



**Implementation and Readiness Guide for the OMB Guidance for Federal Financial Assistance Prepared by the COGR
September 20, 2024, VERSION 1.0 – EFFECTIVE OCTOBER 1, 2024**

This Implementation and Readiness Guidance (“Readiness Guide”), developed by COGR, is a resource to help institutions prepare for and implement OMB’s October 1, 2024, revision (“2024 Revisions”) to the [OMB Guidance for Federal Financial Assistance; Final Rule – Title 2 of the CFR](#) including 2 CFR part 200 aka, the “Uniform Guidance,” or the UG).

While this Readiness Guide is intended to capture a substantial number of impactful changes and overarching concepts of the 2024 Revisions, we strongly encourage the COGR Membership to read both OMB’s comments in the [Federal Register](#) and the revisions in their entirety. OMB has provided a helpful redline document that [highlights the modifications](#) and a [crosswalk](#) to compare versions. **If there are significant changes that will impact your institution, which COGR has not covered, or if you have any questions about the information contained herein, please contact memberservices@cogr.edu.**

The OMB Guidance for Federal Financial Assistance – Final Rule introduces several revisions, including increases to thresholds for equipment/supplies, modified total direct costs (MTDC), *de minimis*, fixed amount awards, and single audit. A notable positive change includes the elimination of the DS-2, which COGR has long advocated for, and we are pleased to see it codified in the 2024 Revisions. However, there are some new troublesome challenges, including the elimination of the “fair share” language, reduced flexibility for fixed amount awards, and problematic new text added to unused leave. COGR raised these concerns and more in the [Technical Corrections and Other Comments to OMB on Guidance for Grants & Agreements \(Uniform Guidance\)](#) on June 28, 2024. We anticipate OMB will address the issue raised around unused leave as a technical correction in the final publication of the rule. Details of these changes and more are included in the Guide.

The UG is directed to Federal agencies, which are responsible for implementing the guidance by October 1, 2024. As of September 20, not all agencies have announced their implementation plans. See the Status of Agency Implementation Matrix (Appendix III), which will be updated as new information becomes available. It is uncertain what it will mean if an agency does not comply with the October 1 deadline. COGR continues to monitor this and [other issues](#) and will keep the membership apprised as we advocate on the issues important to our members. Also, see COGR’s [Uniform Guidance Resources](#) page, which includes COGR letters to OMB, previous readiness guides, and other relevant information.

The analysis and guidance provided are based on COGR’s understanding of OMB’s implementation. **However, uncertainty remains regarding how certain agencies will implement the guidance. Therefore, these recommendations should be considered with this in mind.** We recognize that there are still unresolved issues, and we will continue to review and update this guide as necessary. Should significant changes occur, we will notify the community accordingly.

This Readiness Guide is organized into the sections below. Each section includes key clauses, changes from the prior version, and points to consider.

Table of Contents

A. GENERAL TOPICS	3
B. ISSUES TO CONSIDER / TAKE ACTION	4
C. ISSUES TO BE AWARE OF / WAIT AND SEE.....	15
D. APPENDIX I: FACILITIES AND ADMINISTRATIVE COST RATE IMPLICATIONS.....	18
E. APPENDIX II: FACULTY TALKING POINTS.....	19
F. APPENDIX III: COGR MATRIX OF FEDERAL AGENCY ADOPTION AND IMPLEMENTATION OF 2 CFR.....	22

COGR would like to thank the following members of COGR's Contracts and Grants Administration (CGA), Costing and Financial Compliance Committees (CFC), and staff for their time and expertise in developing this document.

Kimberly Croft, Senior Director of Cost Analysis, Office of the Vice President for Research, Massachusetts Institute of Technology

Casey Erickson Assistant Vice President, Sponsored Programs Finance, University of Washington

Maggie Ewell, Director Pre-Award, Office of Sponsored Programs, George Mason University

MC Gaisbauer, Business and Integration Manager, Office of Research, University of California, San Francisco

Lisa Mosley, Executive Director, Office of Sponsored Projects, Yale University

Jennifer Rodis, Research & Sponsored Programs, Office of the Vice Chancellor for Research, University of Wisconsin – Madison

Maria Soliman, Director, Grant Accounting Office, University of Iowa

Nate Martinez-Wayman, Associate Controller, Post Award Costing & Compliance, Duke University

Pamela Webb, Associate Vice President for Research, University of Minnesota

Cindy Hope, Director, Costing and Financial Compliance, COGR

David Kennedy, Senior Fellow, Costing and Financial Compliance, COGR

Mary Deans, Administrative Officer, COGR

Toni Russo, Chief Operating Officer, COGR

Krystal Toups, Director, Contracts and Grants Administration (Workgroup Lead), COGR

Michelle Christy, Consultant (Workgroup Lead)

Matt Owens, President, COGR

A. GENERAL TOPICS

#	Item	Summary, Points to Consider & COGR Assessment
1.	General Considerations	<p>The following is noted on this topic:</p> <ul style="list-style-type: none"> • The effective date for the newly revised Uniform Guidance is October 1, 2024. • All portions of the Uniform Guidance apply to grants and cooperative agreements (assistance awards). Some portions apply to other types of federal financial assistance. The Uniform Guidance does not apply to Other Transactions (OT) unless specified by agency regulations or statute or explicitly referenced as part of the sponsored project agreement. • References to Indian Tribes are added throughout. The language now states: “...State, local government <i>or Indian Tribe...</i>” – allowing Indian Tribes to follow their own procurement and equipment policies. • There are several terms throughout the Uniform Guidance that have changed: <ul style="list-style-type: none"> ○ “<i>Non-Federal entity</i>” has been replaced with “<i>recipient</i>” and/or “<i>subrecipient</i>” to clarify that the Uniform Guidance terms also apply to subrecipients. ○ “<i>Grants Agreements</i>” has been replaced with “<i>Federal Financial Assistance</i>” ○ “<i>Cost sharing</i>” is used for both “<i>cost sharing</i>” and “<i>matching.</i>” ○ “<i>Indirect costs</i>” is used in lieu of “<i>facilities and administrative (F&A) costs.</i>” • Funding opportunities are generally called Notices of Funding Opportunities (NOFOs) throughout the document.
2.	OMB’s Implementation Guidance	<p>The following is noted on this topic:</p> <p>COFFA published FY 2024 Revisions to 2 CFR Federal Agency Implementation Guidance on August 15, 2024. The guidance provides additional information to assist Federal agencies with more consistently implementing the revisions made by OMB to Title 2 of the Code of Federal Regulations (CFR) in April 2024. The guidance instructs federal agencies to take steps to ensure the 2024 Revision are effective for all Federal awards issued on or after October 1, 2024. Providing guidance for the following topics:</p> <ul style="list-style-type: none"> • New Awards and Related Program Documents • Exiting Awards • Implementation guidance • Subawards • NOFOs and Federal Financial Assistance Applications • Recipient Implementation of 2 CFR • Indirect Costs • <i>De Minimis</i> Rates for New and Existing Awards • Single Audits <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • At this time, the community is still awaiting agency-specific implementation guidance from several agencies. COGR will

