

2024 Uniform Guidance Revisions: Updates for Grants to States

Overview

The Office of Management and Budget (OMB) has revised the OMB Guidance for Grants and Agreements, now called the **OMB Guidance for Federal Financial Assistance**. This is the largest update to the uniform guidance since its inception in 2014. These updates (“Revisions”) are intended to address statutory requirements and administration priorities, reduce agency and recipient burden, and rewrite certain sections with plain language, improved flow, and consistency in terminology.

All awardees will need to spend time getting familiar with these Revisions, but we’ve compiled some key changes in areas that directly impact SLAAs in their capacity as States and as pass-through entities (PTEs). Please note that the information in this handout is not intended to be legal advice but to serve as hopefully helpful general reference material. Additional resources may be found on the last page.

Timeline

The Revisions become effective October 1, 2024, and will apply to all new awards issued after that date. The Revisions will also apply to amendments that issue additional funding to open awards after October 1, 2024.

Impacted Regulations

The Revisions impact the following major components of Title 2 of the Code of Federal Regulations (2 C.F.R.):

- Part 1 (About Title 2 of the Code of Federal Regulations and Subtitle A);
- Part 25 (Unique Entity Identifier and System for Award Management);
- Part 170 (Reporting Subaward and Executive Compensation Information),
- Part 175 (Award Term for Trafficking in Persons);
- Part 180 (OMB Guidelines to Agencies on Government-Wide Debarment and Suspension (Non-procurement);
- Part 182 (Government-Wide Requirements for Drug-Free Workplace (Financial Assistance);
- Part 183 (Never Contract with the Enemy);
- Part 184 (Buy America Preferences for Infrastructure Projects); and
- Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

Please note that IMLS will automatically adopt these OMB Revisions when they become effective on October 1, 2024; our [IMLS-specific regulations in 2 C.F.R. Chapter XXXI](#) remain unchanged.

General Changes

Many of OMB's overarching changes to the guidance are intended to make it simpler to read and comprehend, without impacting the substance, scope, or meaning of specific parts. In some cases, these changes to terminology and structure are important to know and understand. We wanted to highlight some of these general changes, since you'll notice them throughout the new guidance.

Clarity

- Updates clarify sections that have been interpreted differently across Federal agencies and recipients
- Adds specificity around statutory requirements and administration priorities
- Clarifies what applies to Federal agencies, pass-through entities, or both
- Use of “must,” “should,” and “may” – “Must” indicates a requirement. “Should” or “may” indicate a recommended approach and permit discretion.
- When “or” is used between “recipient” and “subrecipient”, any requirements or recommendations apply to the recipient, the subrecipient, or both, as applicable. “Or” between recipient and subrecipient does not mean that applicable requirements or recommendations only apply to one of these entities unless the context clearly indicates otherwise.

Plain language

- Reduces technical jargon
- Provides more consistency throughout the guidance
- Improves readability and accessibility

Terminology

- Grants and agreements → Federal financial assistance
- Non-federal entity → recipient or subrecipient (except in Subpart F, to maintain alignment with the Single Audit Act)
- Federal awarding agency → Federal agency
- OMB-designated governmentwide systems → names of actual systems
- Cost sharing or matching → cost sharing
- states and tribal entities → now capitalized (States, Tribes)

Part 25

Unique Entity Identifier and System for Award Management – General Updates

Uniform Guidance References: [2 CFR § 25.105 Applicability](#), [Appendix A – Award Term](#)

What’s Changed?

- **Clarification of applicability:** OMB clarified that the requirement to obtain a Unique Entity Identifier (UEI) and register in SAM.gov applies to subrecipients but does not apply to second-tier subrecipients or contractors.
- **Maintaining active SAM registration:** Registration must be current and active “*until the recipient submits all final reports required under this Federal award or receives the final payment, whichever is later.*” Previous guidance required active registration until submission of the final financial report.
- **SAM registration for subrecipients:** Revised guidance clarifies that subrecipients are NOT required to complete full registration in SAM.gov to obtain a UEI.

What You Need to Know

- Although obtaining a UEI isn’t a requirement beyond first-tier subrecipients, it is still recommended they obtain one at the beginning of the Federal award process if they are likely to need it for other purposes. It can be difficult to retroactively apply a UEI to existing awards.

Part 175

Award Term for Trafficking in Persons - General Updates

Uniform Guidance Reference: [2 CFR part 175 Award Term for Trafficking in Persons](#).

