - Memberships
 - Participant support costs
 - Selling & marketing
 - Taxes





Indirect

- **414 (f)**

- ***De minimis rate.*** Recipients and subrecipients that do not have a current Federal negotiated indirect cost rate (including provisional rate) may elect to charge a de minimis rate of **up to 15 percent** of modified total direct costs (MTDC). **The recipient or subrecipient is authorized to determine the appropriate rate up to this limit. Federal agencies and pass-through entities may not require recipients and subrecipients to use a de minimis rate lower than the negotiated indirect cost rate or the rate elected pursuant to this subsection unless required by Federal statute or regulation. The de minimis rate must not be applied to cost reimbursement contracts issued directly by the Federal Government in accordance with the FAR. Recipients and subrecipients are not required to use the de minimis rate.** When applying the de minimis rate, costs must be consistently charged as either direct or indirect costs and may not be double charged or inconsistently charged as both. **The de minimis rate does not require documentation to justify its use and may be used indefinitely. Once elected, the recipient or subrecipient must use the de minimis rate for all Federal awards until the recipient or subrecipient chooses to receive a negotiated rate.**

Funder Gotta Accept that Indirect

(c) *Federal Agency Acceptance of Negotiated Indirect Cost Rates.* (See § 200.306.)

- (1) Negotiated indirect cost rates must be accepted by all Federal agencies. A Federal agency may use a rate different from the negotiated rate for either a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by the awarding Federal agency in accordance with paragraph (c)(3) of this section.
- (2) The Federal agency must notify OMB of any approved deviations. **The recipient or subrecipient may notify OMB of any disputes with Federal agencies regarding the application of a federally negotiated indirect cost rate.**
- (3) The Federal agency must implement, and make publicly available, the policies, procedures and general decision-making criteria that their programs will follow to seek and justify deviations from negotiated rates.
- (4) The Federal agency must include, in the notice of funding opportunity, the policies relating to indirect cost rate reimbursement or cost share as approved under paragraph (e). As appropriate, the Federal agency should incorporate discussion of these policies into its outreach activities with applicants before posting a notice of funding opportunity. See § 200.204.



No Real Impact for SH, Why?

- **Modified Total Direct Costs threshold increased for up to \$50,000 of each subaward (was \$25,000)**

Fun with Audits



REMINDER: The **Single Audit Threshold** increases to **\$1 million** from **\$750,000**

More Fun with Audits

SUBPART F:

- Note the effective date of UG revisions is 10/1/24 but for **SUBPART F Audit Requirements will apply in first full fiscal year following the updates**, e.g., with a fiscal year ending of 12/31, the new revisions will not apply until fiscal year 1/1-12/31/25.)
- **.512 Report Submission added language** *...the cognizant agency for audit or oversight agency for audit (in the absence of a cognizant agency for audit) may authorize an extension when the nine-month timeframe would place an undue burden on the auditee.*



Hey Grantees, Know This!

- Must have **written documented policies and procedures** that reference how, who (roles) that demonstrate internal controls and specific UG requirements are followed
- Understand *effective dates* of implementation of updates
- Work with your auditors, start talking now to prepare for the implementation and impact on future audits

Hey Grantees, Know This!

- If utilizing **new “up to 15%” de minimis language**:
 - If you have an existing NICRA it must expire before you can use the de minimis rate (*including the Provisional Rate*)
 - Caution: organizations still need to have a clear documentation of their indirect cost policies, how they arrive at the rate, etc., to provide to the auditor if asked. So, we want to ensure that we can **support the rate** (measures that demonstrate exactly how the rate is arrived at).



Hey Grantees, Know This!

HOW INDIRECT MATH WORKS!

make sure that you understand that the **increase in indirect means a decrease in direct costs.**

There's no additional funding to the grant, e.g., 500,000 grant with 10% indirect was 454,545 direct and 45,454 indirect costs = 500K; applying 15% indirect is now 434,783 direct costs (*less for the program*) and 65,217 indirect costs = 500K

Hey Grantees, Know This!

And as always, know that you, the **grantee**, **are agreeing to all the requirements in the** **Uniform Guidance** when you accept money from the federal government!

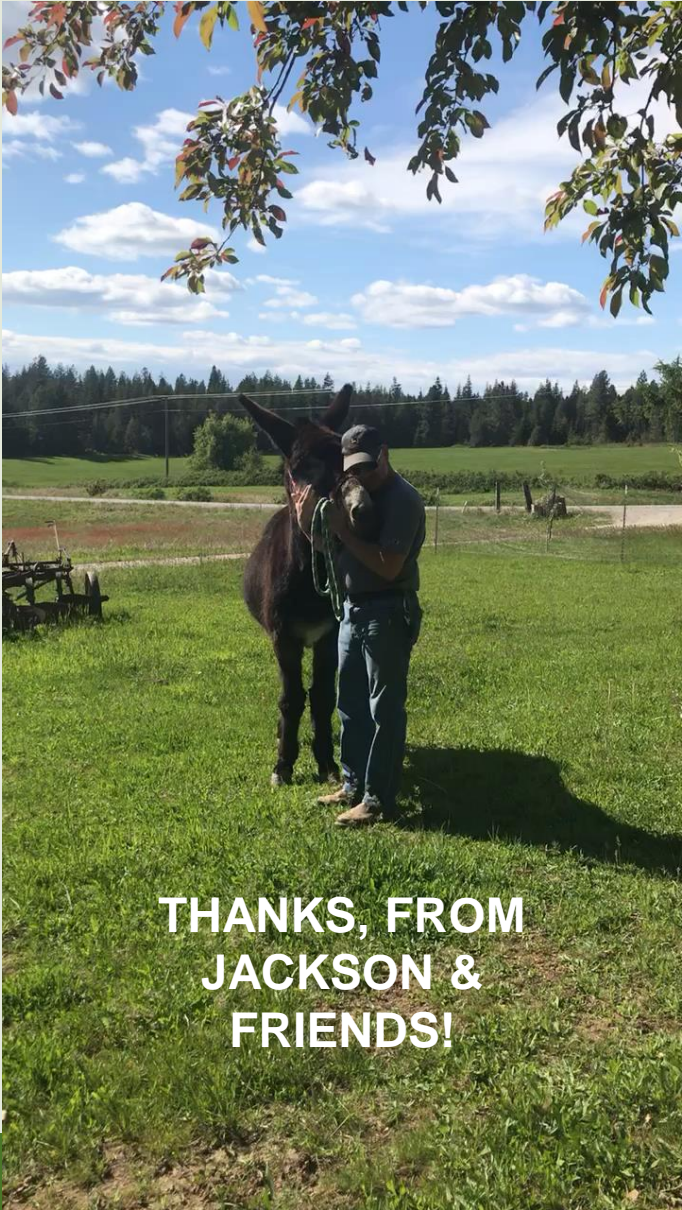
Questions / Discussion



Session Evaluation



Don't Forget the
Eval in Your App!



**THANKS, FROM
JACKSON &
FRIENDS!**