		<p>monitor agencies' implementation of the 2024 Revisions and has developed the matrix in Appendix III (COGR Matrix of Federal Agency Adoption and Implementation of 2 CFR) to track.</p> <ul style="list-style-type: none"> For example, NSF has formally issued guidance implementing 2 CFR in the Grant General Conditions (GC-1). In this action, NSF archived the Research Terms and Conditions (RTC) and the NSF Agency Specific Requirements. So, effective October 1, 2024, the RTC will no longer be referenced in awards and will no longer apply to awards made on or after 10/1/24. The RTC will still apply to any existing awards that have not been amended to apply the 2024 Revisions. Additionally, NASA has also issued its implementation through a Federal Register Notice and Grant Notice 24-01.
--	--	---

B. Issues to Consider / Take Action

#	Item	Summary, Points to Consider & COGR Assessment
1.	Part 25 – Unique Entity Identifier (UEI) and System for Award Management (SAM)	<p>The following is noted on this topic:</p> <ul style="list-style-type: none"> SAM registrations (Part 25) – clarification that a UEI is needed for subrecipients receiving federal assistance awards, but full SAM registration is not needed to receive a UEI. However, full registration is needed to receive federal contracts. Also, substantial revisions have been made to the conditions under which a federal agency may grant an exception to SAM registration requirements.
2.	Part 175 – Award Terms for Trafficking in Persons (NEW)	<p>The following is noted on this topic:</p> <ul style="list-style-type: none"> This section has been substantially expanded to include definitions and clarifications regarding what constitutes “trafficking in persons,” as well as the roles and responsibilities of entities receiving federal funds in preventing and reporting such activities. Regulatory requirements previously found in the FAR are now in 2 CFR Part 175 for all assistance awards. Recipients must certify that where work outside the U.S. is estimated at ≥ \$500,000, the recipient has implemented an acceptable compliance plan to combat human trafficking. Certification and required compliance plan components are described in 175.105(b). Recipients must implement mechanisms to “<i>monitor, detect, and terminate any subrecipient, contractor, subcontractor, or employee of the recipient engaging</i>” in human trafficking or other related prohibited acts. <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> Institutions should assess how many projects could be affected by this new requirement. Note that there is a difference between the FAR and 2 CFR Part 175 thresholds (\$550K versus \$500K of work outside the U.S.) that trigger these requirements. Train PIs and team members on these projects to address requirements. Review and, where necessary, amend policies and procedures to incorporate financial assistance awards in addition to federal contracts.

		<ul style="list-style-type: none"> Develop or adjust a means to identify projects to which these regulations apply. 																								
<p>3.</p>	<p>Changes in Limits and Thresholds</p>	<p>The following is noted on this topic:</p> <table border="1" data-bbox="493 259 1984 909"> <thead> <tr> <th>Item</th> <th>Current</th> <th>New</th> </tr> </thead> <tbody> <tr> <td>*Single Audit Requirement (§§501)</td> <td>\$750,000</td> <td>\$1,000,000</td> </tr> <tr> <td>* Equipment sale proceeds retention where title not vested in grantee, and amount that may be retained for disposition cost (§§312(e)(1) and (e)(2))</td> <td>\$5,000 \$500</td> <td>\$10,000 \$1,000</td> </tr> <tr> <td>* Surplus supplies – amount that can be retained for future project use and amount that can be retained to cover disposition costs (§§314(a))</td> <td>\$5,000 \$500</td> <td>\$10,000 \$1,000</td> </tr> <tr> <td>* Fixed Amount Awards/Subawards (§§333)</td> <td>Simplified Acquisition Threshold (SAT) per 48 CFR</td> <td>\$500,000</td> </tr> <tr> <td>**Subaward MTDC Exclusion (§§1)</td> <td>\$25,000</td> <td>\$50,000</td> </tr> <tr> <td>* <i>De minimis</i> rate (§§414(f))</td> <td>10%</td> <td>15%</td> </tr> <tr> <td>**Equipment capitalization (maximum threshold) (§§1) And subsequently, the Supply threshold (at or below the equipment threshold)</td> <td>\$5,000 \$4,999</td> <td>\$10,000 \$9,999</td> </tr> </tbody> </table> <p>*Implement with awards issued or revised on October 1, 2024, and beyond ** Implement with your negotiated F&A cost rate, rate extension, or rate modification and subsequent receipt of new award or competitive renewal.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> Increased Equipment Capitalization threshold (was \$5,000, now \$10,000) may require changes to the recipient’s local policies and/or the policies of its governing bodies. For recipients who are organized as part of a system or state, the timing of a collective policy shift should be considered. While federal contracts with educational institutions use the cost principles found in FAR 31.3, which incorporate 2 CFR part 200, subpart E, and appendix III, the equipment threshold is located outside of subpart E and appendix III. Until modified, the \$5,000 threshold found in FAR 52.245-1 alt II applies. See below (item #14) for more information about the impact on indirect cost rates. The increased MTDC threshold for subawards (was \$25,000, now \$50,000) may require changes to your local policies, system reconfigurations, and/or changes to your indirect cost rate agreement. Consider the implications for existing 	Item	Current	New	*Single Audit Requirement (§§501)	\$750,000	\$1,000,000	* Equipment sale proceeds retention where title not vested in grantee, and amount that may be retained for disposition cost (§§312(e)(1) and (e)(2))	\$5,000 \$500	\$10,000 \$1,000	* Surplus supplies – amount that can be retained for future project use and amount that can be retained to cover disposition costs (§§314(a))	\$5,000 \$500	\$10,000 \$1,000	* Fixed Amount Awards/Subawards (§§333)	Simplified Acquisition Threshold (SAT) per 48 CFR	\$500,000	**Subaward MTDC Exclusion (§§1)	\$25,000	\$50,000	* <i>De minimis</i> rate (§§414(f))	10%	15%	**Equipment capitalization (maximum threshold) (§§1) And subsequently, the Supply threshold (at or below the equipment threshold)	\$5,000 \$4,999	\$10,000 \$9,999
Item	Current	New																								
*Single Audit Requirement (§§501)	\$750,000	\$1,000,000																								
* Equipment sale proceeds retention where title not vested in grantee, and amount that may be retained for disposition cost (§§312(e)(1) and (e)(2))	\$5,000 \$500	\$10,000 \$1,000																								
* Surplus supplies – amount that can be retained for future project use and amount that can be retained to cover disposition costs (§§314(a))	\$5,000 \$500	\$10,000 \$1,000																								
* Fixed Amount Awards/Subawards (§§333)	Simplified Acquisition Threshold (SAT) per 48 CFR	\$500,000																								
**Subaward MTDC Exclusion (§§1)	\$25,000	\$50,000																								
* <i>De minimis</i> rate (§§414(f))	10%	15%																								
**Equipment capitalization (maximum threshold) (§§1) And subsequently, the Supply threshold (at or below the equipment threshold)	\$5,000 \$4,999	\$10,000 \$9,999																								