What's Changed?

- **Alignment with authorizing statutes:** aligns with authorizing statutes that have been amended since it was published. See the Trafficking Victims Protection Act (TVPA) of 2000, 22 U.S.C. 7101 to 7115.
- **Clarifications to applicability:** applies to *“recipient, its employees, subrecipients under this award, and subrecipient’s employees.”*
- **Certification requirements and compliance plans:** new certifications and compliance plans are required if the estimated value of services performed outside the United States exceeds **\$500,000**.
- **Notification requirements:** requires recipients to inform the Federal agency and inspector general immediately in the event of credible reports that the recipient, subrecipient, contractor, subcontractor or agent thereof have engaged in activities prohibited under this law.

What You Need to Know

- Note clarifications to broaden applicability.
- Notification requirements that refer to Inspectors General - for IMLS, this is the Office of General Counsel.
- Account for development and dissemination of compliance plans.

Part 200

Definitions

- **Contract** – clarifies that these legal instruments are used to “*conduct procurement transactions,*” broadened from the previous “*purchasing property or services needed to carry out the project.*”
- **Cost sharing** – clarifies that matching is a type of cost sharing; the term “**matching**” is thereby removed from definitions and throughout the guidance
- **Equipment** – per unit acquisition cost **threshold increases from \$5,000 to \$10,000**
- **Improper payment** – **shortened definition includes a list of what an improper payment is** but removes (or moves elsewhere) extraneous content about incorrect amounts, interest, questioned costs, and required documentation.
- **Intangible property** – now includes data (including data licenses), websites, IP licenses, trade secrets, and patents, and other instruments of tangible or intangible property ownership like intellectual property, software, or software subscriptions or licenses.
- **Modified Total Direct Cost (MTDC)** – subaward ceiling raised from **\$25,000 to \$50,000 for each subaward.**
- **Participant** – new addition to Definitions; 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.*” Examples include community members participating in a community outreach program, members of the public from whom input is sought, students, and conference attendees.
- **Participant support costs** – now include temporary dependent care, as well as per diem paid to participants.
- **Pass-through entity** – **updated definition to include lower-tier subrecipients** and added that “The authority of the pass-through entity under this part flows through the subaward agreement between the pass-through entity and subrecipient.”
- **Prior approval** – **new addition to Definitions.** 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.
- **Supply** – a computing device is considered a “supply” if it costs less than \$10,000 (**increased from \$5,000**).

Subpart B – General Provisions

§ 200.113 Mandatory Disclosures.

Uniform Guidance Reference: [2 CFR § 200.113 Mandatory disclosures.](#)

What's Changed?

- **Consistency with FAR:** OMB updated disclosure requirements to align with [FAR disclosure requirements.](#)
- **Prompt disclosure:** Requires that disclosures must be made “**promptly**” (previously “in a timely manner”).
- **Nexus to the Federal award** – must disclose potential violations “*in connection with the Federal award (including any activities or subawards thereunder)*” (previously: “*potentially affecting the Federal award*”).
- “**Credible evidence**” **standard** - changed the standard for disclosure from “evidence of a violation” to “**credible evidence of the commission** of a violation.”
- **Types of violations:** Added conflicts of interest and violations of the civil [False Claims Act.](#)
- **Written disclosure requirements** - now requires disclosures in writing to the Federal agency, **the agency’s Office of Inspector general, *and*** the pass-through entity.

What You Need to Know

- The change from “*in a timely manner*” to “*promptly*” reinforces that preliminary investigations should take reasonable steps to determine that evidence is credible and shouldn’t be open-ended or drawn out.
- The disclosure requirement for violations “*in connection with a Federal award (including any activities or subawards thereunder)*” is still broad but may not encompass all tenuously connected violations with a potential effect on the award.
- The change from requiring disclosure of “*all violations of Federal criminal law*” to “**credible evidence of the commission of a violation of Federal criminal law**” doesn’t require firm legal determination of a criminal law violation to disclose “credible evidence” of the violation; the addition of “*the commission of*” clarifies the scope of the preliminary examination.
- Conflicts of interest and violations of the Civil False Claims Act are new additions to the list.
- IMLS doesn’t have an Office of Inspector General, so written disclosures would go to IMLS’s Office of General Counsel.

