

## 2 CFR 200 Uniform Guidance Revisions

### September 2024 Grant Coordinator Meeting

9/26/24

#### General Information

- The Office of Management and Budget (OMB) has directed the Federal agencies to incorporate the 2 CFR revisions by 10/1/24.
- The revised 2 CFR 200 Uniform Guidance (UG) will apply to new awards and funding amendments to existing awards made on or after 10/1/24.
- Significant changes are detailed below. Not all changes are indicated.

#### Summary of UG Change Types

- The revised UG is effective 10/1/24 BUT not all revisions are effective immediately. It may be easier to think of these UG revisions as being three types of changes for ISU.
  - Changes effective 10/1/24 for new awards and funding amendments to existing awards made on or after 10/1/24.
  - Changes to be made after ISU policy, procedures and guidelines documents have been updated to be applicable to new awards and funding amendments to existing awards made on or after 10/1/24.
  - Changes to be made after the ISU negotiated F&A (indirect) rate definitions change.

#### Type 1 - Changes

Changes effective 10/1/24 for new awards and funding amendments to existing awards made on or after 10/1/24.

- **Indirect Costs (200.1)** – use of the terms “Facilities and Administrative Costs” or “F&A Costs” have been largely replaced by “Indirect Costs.”
- **Prior Approval (200.1)** – new definition which means the written approval obtained in advance by an authorized official.
- **Recipient and Subrecipient (200.1)** - use of the terms “Pass-through Entity,” “PTE,” “Non-Federal Entity” and “NFE” have been largely replaced by “Recipient” and “Recipient and Subrecipient.”
- **Special Purpose Equipment (200.1)** – definition now includes associated software.
- **Terminology clarification (200.101(a)(3))** - *Throughout subparts A through F, the word “must” indicates a requirement. The words “should” or “may” indicate a recommended approach and permit discretion.*
- **Fixed Amount Awards ((200.333)** – With prior written approval, recipients may issue fixed price subawards up to \$500,000
- **Prior Written Approvals (200.407)** – Revised prior approval requirements. Reduction in types of items needing prior approval.
- **Indirect Costs of Pass-through Entities (200.414(d))** – Updated language.
  - *Pass-through entities are subject to the requirements in § 200.332(b)(4) and must accept all federally negotiated indirect costs rates for subrecipients.*

- **De minimis rate (200.414(f))** – Entities without Federally negotiated indirect cost rates may not charge a de minimis rate up to 15% of MTDC.
- **Data and Evaluation Costs (200.455(c))**– New language.
  - *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.*

## **Type 2 Changes**

Changes to be made after ISU policy, procedures and guidelines documents have been updated to be applicable to new awards and funding amendments to existing awards made on or after 10/1/24. **These changes have not yet been made for ISU.**

- **Participant (200.1)** – new definition:
  - *Participant generally means an individual participating in or attending program activities under a Federal award, such as trainings or conferences, but who is not responsible for implementation of the Federal award. Individuals committing effort to the development or delivery of program activities under a Federal award (such as consultants, project personnel, or staff members of a recipient or subrecipient) are not participants. Examples of participants may include community members participating in a community outreach program, members of the public whose perspectives or input are sought as part of a program, students, or conference attendees.*
- **Participant Support Costs (200.1)** – expanded definition:
  - *Participant support costs means direct costs that support participants (see definition for Participant in § 200.1) and their involvement in a Federal award, such as stipends, subsistence allowances, travel allowances, registration fees, temporary dependent care, and per diem paid directly to or on behalf of participants.*
- **Participant Support Costs (200.456)** –
  - *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.*

ISU (OSPA and SPA) needs to update/create Participant Support Costs Guidance for awards subject to these 2 CFR 200 revisions.

- **Administrative Closeout Costs (200.403(h) and 200.472(b))**- new language. ISU needs to create guidelines and required timeframes.
- **Direct Costs (200.413(b))** – Updated language. ISU need to create new Sponsored Programs Costing Policy Guidance for awards subject to these 2 CFR 200 revisions.
  - **Application to Federal awards.** *The association of costs with a Federal award determines whether costs are direct or indirect. Costs charged directly to a Federal award are typically incurred specifically for that Federal award (including, for example, supplies needed to achieve the award’s objectives and the proportion of employee compensation and fringe benefits expended in relation to that specific direct costs if they are directly related to a specific award (including, for example, extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities, cybersecurity, integrated data systems, asset management systems, performance management costs, program evaluation costs, or other institutional service operations).*

### **Type 3 Changes**

Changes to be made after the ISU negotiated F&A (indirect) rate agreement and definitions change. Other approvals may also be necessary. Existing negotiated rates will remain in place. **ISU must wait for our negotiated F&A (indirect) rate agreement to indicate increased thresholds before using these revisions.**

- **Equipment (200.1)** – new equipment capitalization threshold up to \$10,000 (from \$5,000)
- **MTDC (200.1)** – new subaward threshold, up to first \$50,000 (from up to first \$25,000)

### **Outstanding Items**

- OMB to Issue Technical Corrections on 10/1/24.
- Many Federal Agency Implementation Plans to be issued (by 10/1/24 deadline?).
  - NSF, NSF, USDA are some Federal agencies that have issued their plans.

### **Other Information**

- Other universities and research institutions may implement many of these UG changes before ISU does.
- For NSF awards, the Research Terms and Conditions (RTC) will no longer be referenced in awards made on or after 10/1/24.
- It will take some time for everyone to get all of the changes analyzed and ISU procedures and guidance created.
- OSPA does intend on marking awards that are subject to these revised UG in some manner. Stay tuned for details.