		<p>awards once a new MTDC base is approved by the cognizant agency for indirect costs, as they are still subject to the rate agreement in effect at the time of award.</p> <ul style="list-style-type: none"> • Depending on the status of your existing negotiated indirect cost rate agreement (NICRA), different directives apply, subject to the recipient’s cognizant agency for indirect costs’ implementation guidance; see additional considerations in Appendix I – Facilities and Administrative (Indirect) Cost Rate Considerations. • Review other guidance and procedures where other rates apply, e.g., the SAT and sale of surplus supplies and equipment.
<p>4.</p>	<p>Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</p> <p>§200.110 Effective Date</p>	<p>The following is noted on this topic:</p> <ul style="list-style-type: none"> • COFFA’s implementation guidance confirms the directive in M-24-11 (https://www.whitehouse.gov/wp-content/uploads/2024/04/M-24-11-Revisions-to-2-CFR.pdf) that “Federal agencies must take appropriate steps to ensure the 2024 Revisions are effective for all Federal awards issued on or after October 1, 2024.” • OMB strongly encourages but does not require awarding agencies to: <ul style="list-style-type: none"> ○ Amend awards extending into FY25 and beyond to include the 2024 Revisions ○ Apply 2024 Revisions to amendments to existing awards (particularly amendments that provide additional funds) • NICRAs negotiated prior to October 1, 2024, must continue to be honored by both Federal agencies and recipients. OMB encourages but does not require cognizant agencies for indirect costs to accommodate requests to renegotiate existing NICRAs that are in effect beyond October 1, 2025, to reflect the new MTDC base. • Provisional rates in effect before October 1, 2024, must be finalized using the MTDC base of the approved provisional rate. <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • If awarding agencies elect to amend existing awards to apply the 2024 Revisions: <ul style="list-style-type: none"> ○ The 2024 Revisions should only be applicable prospectively from the date of the amendment. The 2024 Revisions should not be applied retroactively, particularly if doing so would increase the burden for the recipient. The lack of a directive “shall” or “shall not” may prove difficult here, and ○ The 2024 Revisions must be extended to subawards issued under that award as well. • After October 1, 2024, Federal agencies may not selectively apply only some of the 2024 Revisions to new or existing awards. Unless under authorities allowed by 2 CFR 200.102(c). • Cognizant agencies for indirect costs may elect not to renegotiate NICRAs for the sole purpose of incorporating the 2024 Revisions into the MTDC base. If this is the case, 2024 Revisions will not affect existing negotiated rates, which will remain in place until they expire. Instead, the 2024 Revisions will apply when a new rate is negotiated after the revisions become effective. <ul style="list-style-type: none"> ○ Cognizant agency representatives have communicated plans that differ from the COFFA implementation in some respects. Discuss implementation plans for indirect costs with your cognizant agency. Particularly for those subject to HHS cognizance, there may be an opportunity to implement new thresholds with an extension request or if you are in a provisional rate period. • Recipients included in the financial statements of a system/state may be unable to employ a different equipment

		<p>capitalization threshold than the rest of the system/state. Coordinate the implementation with system/state partners.</p> <ul style="list-style-type: none"> Appendix I includes additional Facilities and Administrative (Indirect) Cost Rate Considerations.
<p>5.</p>	<p>§200.113 Mandatory Disclosures</p>	<p>The following is noted on this topic:</p> <p>This section has been refined and expanded to include the requirement to report when the recipient has “credible evidence of the commission of a violation.” Conflict of interest is added to what must be reported to federal sponsors, and the section incorporates the False Claims Act (31 U.S.C. 3729-3733). Disclosures must be made in writing to the Office of the Inspector General for the agency.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> Institutions need to have policies and processes in place to be informed about violations or proceedings and to ensure required reporting. Institutions are required to report when they have “credible evidence” of the “commission of a violation” (use Black’s Law Dictionary definition of “evidence that is worthy of belief, trustworthy evidence”); this obligates institutions to make their own preliminary judgment rather than use the previous standard of being aware of an actual violation. OMB’s intent is to align the disclosure requirements with two FAR clauses (48 CFR 3.1004 and 52.203-13). <u>Note that under the FAR, the meaning of “Credible Evidence” is highly specific (see FAR 73 FR 67064 and FAR 52.203-13).</u> Since OMB is purposely aligning with the FAR, institutions are well served by self-evaluating whether they have all specific aspects of this FAR clause covered in their existing codes of conduct and business practices applied to financial assistance awards as well as contracts.
<p>6.</p>	<p>Fixed Price Subawards – Various Sections</p>	<p>The following is noted on this topic:</p> <ul style="list-style-type: none"> §200.400(g) clarifies unexpended funds are NOT considered profit. Per §200.101 (b)(4)(ii): Added the following Cost Principles to now apply: §200.403 (Factors Affecting Allowability of Costs) §200.404 (Reasonable Costs) §200.405 (Allocation of Costs), and §200.407(d) (Prior Approval for Program or Budget Revision) and these records are now subject to audit. §200.333 Fixed Amount Awards – Still require prior written approval from the sponsor. Award amount is permitted up to \$500,000. §200.201 (b)(1) replaced “adequate” with “accurate cost, historical or unit pricing data to establish a fixed amount budget...” (still based on “reasonable estimate of actual cost”) and added that federal funding is determined by “subrecipient’s proposal, available pricing data, and subpart E.” <ul style="list-style-type: none"> Replaced “there is no governmental review” of actual costs incurred by the recipient with “There is no expected routine monitoring of actual costs incurred... Therefore, no financial reporting is required.” §200.201 (b)(2) Added back fixed amount award must not be used in programs that require cost sharing (originally was removed). §200.201 (b)(3) Added requirements of 200.307 (Program Income) do not apply to fixed amount awards unless specified

		<p>in the Federal award.</p> <ul style="list-style-type: none"> • §200.201 (b)(4) At the end of the fixed amount award, must certify in writing that the project was completed “or the level of effort was expended...as agreed to in Federal Award or identify those activities not completed, <u>and that all expenditures were incurred in accordance with §200.403.</u>” • §200.201 (b)(6) Added §200.308(f)(1-3,6-8,10) and §200.333: Prior approval for changes in scope, key personnel (specified by name or position), PI disengagement of more than 3 months or 25% reduction in time, “Subaward activities not proposed in the application and approved in the Federal award” (NEW) – but clarifies a change in subrecipient does not require prior approval unless specified in award/subaward. <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • Significant departure from performance-based accountability. Focuses on low-value paperwork and increases the risk of audit findings. • Increased burden to oversee expenditures on fixed amount subawards per 200.403, e.g., detailed invoice review. • Negative impact to facilitate research projects, participation, and performance needs with foreign, private, or smaller institutions. • “Subaward activities” is not defined. • Other changes related to subawards are identified in §200.332 Requirements for Pass-through entities and §200.415 Required Certifications.
<p>7.</p>	<p>§200.303 Internal Controls</p>	<p>The following is noted on this topic:</p> <p>This section did not previously address cybersecurity. The revised section states that the recipient and subrecipient must (a) Establish, document, and maintain effective internal controls...:</p> <p><i>.... (e) Take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the recipient or subrecipient considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.</i></p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • Institutions should assess their current guidance for compliance with the new requirement. • Reference cyber security policies in overall sponsored project policies.