Subpart C – Pre-Award Requirements

§ 200.216 Prohibition on certain telecommunications and video surveillance equipment or services.

Uniform Guidance Reference: [2 CFR § 200.216 Prohibition on certain telecommunications and video surveillance equipment or services.](#)

What's Changed?

- **Consistency with related statute:** Revisions better align with “covered telecommunications equipment or services” as defined in [section 889 of the John McCain National Defense Authorization Act \(NDAA\) for Fiscal Year 2019.](#)
- **New certification section:** New paragraph (e) clarifies certification requirements for this prohibition.

What You Need to Know

- Make sure you understand the definition of “covered telecommunications equipment or services” in the related NDAA.
- The new paragraph about certifications explains that when a recipient or subrecipient accepts a grant, it certifies that it will comply with the prohibitions in this section. It also clarifies that a standalone certification isn't necessary; the certifications provided when the grant begins and when you request payment are sufficient.

§ 200.217 Whistleblower protections.

Uniform Guidance Reference: [2 CFR § 200.217 Whistleblower protections.](#)

What's Changed?

- **New addition to 2 CFR 200:** This section is entirely new, expanding on statutory requirements that were previously linked in 2 CFR § 200.300 (Statutory and national policy requirements).

- **Applicability of whistleblower protections:** States that whistleblower protections extend to all employees of recipients and subrecipients.
- **Types of information:** Describes and provides examples of the types of information for which disclosure is protected under statute (evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant).
- **Informing employees of rights and protections:** Requires that recipients and subrecipients inform their employees in writing of employee whistleblower rights and protections under the law.

What You Need to Know

- These protections aren't new, but OMB wanted to ensure that they are clearly recognized in the Uniform Guidance.
- The requirement that employees of recipients and subrecipients be informed of whistleblower rights and protections in writing **is** new. You'll need to be sure you and your subrecipients have or develop this information to provide employees, if you haven't already done so.

Subpart D – Post-Award Requirements

§ 200.300 Statutory and National policy requirements.

Uniform Guidance Reference: [2 CFR § 200.300 Statutory and National policy requirements.](#)

What’s Changed?

- **References:** Updated to reference existing nondiscrimination requirements under applicable law.
- **New provision:** 200.300(b) clarifies that a Federal agency or pass-through entity must ensure that awards are “administered in a way that does not unlawfully discriminate based on sexual orientation or gender identity” if a statute prohibits discrimination based on sex and said prohibition encompasses sexual orientation and gender identity (consistent with *Bostock vs. Clayton County*).”

What You Need to Know

- The changes to this section don’t impose any new legal requirements but are intended to clarify this section’s requirement that awards be administered in adherence to **existing and applicable** legal requirements.

§ 200.303 Internal controls.

Uniform Guidance Reference: [2 CFR § 200.303 Internal controls.](#)

What’s Changed?

- **New language:** “The recipient and subrecipient must:
 - (a) Establish, ***document***, and maintain effective internal control over the Federal award...
 - (e) Take reasonable ***cybersecurity and other*** measures to safeguard information...”

What You Need to Know

- The addition of “document” isn’t considered a policy change, and intends to clarify existing policy, where it’s assumed that establishing and maintaining effective controls involves documentation.
- There’s a new requirement in paragraph (e) that internal controls must include cybersecurity and other measures to safeguard information. You’ll need to make sure that cybersecurity and any other information security measures are incorporated into your internal control policies and procedures, if not already.

§ 200.307 Program income.

Uniform Guidance Reference: [2 CFR § 200.307 Program income.](#)

What’s Changed?

- **Closeout costs:** Additions in paragraph (a) allow for the use of program income for certain allowable closeout costs.
- **Prior approval:** OMB clarified paragraph (b) to include the prior approval requirement for using the addition or cost sharing methods of applying program income, if those are not the specified method(s) in the terms and conditions of the award.

What You Need to Know

- Make sure you’re familiar with allowable closeout costs as detailed in [200.472\(b\)](#).

§ 200.313 Equipment.

Uniform Guidance Reference: [2 CFR § 200.313 Equipment.](#)

What’s Changed?

- **Increased threshold value** for equipment disposition from \$5,000 to \$10,000.
- **Definition:** Added guidance on the meaning of “conditional title.”

- **Applicability:** Clarifies that recipients and subrecipients other than States and Indian Tribes, **including subrecipients of a State or Indian Tribe**, must follow paragraphs (c) through (e) of this section.
- **Property records:** Subrecipients are also responsible for maintaining and updating property records.
- **Notification requirement:** Recipient or subrecipient must notify the Federal agency or pass-through entity of any equipment loss, damage or theft that would impact the program.
- **Expenses for selling/handling equipment:** Recipients and subrecipients may be permitted to retain \$1,000 of proceeds to cover expenses for selling and handling of equipment.
- **Retaining equipment:** If permitted in the award terms and conditions, a Federal agency can permit the recipient to retain equipment or authorize a pass-through entity to allow subrecipients to retain equipment.
- **Pass-through entities:** added throughout this section (previous version references Federal agencies only for disposition instructions and compensation for sales).

What You Need to Know

- Be sure to account for the increased disposition threshold in any internal procedures or guidance for subrecipients.
- Note the definition of “conditional title:” a clear title is withheld by the Federal agency until conditions and requirements specified in the terms and conditions of a Federal award have been fulfilled.
- Review paragraphs c – e of this section (Use, Management Requirements, and Disposition) to be sure requirements are provided and clear to your subrecipients.
- Discuss award terms and conditions with IMLS if you intend to allow subrecipients to retain equipment.
- Review this section and note where the revisions add “pass-through entity.”
 - ! Be sure you understand your responsibilities as a pass-through entity.
 - ! Be sure to note any changes you may need to make to instructions or guidance for subrecipients.

§ 200.314 Supplies.

Uniform Guidance Reference: [2 CFR § 200.314 Supplies](#).

What's Changed?

- **Increased threshold** for residual inventory of unused supplies from \$5,000 to \$10,000 in aggregate value.
- **Definition:** “unused supplies” (in new condition, not having been used or opened before).
- **Definition:** “aggregate value” as consisting of all supply types, not just like-item supplies.
- **Compensation for sale proceeds:** Notes that the Federal agency OR pass-through entity is entitled to compensation for sold supplies.
- **Calculation for compensation:** Detailed the calculation methodology for compensation to the Federal government for retained or sold supplies.
- **Expenses for sale/handling of unused supplies:** Clarifies to recipients or subrecipients that if they sell unused supplies, they may retain \$1,000 from the Federal or pass-through entity’s share of the proceeds to cover expenses for the selling and handling of the supplies.

What You Need to Know

- Be sure to account for the increased threshold amount in internal procedures or guidance for subrecipients.
- Note the newly added definitions for unused supplies and aggregate value.
- Review the calculation methodology for compensating the Federal government or pass-through entity for sold supplies (multiplying the percentage of the Federal agency or pass-through entity’s contribution towards the cost of the original purchase(s) by the current market value or proceeds from the sale).

§ 200.317 – § 200.327 Procurement Standards

Previous:	New:	What You Need to Know
<p><u>200.317 Procurements by states.</u></p> <p>When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will comply with §§ 200.321, 200.322, and 200.323 and ensure that every purchase order or other contract includes any clauses required by § 200.327. All other non-Federal entities, including subrecipients of a State, must follow the procurement standards in §§ 200.318 through 200.327.</p>	<p><u>200.317 Procurements by States and Indian Tribes.</u></p> <p>When conducting procurement transactions under a Federal award, a State or Indian Tribe must follow the same policies and procedures it uses for procurements with non-Federal funds. If such policies and procedures do not exist, States and Indian Tribes must follow the procurement standards in §§ 200.318 through 200.327. In addition to its own policies and procedures, a State or Indian Tribe must also comply with the following procurement standards: §§ 200.321, 200.322, 200.323, and 200.327. All other recipients and subrecipients, including subrecipients of a State or Indian Tribe, must follow the procurement standards in §§ 200.318 through 200.327.</p>	<p>Note addition of Indian Tribes to this section.</p> <p>Revision clarifies the procurement standards States and Indian Tribes need to follow if they don't have their own policies and procedures in place for procurements with non-Federal funds.</p>