<p>8.</p>	<p>§200.313 Equipment (also see §200.1 Definitions)</p>	<p>The following is noted on this topic: The changes in limits and thresholds section above describes the increase in the maximum capitalization threshold from \$5,000 to \$10,000 through the revised definition of equipment. This section also increases the threshold from \$5,000 to \$10,000 in the fair market value of equipment for which the recipient or subrecipient has no further responsibility to the federal sponsor (e.g., it can be retained, sold, or otherwise disposed of at the recipient’s discretion). This new threshold is independent of the institution’s capitalization threshold.</p> <p>Further, a significant new equipment management requirement was added in §200.313(d)(3), requiring recipients or subrecipients to report to the Federal agency or pass through entity any loss, damage, or theft of equipment that will have an impact on the program.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • Increased equipment threshold implementation <ul style="list-style-type: none"> ○ GAAP requirements may be different from federal grant requirements. ○ Work closely with Financial Accounting and the Property Office to coordinate. ○ It may be necessary to track equipment items and expenses in multiple ways depending on financial accounting requirements, award dates, and the date your NICRA is negotiated, extended, or revised. Ideally, remove from inventory the items under the new threshold to expedite a reduction in administrative burden, but it may be helpful to have a status to indicate an item was considered capital (e.g., ≥\$5,000), but is now below the threshold. ○ Communicate new reporting requirements (to Federal agency or pass-through) for any loss, damage, or theft (§200.313 (d)(3)). ○ Current proposals for new awards that may be issued after a threshold change may present rebudgeting challenges. ○ Update DS-2, as applicable. ○ Review current policies and other guidance and update as needed when new thresholds are adopted. ○ See additional indirect cost rate considerations in the sections: Changes in limits and thresholds, §200.100 Effective Date, and §200.414 Indirect costs. • Appendix I includes additional Facilities and Administrative (Indirect) Cost Rate Considerations.
<p>9.</p>	<p>§200.314 Supplies (also see §200.1 Definitions)</p>	<p>The following is noted on this topic: Consistent with the equipment threshold change, institutions can classify an acquisition as a supply up to the new \$10,000 threshold. Further, OMB increased the threshold at which recipients are required to compensate the Federal agency at the end of the grant award period for unused supplies not needed for any other Federal award from \$5,000 to \$10,000. OMB also clarified that this amount is the total amount of remaining unused supplies, not just items. This is consistent with the proposed guidance.</p> <p>Points to Consider & COGR Assessment:</p>

		<ul style="list-style-type: none"> • Institutions should review their current policies and other guidance and update as needed when new thresholds are adopted. • Consider how to treat equipment purchases in awards based on currently pending proposals. • Consider state and/or system threshold requirements that may be different. • Engage PIs and other institutional stakeholders to ensure a smooth transition.
<p>10.</p>	<p>§200.317 through §200.327 Procurement Standards</p>	<p>The following is noted on this topic: The general procurement standards now include members of the recipient’s board who could have a potential conflict of interest related to procurements, awards, or administration of contracts.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • The 2024 Revisions more clearly directs State institutions and Indian Tribes to follow State and Indian Tribe rules, and in the absence of such relevant rules, those organizations should follow the rules set out in this Revision (§200.318-327). • General standards on “responsible contractors” [200.318(h)] now reference the Fair Labor Standards Act (FLSA) and require grantees to consider “proper classification of employees” when procuring from each contractor. • General standards also introduce a new section on “labor and employment practices” [200.318(l)] to confirm specific practices are allowable, including contractors’ hiring preferences for women and people from under-served or high-poverty communities. This new section also allows for labor contracts that are intended to “ensure uninterrupted delivery of service [or] community benefits.” • Competition standards introduce a new section [200.319(f)] to confirm the allowability of procurement procedures that advantage contractors who commit to numbers/types of US jobs and various worker protections. • Procurement methods section [200.320] adjusts terminology from “small purchase” to “simplified acquisition” but otherwise does not change content. • Section on recovered materials [200.323(b)] adds a new “should” preference for recycled, biobased, compostable, etc. products, per E.O. 14057. • Contract cost and price section [200.324] removes the requirement to negotiate profit separately and otherwise remains silent on the concept of profit.
<p>11.</p>	<p>§200.332 Requirements for Pass-Through Entities</p>	<p>The following is noted on this topic: Institutions have long added additional terms to manage higher risk subawards. This section now requires that when this occurs, recipients will notify the sponsor of the risk and provide information about the specific conditions.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • Institutional process/policies to meet the requirement <ul style="list-style-type: none"> ○ This could be identified during the subrecipient risk assessment process. How to notify the agency has not yet been addressed by the agencies.

		<ul style="list-style-type: none"> ○ Watch whether others propose agreements to your institution with extra terms. ● No definition of ‘specific subaward conditions;’ Unclear if they are assuming FDP subaward template is the standard.
<p>12.</p>	<p>§200.344 Closeouts</p>	<p>The following is noted on this topic: Subrecipients have a maximum of 90 calendar days after the conclusion of the period of performance of the subaward to file their final reports, per the current Uniform Guidance. The 2024 Revisions go on to state that: “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.”</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> ● Overdue subrecipient reporting may cause late closeout. Most federal agencies allow recipients 120 days to close Federal assistance awards. <ul style="list-style-type: none"> ○ Consider reducing the subrecipient close-out period to allow the recipient adequate time to liquidate obligations and submit the final financial report. ○ If the subrecipient is awaiting a finalized indirect cost rate, a final financial report should still be submitted. ● Institutions are reminded that when final reports are not submitted timely, the Federal agency must report the recipient's material failure to comply with the terms and conditions of the Federal award in <i>SAM.gov</i>. A Federal agency must use the Contractor Performance Assessment Reporting System (CPARS) to enter or amend information in <i>SAM.gov</i>. Federal agencies may also pursue other enforcement actions as appropriate. See §200.339. ● If the final report was submitted without a recipient’s finalized indirect cost rate, a revised final financial report must be submitted once rates have been finalized. ● See additional discussion on the allowability of closeout costs after the end date of the award, per §200.403(h). <p>Note that per §200.344 (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. This gives more flexibility to both the agency and the recipient.</p>
<p>13.</p>	<p>§200.403(h) Factors Affecting Allowability of Costs</p>	<p>The following is noted on this topic: This section adds a new statement that administrative closeout costs, which have previously been allowable up until the due date of the final report, “must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award” unless otherwise specified by the Federal agency. Examples of such costs can be found in</p> <ul style="list-style-type: none"> ● §200.472(b): “Salaries of personnel preparing final reports, publication and printing costs, costs associated with the

		<p>disposition of equipment and property, and related indirect costs;” and</p> <ul style="list-style-type: none"> • §200.461(b)(3): The recipient or subrecipient may charge the Federal award during closeout for the costs of publication or sharing of research results if the costs were not incurred during the period of performance of the Federal award. <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • Institutions may want to develop or augment their process/policies to address this additional requirement for charging and liquidating expenses after the end date of the award, including: <ul style="list-style-type: none"> ○ Ways to identify charges meet the cost principles, be mindful if charges are included in the indirect cost rate. ○ How many days before submission of the final financial report must charges be identified and fully charged to the award? ○ Will your institution consider resubmission of the final financial report if additional costs are identified and can be fully charged before the due date of the report? ○ Socialization of any changes within the campus.
<p>14.</p>	<p>§200.414 Indirect Costs</p>	<p>The following is noted on this topic:</p> <ul style="list-style-type: none"> • §200.414(c)(2) Institutions may engage OMB when there is a dispute with a Federal agency regarding the application of negotiated rates. OMB states in the final rule preamble that it included language in §200.414(c)(2) of this final revision that recipients or subrecipients may contact OMB in the event of indirect rate disputes. • §200.414(f) Increased indirect cost <i>de minimis</i> Rate so Pass-through entities can approve an indirect cost rate of up to 15% (was 10%) for subrecipient organizations that do not have a federally negotiated indirect cost rate, allowing subrecipients such as nonprofits and small businesses to increase their cost recovery. • Language added to §200.414(f) may prompt more subrecipients to request a negotiated rate agreement with the pass-through entity. “Recipients and subrecipients are not required to use the <i>de minimis</i> rate.” <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • Considering OMB’s intention to allow institutions to engage OMB when there is an impasse and/or delay, institutions should consider engaging OMB in cases where the cognizant agency is not willing to reissue a new Rate Agreement to account for the equipment and subaward threshold changes, and the wait will be unreasonably long or impractical, such as when there are requirements to coordinate thresholds with other institutions in the same system and/or state. • Recipients and subrecipients without a federal rate may elect to charge a <i>de minimis</i> rate of up to 15% but in this context “recipient” seems to refer only to a prime recipient eligible for the <i>de minimis</i> rate, not a pass-through entity. If so, a pass-through entity may not require a subrecipient to use a <i>de minimis</i> rate lower than its negotiated rate or the rate it elects under this subsection. Once a pass-through receives a new award or amendment incorporating the new guidance, it is up to the subrecipient under that award to decide what <i>de minimis</i> rate, up to 15%, to use (if the subrecipient does not have a Federal negotiated rate and there is no prohibitive Federal statute or regulation). • In considering any request from a subrecipient without a negotiated rate to negotiate an indirect cost rate other than the 15% <i>de minimis</i> rate, refer to §332(b)(4)(i)(B), which states only that the pass-through entity must not require the use of

		<p>the <i>de minimis</i> indirect cost rate if the subrecipient has an approved indirect cost rate negotiated with the Federal Government.</p> <ul style="list-style-type: none"> Appendix I includes additional Facilities and Administrative (Indirect) Cost Rate considerations.
<p>15.</p>	<p>§200.415 Required Certifications</p>	<p>The following is noted on this topic: All Recipients have long been required to certify the truth and accuracy of financial reports. The 2024 Revisions adds that all tiers of subrecipients must now certify the accuracy of their proposals, invoices, and financial reports: <i>“I certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to violations of U.S. Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812.”</i></p> <p>Each such certification must be maintained pursuant to the requirements of §200.334.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> Update subaward “letters of intent” to include the certification language to cover the certification requirement at the proposal stage. Include the new certification language in subaward agreements to ensure compliance for technical and financial reports.
<p>16.</p>	<p>§200.419 Cost Accounting Standards</p>	<p>The following is noted on this topic: Based on feedback from both Institutions of Higher Education (IHEs) and Federal agencies, OMB removed the requirement in section §200.419 for an IHE that receives an aggregate total of \$50 million or more in Federal awards and instruments subject to Subpart E to submit a disclosure statement form (DS-2) containing information on cost accounting standards. COGR had long advocated for this action and supported the removal of the DS-2 requirement to reduce the burden on IHEs.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> For IHEs below the threshold (see 48 CFR 9903.202-1(f)) of federal CAS-covered contracts, continued submission and/or amendment of the DS-2 is no longer required. For IHEs at or above the threshold of federal CAS-covered contracts (those including FAR 52.230-5), be aware that the Cost Accounting Standards requirements in 48 CFR 9903.202-1(f) still apply. For these IHEs, continued submission of a DS-2 to your Cognizant Agency may be advisable to meet the FAR CAS requirement. In instances where a DS-2 is required, the “old DS-2” referencing A-21 is still the official template, and as far as we know, this will remain the standard. Reach out to your cognizant agency for indirect costs when you have questions regarding whether the DS-2 is applicable to your institution and the required format for submission or amendment. Basic cost accounting standards under Part 9905 – Cost Accounting Standards for Educational Institutions, must still be met if an IHE receives “an aggregate total \$50 million or more in Federal awards and instruments subject to this subpart

		<p>(as specified in § 200.101). CAS-covered contracts and subcontracts awarded to the IHEs are subject to the broader range of CAS requirements at 48 CFR 9900 through 9999 and 48 CFR part 30 (FAR Part 30).” Further, the Basic Considerations found in Subpart E, including allowability, consistency, reasonableness, and allocability, have not changed.</p>
<p>17.</p>	<p>§200.431 Compensation – Fringe Benefits</p>	<p>The following is noted on this topic:</p> <p><i>...(b)(3)(i)When a non-Federal entity <u>recipient or subrecipient</u> uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment and must be allocated as a general administrative expense to all activities.</i></p> <p><i>ii) The accrual basis may be only used for those types of leave for which a liability as defined by GAAP exists when the leave is earned. When a recipient or subrecipient uses the accrual basis of accounting, allowable leave costs are the lesser of the amount accrued or funded.</i></p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • OMB has indicated a technical correction is forthcoming, but we do not know what the revised wording will be. A technical correction is pending and expected to be available no later than October 1, 2024. If accrual accounting for paid time off remains a requirement for direct charging of unused leave payout: <ul style="list-style-type: none"> ○ For most institutions, the change will apply to rate negotiations beginning in FY2026. ○ Cost implications – Another source of funding must be identified for unused leave payout if the accrual method of accounting is not used. ○ System Implications – Institutions may want to assess whether their systems can accommodate accrual accounting for leave, or at least for unused leave payouts. ○ Discuss your basis of accounting with your cognizant agency for cost to ensure agreement. Inclusion in the fringe rate may be allowed if a reserve is funded from reimbursement through the fringe rate and unused leave payouts are charged to the reserve.
<p>18.</p>	<p>§200.456 Participant Support Costs</p>	<p>The following is noted on this topic:</p> <p>The classification of items as participant support costs must be documented in the recipient's or subrecipient's written policies and procedures and treated consistently across all Federal awards.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • §200.1 contains a new definition of participant (one did not previously exist in the UG) and a revised definition of participant support costs. • In prior versions of UG, recipients had to obtain prior agency approval to include participant support costs in an award budget. That is no longer the case. • Recipients must still obtain prior approval to rebudget participant support costs into other budget categories, per §200.308(f)(5). • Recipients will want to update their allowable costs policy, procedures, and guidance on participant support costs to