Previous:	New:	What You Need to Know
<p><u>200.318(c)1 General procurement standards.</u></p> <p>No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.</p>	<p><u>200.318(c)1 General procurement standards.</u></p> <p>Conflicts of interest. No employee, officer, agent, or board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the Federal award.</p>	<p>Note the addition of “board member” throughout the conflict-of-interest text.</p>
<p><u>200.318(h) General procurement standards.</u></p> <p>The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.</p>	<p><u>200.318(h) General procurement standards.</u></p> <p>Responsible contractors. The recipient or subrecipient must award contracts only to responsible contractors that possess the ability to perform successfully under the terms and conditions of a proposed contract. The recipient or subrecipient must consider contractor integrity, public policy compliance, proper classification of employees (see the Fair Labor Standards Act, 29 U.S.C. 201, chapter 8), past performance record, and financial and technical resources when conducting a procurement transaction.</p>	<p>Note change from “consideration will be given...” to “The recipient or subrecipient must consider...”, clarifying who must account for such consideration, and under what circumstances (“when conducting a procurement transaction”).</p> <p>Understand what “proper classification of employees” means under the Fair Labor Standards Act.</p>

Previous:	New:	What You Need to Know
<p><u>200.320 Methods of procurement to be followed.</u></p> <p>“Small purchases”</p> <p>If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.</p>	<p><u>200.320 Procurement methods.</u></p> <p>Small purchases → simplified acquisitions</p> <p>If simplified acquisition procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. Unless specified by the Federal agency, the recipient or subrecipient may exercise judgment in determining what number is adequate.</p>	<p>Note terminology change from small purchase to simplified acquisition.</p> <p>Clarification that micro-purchases and simplified acquisitions are types of informal procurement methods for small purchases.</p> <p>Note judgment afforded to recipients and subrecipients for determining an adequate number of quotations.</p>
<p><u>200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.</u></p>	<p><u>200.321 Contracting With Small Businesses, Minority Businesses, Women's Business Enterprises, Veteran-Owned Businesses, and Labor Surplus Area Firms</u></p>	<p>Note the addition of “veteran-owned business” to the types of businesses that recipients and subrecipients are encouraged to consider for procurement contracts under Federal awards.</p>

Previous:	New:	What You Need to Know
<p><u>200.323 Procurement of recovered materials</u></p> <p>N/A</p>	<p><u>200.323 Procurement of recovered materials</u></p> <p><i><u>New Paragraph:</u> (b) 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.</i></p>	<p>Familiarize yourself with this new provision to determine impacts to you and your subrecipients, and <u>review the related Executive Order.</u></p>

§ 200.331 Subrecipient and contractor determinations

Uniform Guidance Reference: [2 CFR § 200.331 Subrecipient and contractor determinations.](#)

What's Changed?

- **New introductory text** clarifies that although a Federal agency doesn't have a direct legal relationship with subrecipients, the Federal agency is still responsible for monitoring pass-through entities' oversight of first-tier subrecipients.
- **Characteristics of subrecipient or contractor determinations** are not limited to the sample characteristics listed in the guidance: "All of the characteristics listed below may not be present in all cases, and some characteristics from both categories may be present at the same time. No single factor or any combination of factors is necessarily determinative."
- **Additional guidance from Federal agencies:** "The Federal agency may require the pass-through entity to comply with additional guidance to make these determinations, provided such guidance does not conflict with this section."

What You Need to Know

- At this time, IMLS doesn't plan to introduce additional guidance that States must comply with to make subrecipient and contractor determinations.

§ 200.332 Requirements for pass-through entities.

Uniform Guidance Reference: [2 CFR § 200.332 Requirements for pass-through entities.](#)

Previous:	New:	What You Need to Know
<p>NEW*</p> <p><i>This new provision added at 200.332(a) bumps the previous content down a letter.</i></p>	<p>200.332(a)</p> <p>Verify that the subrecipient is not excluded or disqualified in accordance with § 180.300. Verification methods are provided in § 180.300, which include confirming in SAM.gov that a potential subrecipient is not suspended, debarred, or otherwise excluded from receiving Federal funds.</p>	<p>This new provision requires pass-through entities to confirm that potential subrecipients aren't suspended, debarred, or excluded from receiving Federal funds. Confirming status in SAM is provided as an example of the possible verification methods in 180.300.</p>
<p>200.332(a)</p> <p>Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes...etc..</p>	<p>200.332(b)</p> <p>Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the information provided below. A pass-through entity must provide the best available information when some of the information below is unavailable. A pass-through entity must provide the unavailable information when it is obtained. Required information includes:... etc.</p>	<p>The updated text clarifies that in addition to providing the best available information when some information isn't available at the time of the subaward, the pass-through entity must also provide the unavailable information once received.</p>

Previous:	New:	What You Need to Know
<p><u>200.332(b)</u></p> <p>Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ... and</p> <p>(4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).</p>	<p><u>200.332(c)</u></p> <p>Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring described in paragraph (f) of this section. When evaluating a subrecipient's risk, a pass-through entity should consider the following:</p> <p>(1) ...;</p> <p>(2) ...;</p> <p>(3) ...; and</p> <p>(4) The extent and results of any Federal agency monitoring (for example, if the subrecipient also receives Federal awards directly from the Federal agency).</p>	<p>Clarifies that the pass-through entity must evaluate for fraud risk in addition to risk of noncompliance and consider results of any Federal agency monitoring (vs. Federal awarding agencies only).</p>
<p><u>200.332(c)</u></p> <p>Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in <u>§ 200.208</u>.</p>	<p><u>200.332(d)</u></p> <p>If appropriate, consider implementing specific conditions in a subaward as described in § 200.208 and notify the Federal agency of the specific conditions.</p>	<p>Any specific conditions implemented in a subaward must be provided to IMLS.</p>

Previous:	New:	What You Need to Know
<p><u>200.332(d)</u></p> <p>Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.</p>	<p><u>200.332(e)</u></p> <p>Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved.</p>	<p>Clarifies that the monitoring is focused on the subrecipient, not just the subaward.</p>

§ 200.333 Fixed Amount Subawards.

Uniform Guidance Reference: [2 CFR § 200.333 Fixed amount subawards.](#)

What's Changed?

- Threshold for fixed amount subawards increased from \$250,000 to \$500,000.

Subpart E – Cost Principles

§ 200.403 Factors affecting allowability of costs.

Uniform Guidance Reference: [2 CFR § 200.403 Factors affecting allowability of costs.](#)

What’s Changed?

- **Administrative closeout costs:** New paragraph added stating that *“Administrative closeout costs may be incurred until the due date of the final report(s). If incurred, these costs 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. All other costs must be incurred during the approved budget period.”*

What You Need to Know

- Take note of this new clarifying language, and its requirements for when costs can be incurred and when they must be liquidated.

§ 200.407 Prior written approval (prior approval).

Uniform Guidance Reference: [2 CFR § 200.407 Prior written approval \(prior approval\).](#)

What’s Changed?

- **Removal of nine references** from prior written approval requirements:
 - § 200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts paragraph (b)(5)
 - § 200.311 Real property
 - § 200.313 Equipment

- § 200.413 Direct costs, paragraph (c) (administrative and clerical staff salaries that meet the conditions for direct charging of costs)
- § 200.438 Entertainment costs
- § 200.454 Memberships, subscriptions, and professional activity costs, paragraph (c) (civic and community organization memberships)
- § 200.456 Participant support costs
- § 200.467 Selling and marketing costs
- § 200.470 Taxes (including Value Added Tax);

What You Need to Know

- **Equipment prior approvals as detailed in section 200.439** *“(Capital expenditures for general purpose equipment, buildings, and land are allowable as direct costs, but only with the prior written approval of the Federal agency or pass-through entity)” are still required.*
- Equipment prior approvals – OMB provided the following clarification in the final rule:

*“OMB revised the list of prior approval requirements in section 200.407 to remove reference to the real property and equipment provisions in section 200.311 and 200.313. Other requirements to obtain instructions or approval from the Federal agency—such as requirements to request disposition instructions—remain in place in those sections and are unaffected by the changes to section 200.407. **Section 200.439—which remains included in the list of prior written approvals in section 200.407 and is specifically referenced in section 200.313—continues to describe circumstances in which prior written approval is required for allowability of equipment and other capital expenditures.** For example, when equipment disposal is directed by a Federal agency under the process described in section 200.313, section 200.439 continues to recognize that this Federal agency action is needed before the costs are allowable.”*
- Ensure your internal policies and procedures and subrecipient guidance reflect the removal of these items from prior approval requirements.

§ 200.414 Indirect costs.

Uniform Guidance Reference: [2 CFR § 200.414 Indirect costs.](#)

What's Changed?

- **Increase to de minimis rate** from 10% to 15%.
- **Indirect rate disputes** – new language indicating that recipients and subrecipients may notify OMB of indirect cost rate disputes that arise during negotiations.
- **Pass-through entities must accept all federally negotiated indirect cost rates for subrecipients.**

What You Need to Know

- The increase to the de minimis rate still permits use of a lower rate of the subrecipient's choosing but may allow for improved recovery of indirect costs for smaller or under resourced organizations.
- OMB clarifies that they are not a formal arbiter of indirect rate disputes.