		incorporate UG changes and ensure consistent treatment of costs.
--	--	--

C. ISSUES TO BE AWARE OF / WAIT AND SEE

#	Item	Summary, Points to Consider & COGR Assessment
1.	§200.100 Purpose	<p>The following is noted on this topic: A long-standing principle dating back several decades has been deleted from the federal costing and administrative guidelines: <i>(c) Cost principles. ...The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by statute.</i></p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> Institutions use the idea of “Fair Share” when calculating indirect costs and the proportion applicable to research. The principle is also relevant when considering how costs are consistently applied (both direct and indirect). Institutions should monitor agency-specific deviations.
2.	§200.109 Review Date	<p>The following is noted on this topic: The historical version required OMB to review the guidance at least every five years. The new version has eliminated this requirement, though OMB suggests in the preamble that future updates will be timely.</p>
3.	§200.306 Cost Share	<p>The following is noted on this topic:</p> <ul style="list-style-type: none"> The definition of cost share at 200.1 now includes the term matching, which refers to the required levels of cost share that must be provided. The term matching was removed from the rest of the document. Voluntary Committed Cost Share is not expected under Federal research grants and may not be used in the merit review of proposals unless authorized by Federal statutes or agency regulations and specified in the notice of funding opportunity. OMB discourages the practice of using voluntary committed cost sharing as a factor during the merit review of applications or proposals for non-research Federal grants but leaves Federal agencies with discretion, to use it as long as the NOFO specifies how proposed cost-sharing will be considered. Paragraph (k) clarifies that voluntary uncommitted cost share should be treated differently from mandatory or voluntary committed cost share. <ul style="list-style-type: none"> Voluntary uncommitted cost share should not be included in the organized research base for computing the indirect cost rate or reflected in any allocation of indirect costs. Voluntary uncommitted cost share includes faculty-donated additional time above that agreed to as part of the award. The section then refers us back to OMB memorandum M-01-06, dated January 5, 2001, Clarification of OMB A-21

		<p>Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs for additional discussion.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • 200.306(a) now states that voluntary committed cost share <u>may not</u> be used as a factor in the merit review of research proposals “unless authorized by <u>Federal statutes or agency regulations.</u>” It previously stated that voluntary committed cost share <u>cannot</u> be used unless “in accordance with Federal awarding <u>agency regulations.</u>” While these changes may be immaterial, changes in other sections necessitate closer attention here. For example, in 200.414(c) the requirement for department head or delegate approval to use an indirect cost rate different than the negotiated rate was removed. Federal agencies have not been further restricted from encouraging voluntary cost sharing and may interpret the new guidance to be more lenient. While it seems to be inadvertent, the requirement to specify <u>how</u> proposed cost sharing will be considered is only included for “other programs.” • Regarding the possibility of prohibiting voluntary committed cost share in non-research federal awards, OMB left open the possibility to consider comments on this topic for future updates in its Preamble response. COGR and others had argued that a prohibition similar to that for Federal research grants would level the playing field. • Based on comments received from its initial Federal Register posting, OMB revised the final 200.306 to clarify in paragraph (b) that a Federal agency or pass-through entity must accept any cost sharing funds, including cash and third-party in-kind contributions, as well as funds committed by the recipient, subrecipient, or third-parties, as part of the contributions to a program when the funds meet the conditions listed in 200.306. • In the Preamble for Paragraph (k), OMB clarified that voluntary uncommitted cost sharing consists of more than faculty donated time and that it includes, but is not limited to, faculty donated time. This can be cited for documentation/audit purposes.
<p>4.</p>	<p>§200.308 Revisions to Budget and Program Plans</p>	<p>The following is noted on this topic:</p> <p>Changes to personnel and contractors listed by name or position listed in the award notice require prior approval before changes can be made. Institutions should monitor to ascertain whether there is any practical difference implemented by agencies to the existing standard of “change in a key person specified in the application or the award.”</p> <p>Note that there is a potential disconnect between the (f)(2) requirement now, including prior approval required for a change in “contractor named in the award, and the (f)(6) requirement that requires approval for changes in subrecipients only under the specified circumstances. Agency guidance may clarify this.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> • Agencies must seek OMB approval before imposing additional prior approvals for specific items. • The change to allow budget revisions to be proposed in alternative formats (rather than the original agency-required forms) largely catches up to existing practice but should also allow institutions to feel more comfortable proposing budget revisions in the most efficient manner permitted by their agency. • OMB makes it clear that the “start of a new budget period does not constitute a new award and therefore would not be considered pre-award costs by definition.”

5.	<p>§200.320(c) Procurement Methods (Noncompetitive Procurement)</p>	<p>The following is noted on this topic: Recipient institutions historically relied on FAQ #88 to claim that special-purpose equipment could take advantage of non-competition (see https://www.cfo.gov/assets/files/2CFR-FrequentlyAskedQuestions_2021050321.pdf, p. 86). This FAQ should be reinstated and implemented by October 1, 2024. COGR will monitor this.</p>
6.	<p>§200.340 through 200.342 Termination (and related)</p>	<p>The following is noted on this topic: COGR, prior to the release of the October 2023 proposed guidance, requested an update to eliminate language that allowed unilateral termination by the agency if a program "no longer effectuates the program goals or agency priorities." This change was made. However, the pre-publication and final UG reintroduces the "old" language in a new paragraph (a)(4) as an allowable agency term or condition. On a more positive note, as COGR requested, paragraph (e) was removed, which confirms that when an agency does not offer continuation funding, this does not constitute a termination.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> The 2024 Revisions eliminate language that allowed unilateral termination by the agency if a program "no longer effectuates the program goals or agency priorities," which is a helpful development. However, agencies can include the term in their terms and conditions. For example, NSF has already announced that it will incorporate this into its Grant General Conditions (GC-1). Institutions should monitor if this term is included in awards terms and conditions.
7.	<p>200.501 Audit Requirements</p>	<p>The following is noted on this topic: The single audit threshold was increased to \$1 million (from \$750,000) and is consistent with the proposed guidance.</p> <p>Points to Consider & COGR Assessment:</p> <ul style="list-style-type: none"> As a practical matter, institutions will need to revise their internal processes to reflect the new threshold and identify other procedures to use in conducting risk assessments, rather than Single Audit reviews, on subrecipients now falling between the \$750,000 and the new \$1M threshold.
	<p>References</p>	<ul style="list-style-type: none"> Uniform Guidance 2024 Revision - https://www.federalregister.gov/documents/2024/04/22/2024-07496/guidance-for-federal-financial-assistance Office of Management and Budget Implementation Guidance - https://www.whitehouse.gov/wp-content/uploads/2024/04/M-24-11-Revisions-to-2-CFR.pdf Redline Document Showing 2024 Changes - https://www.cfo.gov/assets/files/2%20CFR%20Revisions%202024%20Redline.pdf CFR Crosswalk 2024 - 2 CFR Crosswalk 2024 COFFA Uniform Guidance: Titel 2 https://www.cfo.gov/coffa/uniform-guidance-coffa/2024/

D. APPENDIX I: Facilities and Administrative Cost (Indirect Cost, or “IDC”) Rate Considerations

Changes impacting Indirect Cost reimbursement rates are found in the Definitions, Effective Dates, Equipment, and Indirect Cost sections of 2 CFR 200. Additional guidance is included in those sections of this document. Important cross-cutting considerations include:

- Perform an IDC rate impact assessment of the Equipment Capitalization and Subaward MTDC thresholds, including the potential burden reduction of increased thresholds, to determine the recipient’s preferred implementation strategy. Also, limitations such as the FAR and state and other sponsor requirements, as well as any necessary coordination with a state and/or system for financial accounting purposes, should be considered.
- Existing Negotiated Indirect Cost Rate Agreements (NICRA) must be honored. Recipients with predetermined or fixed rates must use the new MTDC base beginning with the first rate proposal that is required on or after October 1, 2024.
- However, cognizant agencies may - but are not required to - renegotiate NICRAs (i.e., issue revised or amended agreements) to reflect the new MTDC base and through its implementation guidance.