§ 200.415 Required certifications.

Uniform Guidance Reference: [2 CFR § 200.415 Required certifications.](#)

What's Changed?

- **New paragraph added:** *(b) Subrecipients under the Federal award must certify to the pass-through entity whenever applying for funds, requesting payment, and submitting financial reports: "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." Each such certification must be maintained pursuant to the requirements of § 200.334. This paragraph applies to all tiers of subrecipients.*

What You Need to Know

- The certification requirement for subrecipients is new. Be sure your mechanisms/systems for submitting applications, payment requests, and financial reports reflects this certification requirement and language.

§ 200.431 Fringe benefits.

Uniform Guidance Reference: [2 CFR § 200.431 Fringe benefits.](#)

What's Changed?

- **New clarification:** “*Payments for unfunded pension costs must be charged in accordance with **the allocation principles** of this subpart. Specifically, the recipient or subrecipient may not charge unfunded pension costs directly to a Federal award if those unfunded pension costs are not allocable to that award.*”

What You Need to Know

- OMB scaled back this requirement based on feedback from the public, and in the final revisions stands as a clarification, not a policy change.
- Conveys that these costs must be charged in accordance with Subpart E’s allocation principles.

§ 200.432 Conferences.

Uniform Guidance Reference: [2 CFR § 200.432 Conferences.](#)

What's Changed?

- **Revised definition** of conference to be less restrictive.
- **Allowable conference costs have been broadened** to include speakers’ fees, **attendance** fees, and the costs of identifying and providing locally available dependent-care resources **for participants** as needed.

What You Need to Know

- Removing the list of specific event types in the previous guidance eliminates perceived limitations from the definition of “conference.”
- Expanding allowable costs of dependent care resources to participants attending or participating in program-related conferences should enable more employees to access educational programming.
- Clarification that allowable conference costs may include attendance fees.

§ 200.438 Entertainment and prizes.

Uniform Guidance Reference: [2 CFR § 200.438 Entertainment and prizes.](#)

What’s Changed?

- New addition states that *“costs of prizes or challenges are allowable if they have a specific and direct programmatic purpose and are included in the Federal award.”*

What You Need to Know

- For more information and additional guidance on prizes, refer to OMB guidance in [M-10-11 “Guidance on the Use of Challenges and Prizes to Promote Open Government,” issued March 8, 2010](#), or its successor.

§ 200.439 Equipment and other capital expenditures.

Uniform Guidance Reference: [2 CFR § 200.439 Equipment and other capital expenditures.](#)

What’s Changed?

- **Increase of capitalization threshold** from \$5,000 to \$10,000 for prior approvals.

- **Will → must:** Clarifies that when approved as a direct cost, capital expenditures **must** be charged in the period in which they are incurred.

What You Need to Know

- Note the unit cost increase to \$10,000 for prior approval.

§ 200.455 Organization costs.

Uniform Guidance Reference: [2 CFR § 200.455 Organization costs.](#)

What's Changed?

- **New unallowable costs for collective bargaining activities:** *“The costs of any of the following activities are unallowable: activities undertaken to persuade employees of the recipient or subrecipient, or any other entity, to exercise or not to exercise, or concerning the manner of exercising, the right to organize and bargain collectively through representatives of the employees' own choosing.”*
- **New allowable costs for data and evaluation expenditures:** *“The costs related to data and evaluation are allowable. Data costs include (but are not limited to) the expenditures needed to gather, store, track, manage, analyze, disaggregate, secure, share, publish, or otherwise use data to administer or improve the program, such as data systems, personnel, data dashboards, cybersecurity, and related items. Data costs may also include direct or indirect costs associated with building integrated data systems—data systems that link individual-level data from multiple State and local government agencies for purposes of management, research, and evaluation. Evaluation costs include (but are not limited to) evidence reviews, evaluation planning and feasibility assessment, conducting evaluations, sharing evaluation results, and other personnel or materials costs related to the effective building and use of evidence and evaluation for program design, administration, or improvement.”*

What You Need to Know

- Review the clarification/addition regarding unallowable costs around organizing and collective bargaining.

- Review the new allowable costs for data and evaluation, including the examples of each provided in the guidance.

§ 200.472 Termination and standard closeout costs.

Uniform Guidance Reference: [2 CFR § 200.472 Termination and standard closeout costs.](#)

What's Changed

- **New section title:** previously Termination costs, now Termination **and standard closeout** costs.
- **Rental costs under unexpired leases:** clarifies that costs under unexpired leases are “*less the residual value of such leases.*”
- **Addition of closeout costs:** new guidance allowing administrative closeout costs states that “*Administrative costs associated with the closeout activities of a Federal award are allowable. The recipient or subrecipient may charge the Federal award during the closeout for the necessary administrative costs of that Federal award (for example, salaries of personnel preparing final reports, publication and printing costs, costs associated with the disposition of equipment and property, and related indirect costs). These costs may be incurred until the due date of the final report(s). If incurred, these costs 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.*”

What You Need to Know

- Be sure to carefully review the newly allowable administrative closeout costs – this should be helpful in recovering actual costs incurred throughout closeout actions.

Subpart F – Audit Requirements

Audit requirements

Uniform Guidance Reference: [2 CFR § 200.501 Audit Requirements](#).

What’s Changed?

- **Increase to audit threshold:** OMB increased the threshold for audits and single audits from \$750,000 to \$1,000,000.
- **Clarifies applicability:** The single audit requirements apply to a non-Federal entity “that expends \$1,000,000 or more in Federal awards during the non-Federal entity's fiscal year.” (reflecting threshold increase).
- **Exemption:** clarification added that “*unless a program is exempt by Federal statute, Federal awards expended as a recipient or a subrecipient are subject to audit under this part.*”
- **Compliance responsibility for contractors:** As before, Federal award compliance requirements normally do not flow down to contractors, but OMB clarified that “*for procurement transactions in which the contractor is made responsible for meeting program requirements, the auditee must ensure those requirements are met, including by clearly stating the contractor's responsibilities within the contract and reviewing the contractor's records to determine compliance.*”

What You Need to Know

- Whether audit requirements apply or not, pass-through entities are still required to monitor subrecipients consistent with the requirements in part 200.
- You might notice that the change in terminology from “non-Federal entity” to “recipient or subrecipient” we see throughout the revised guidance does not carry into Subpart F. This is because the Audit Requirements align with the Single Audit Act, so the terminology was left as is for consistency with the statute.
- Note the nuances in compliance responsibilities for contractors based on whether the contractor has responsibility for meeting program requirements.


Useful Resources

The information we’ve provided in this handout is not intended to be legal advice but to serve as a general reference to some of the revisions that may impact SLAAs in their capacity as States and as pass-through entities. If you wish to learn more, the following may be useful:

→ [eCFR Code of Federal Regulations](#) –

This is a “point in time” system that reflects the current version of all subparts of part 200 (and the rest of Title 2).

The Uniform Guidance revisions won’t be “live” in eCFR until 10/1/2024. It can be confusing to figure out what version to use, especially since awards issued prior to 10/1/2024 continue to be monitored and managed under the pre-revision regulations. But the eCFR provides some helpful tools like timelines, a “go to date” function, and date comparisons to help you navigate.



The screenshot shows the eCFR interface for Part 200. On the left is a navigation sidebar with options: Table of Contents, Details, Print/PDF, Display Options, Subscribe, Timeline, Go to Date, Compare Dates, and Published Edition. The 'Timeline', 'Go to Date', 'Compare Dates', and 'Published Edition' options are highlighted with a red box. The main content area displays 'PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS' with authority '31 U.S.C. 503'. It includes cross-reference links to amendments published at 89 FR 30136, Apr. 22, 2024, and a source reference to 78 FR 78608, Dec. 26, 2013. Below this is 'Subpart A—Acronyms and Definitions' with another cross-reference link to an amendment at 89 FR 30136, Apr. 22, 2024. At the bottom, there is a section for 'ACRONYMS'.

→ You can also generate and download a complete PDF version of the published edition as of the current date. [Here is an example of a PDF of 2 CFR part 200 as of 9/3/2024.](#)

→ Until 10/1/24, you can find the full text of the revised guidance (along with OMB’s summary of and responses to public comments on the draft guidance) in the [Final Rule published in the Federal Register on 4/22/24.](#)

→ You can also see the [revisions redlined in the unofficial comparison version](#), or in the [Excel 2 CFR crosswalk](#).