OMB encourages cognizant agencies to accommodate requests to renegotiate existing NICRAs in effect beyond 10/1/25. Current rates that were extended under 2 CFR 200.414(g) would require an exception to the restrictions in that section. Further, the cognizant agencies for cost have indicated that they will not renegotiate existing fixed and predetermined rates. As described above, OMB has indicated that it may be contacted in the event of indirect cost rate disputes. An institution may be interested in pursuing this option, particularly if an unwillingness of the cognizant agency to renegotiate an existing rate makes it impractical to adjust threshold changes that must be coordinated across a state and/or system or would, otherwise, unreasonably delay implementation (e.g., predetermined rates through June 30, 2026).

- **Provisional Rates:** Recipients with provisional rates in effect prior to October 1, 2024, must finalize those rates using the provisional rate’s approved MTDC base. Future provisional rates must be negotiated with the new MTDC base on or after October 1, 2024. COGR encourages its membership to submit an impact statement to the recipient’s cognizant agency for indirect costs for any pending NICRA proposal, which will result in a new rate agreement effective on or after October 1, 2024, and understands HHS is willing to consider a change in MTDC base in these circumstances.
- **Rate extensions:** COGR encourages its membership to submit an impact statement to the recipient’s cognizant agency for indirect costs for any new or pending NICRA extension request and understands HHS is willing to consider a change in MTDC base under these circumstances.
- **Coordinate with your cognizant agency for indirect costs to determine the appropriate treatment in the proposal or impact statement of the write-off of the remaining book value of assets under \$10k.** This is typically spread over the number of years of the rate or rate extension to avoid rate fluctuations.
- **Discuss the timing of the rate changes with your cognizant agency for cost and consider whether your systems can accommodate any varying threshold requirements, such as retaining the old thresholds for existing awards not modified, effective 10/1/24.**
- **Engage PIs and other institutional stakeholders to ensure a smooth transition.**

E. APPENDIX I: FACULTY TALKING POINTS

Effective Date: All new awards issued after 10/1/24 **plus** all existing awards when the sponsor adds new funding. We do not expect sponsors to revise the terms for awards in a no-cost extension, although they have the authority to do so by amending the award. The new rules apply only prospectively to activities (requirements may not be imposed retroactively).

Prior Approval for Personnel and Contractor Changes: Changes to key personnel (employees and contractors) listed by name or position in an award notice require prior approval before changes can be made. PIs must carefully monitor which individuals and entities are included in each award notice so they can request prior approvals when needed. This language is broader than the previous language, which focused on key personnel named in an award notice.

Cost-Sharing (for proposals): For research grants, voluntary committed cost-sharing can only be used in merit review if authorized by the agency. For research and non-research grants, the NOFO must specify how any cost-sharing proposed by an applicant will be considered during the proposal review process. The wording in the new rules allows agencies more discretion in the use of voluntary cost-sharing, though cost-sharing is still not expected for research awards. Each NOFO should be read closely to determine how cost-sharing will be treated.

Equipment and Supplies Thresholds: Plan for this in the next several months/years, it is not entirely clear yet. Your institution has the option to change its equipment threshold to durable items costing \$10,000 or more (up from the current threshold of \$5,000 or more). This means that items with a unit cost under \$10,000 (or the institution's lower threshold) will be considered supplies and will be subject to F&A, increasing the F&A cost to each grant but also reducing burden for the institution and typically lowering the F&A cost reimbursement rate. This threshold change is optional, but the decision is made by each institution. If changed, the timing will vary by institution as it is tied to when the institution negotiates its next F&A cost reimbursement rate or obtains special permission to adjust its MTDC base from the federal agency handling its indirect cost negotiation. Wait to hear from your institution before making any changes to your budget. Your institution will inform you how it expects to treat F&A charges for purchases on existing awards (those awards where the previous \$5,000 threshold was used in budget calculations).

Unused Supplies at the end of the Award: Each award may retain up to \$10,000 (an increase from \$5,000) in unused supplies (new condition, not having been used or opened) on awards subject to the new rules. These supplies are expected to be used for future federal research projects. If the award has excess items at the end of the award exceeding that amount and they are not needed for another federal award, the federal agency is entitled to compensation (through sale or calculation of current market value) minus \$1,000 of the proceeds to cover institutional expenses.

Publication and Costs Incurred for Closeout after the Award End Date: Publication-related costs or costs to share the research results (including the salaries of personnel preparing final reports) and costs associated with the disposition of equipment may be incurred after the award end date and charged to the final budget period if (and only if) all charges are liquidated prior to the due date of the final report (not the date it is actually submitted). Your institution will likely set an internal deadline for charging these costs to make sure they can be liquidated in time.

Procurement Costs: OMB previously permitted institutions to justify sole source purchases for scientific equipment through an FAQ. The language was not incorporated into this new version, but OMB has stated that it will reinstate the FAQ when the new rules go into effect. COGR is monitoring this issue since it

has the potential for a significant impact on our research community.

Participant Support: Prior agency approval is no longer needed to ADD participant support costs in a budget, but funds still may not be rebudgeted OUT of this category without agency approval. Institutions must also define procedures related to participant costs, so it will be important to review those if you have awards that utilize this (e.g., conference or training awards).

Pre-Award Costs for Continuation Awards: OMB makes it clear that spending against a forthcoming budget period is not considered pre-award spending (local internal controls may still apply.)

Subawards – Effective Date: When the federal agencies modify your current award to include the 2024 Revisions, subawards under your award will need to be amended as well to include the new rules.

Subawards – New *De Minimis* F&A Rate: Subrecipients without negotiated F&A rates (e.g., small businesses or nonprofits) may now charge up to 15% F&A (up from 10%) for proposals submitted on or after 10/1/2024 (grants and cooperative agreements only). Agencies may allow recipients to apply the new 15% *de minimis* rate to existing proposals when there are sufficient funds to support the 15% rate.

Subawards MTDC – F&A Threshold Change: Plan for this in the next several months/years, it is not entirely clear yet. Your institution can choose to collect its own F&A on the first \$50,000 of each subaward rather than on the first \$25,000. This means the F&A cost for each project will increase but also means the institution will receive more indirect cost reimbursement. The timing of when this will start will vary by institution as it is tied to when the institution negotiates its next F&A rate or obtains special permission to adjust its MTDC base from the federal agency handling its indirect cost negotiation. Wait to hear from your institution before making any changes to your budget.

Subawards - Fixed amount subawards: Fixed-amount subawards require agency prior approval but may now be issued up to a \$500,000 ceiling rather than the previous threshold of \$250,000. The expectation for accurate pricing for these transactions and the use of standard cost principles to judge allowable costs has increased. Pricing and costing documents may now also be audited. At the end of a fixed amount subaward, the subrecipient must certify completion and that all expenditures were in accordance with 200.403. Institutions may reconsider whether they wish to continue to use a fixed amount subaward or move to a cost-reimbursement model to better manage financial and audit risk.

Subawards – Federal Contracts Only: For federal contracts only: Entities must now have a full System for Award Management registration (not just a UEI) in order to be eligible to receive a federal subcontract. When considering an entity for a federal subcontract, faculty should verify that the prospective subcontractor has such registration, is willing to obtain one, or is eligible for an exception from the federal agency before investing considerable time and energy in planning to work with that entity.

Subawards – Agreements Your institution is required to perform a risk assessment on subawards issued under federal prime awards and as needed, incorporate additional terms in the subaward to mitigate potential risk (e.g., additional reporting or monitoring, site visits, etc.). Under the 2024 Revisions, institutions are now also required to notify the sponsor when additional risk mitigation terms are included in the subaward agreement. Your sponsored research office can discuss examples and how this applies to your projects.

F. APPENDIX III: COGR MATRIX OF FEDERAL AGENCY ADOPTION AND IMPLEMENTATION OF 2 CFR

Key Questions/Issues	COFFA Agency Implementation	NSF	NASA	NIH	DOE	DOD
Link	Federal Agency Implementation	GC-1	Federal Register Notice Grant Notice 24-01			
Effective Date	October 1, 2024	October 1, 2024	October 1, 2024			
Applicability	Federal agencies must implement 2 CFR, Subtitle A, in either their agency's chapter located in 2 CFR, subtitle B, or in the agency-specific Code of Federal Regulations.	Applies to all recipients of NSF grant awards, including IHEs, non-profit, non-academic organizations, for-profit organizations (other than SBIR/STTR, State and local governments, and Tribal Nations.	Establishes policies and procedures for grants and cooperative agreements awarded by NASA to non-Federal entities, for-profit organizations, foreign organizations, and foreign public entities as allowed by 2 CFR 200.101.	2020 UG Until Otherwise Indicated	2020 UG Until Otherwise Indicated	2020 UG Until Otherwise Indicated
Notice of Funding Opportunities (NOFOs) and Applications	<ul style="list-style-type: none"> The 2024 Revisions will apply to NOFOs: <ul style="list-style-type: none"> Open NOFOs NOFOs issued prior to 10/1/24 that will result in an award on or after 10/1/24 Federal agencies may request updated application materials (like an updated budget to reflect the 2024 revisions) for applications submitted before 10/1/24 that will be funded after 10/1/24. 	Not specifically addressed but expected to be implemented.	Not specifically addressed but expected to be implemented.			
New Awards	Effective for all Federal awards entered into on or after 10/1/24. The 2024 Revisions must be applied in full to activities following the effective date, unless otherwise approved by OMB or required by statute.	Effective for all new NSF grants made on or after 10/1/24.	Will apply to new grant and cooperative agreement awards on after 10/1/24.			

Key Questions/Issues	COFFA Agency Implementation	NSF	NASA	NIH	DOE	DOD
Existing Awards	<ul style="list-style-type: none"> • OMB strongly encourages agencies to apply the 2024 Revisions to any award amendments that provide additional funds. • OMB also encourages agencies to amend existing awards that will extend into or beyond FY2025. • Federal agencies may also apply revisions, as appropriate, to other non-funding amendments like NCEs. • The 2024 Revisions apply prospectively to activities on or after the date of the amendment and should not apply retroactively (unless through formal written notice between recipients/funding agency in efforts to reduce burden (cannot be applied to IDC or <i>de minimis</i>)). • When amended, the revisions must be applied in full to the activities following the effective date of the amendment. • Agencies have authority under 2 CFR 200.102(c) to allow a case-by-case exception. 	Effective for all funding amendments on existing grants made on or after 10/1/24.	Will apply to funded amendments issued on or after 10/1/24.	2020 UG Until Otherwise Indicated	2020 UG Until Otherwise Indicated	2020 UG Until Otherwise Indicated
Subawards	<ul style="list-style-type: none"> • When the agency amends the award to implement the 2024 revisions, the PTE must also amend existing subawards. • PTE may not amend existing subawards to apply the 2024 revision until the federal agency applies the 2024 Revisions. 	Update subaward as the prime award is amended by NSF. No other specifics were provided by the agency.	Update subaward as the prime award is amended by NASA. No other specifics were provided by the agency.			

Key Questions/Issues	COFFA Agency Implementation	NSF	NASA	NIH	DOE	DOD
<p>Indirect Costs / Negotiated Indirect Cost Rate Agreements (NICRA)</p>	<ul style="list-style-type: none"> • NICRAs negotiated prior to 10/1/24 must be honored. • Federal cognizant agencies may (but are not required) renegotiate existing NICRAs to reflect the new MTDC base. • OMB encourages cognizant agencies to accommodate requests to renegotiate existing NICRAs • Provisional Rates in effect prior to 10/1/24 must finalize those rates using the provisional rate's approved MTDC base. Future provisional rates must be negotiated with the new MTDC based on or after 10/1/24. • Predetermined and Fixed Rates must use the new MTDC base beginning with the first proposal that is required on or after 10/1/24. • Negotiating new rates must apply the new MTDC base for proposals that are submitted to the cognizant agency for indirect costs on or after 10/1/24. 	<p>Not specifically addressed.</p>	<p>Not specifically addressed.</p>	<p>2020 UG Until Otherwise Indicated</p>	<p>2020 UG Until Otherwise Indicated</p>	<p>2020 UG Until Otherwise Indicated</p>
<p>De Minimis Rates (15%)</p>	<ul style="list-style-type: none"> • New awards, the <i>de minimis</i> rate may be used for any subaward issued under an award executed on or after 10/1/24. • Existing awards, federal agencies may allow the <i>de minimis</i> rate for existing subawards for costs incurred after the effective date if there are sufficient funds. Recipients may not retroactively apply the <i>de minimis</i> rate to costs incurred prior to the effective date. 	<p>Not specifically addressed.</p>	<p>Not specifically addressed.</p>			

Key Questions/Issues	<u>COFFA Agency Implementation</u>	NSF	NASA	NIH	DOE	DOD
Single Audits	<ul style="list-style-type: none"> Single audit requirements (Subpart F) are effective 10/1/24. Changes are effective regardless of whether the awarding agency acts to amend existing awards. 	Not specifically addressed.	Not specifically addressed.			