

Redline Comparison: 2 CFR 200 Updates Effective October 1, 2024

Purpose of the Changes

- Improve stewardship of federal funds.
- Promote equitable access to programs and services.
- Reduce administrative burden for agencies, applicants, and recipients.
- Facilitate streamlined and effective oversight and implementation of federal programs.
- Reflect input from federal agencies and public comments.
- Final guidance released on April 4, 2024.

Topic	Formerly	2024 Update
<i>General Updates - Title 2 Change</i>	“Grants and Agreements”	“Federal Financial Assistance”
<i>Terminology Update</i>	“Non-Federal entity”	“Recipient” or “Subrecipient” throughout Part 200, except Subpart F.
<i>Applicability Clarification</i>	General applicability	Specified which sections apply to “Federal agency” or “pass-through entity.”
Subpart A: Acronyms and Definitions		
<i>Acronyms</i>	Included outdated acronyms	Removed infrequently used acronyms and added new ones.
<i>Definitions</i>	General definitions	Added and revised definitions, including: <ul style="list-style-type: none"> • “Equipment” • “Modified Total Direct Costs (MTDC)” • “Participant” • “Pass-through entity” • “Period of performance” • “Supplies” • “Termination”
<i>Thresholds</i>	Equipment Threshold: \$5,000	Increased to \$10,000
	MTDC Subawards Threshold: \$25,000	Increased to \$50,000
	Supplies Threshold: \$5,000	Increased to \$10,000
Subpart B: General Provisions		
<i>Applicability Section</i>	Table format	Narrative format
<i>Language Requirements (200.111)</i>	General language requirements	Key documents and materials must be in English. Non-English languages allowed for communication with recipients upon request.
<i>Mandatory Disclosures (200.113)</i>	General disclosure requirements	Updated to align with the Federal Acquisition Regulation (FAR).
Subpart C: Pre-Federal Award Requirements		
<i>Cost Principles</i>	General cost principles	Clarified application to budget and record retention requirements.
<i>Community Engagement</i>	No specific emphasis	Emphasized during program development.
<i>Notice of Funding Opportunities (NOFO) (200.111)</i>	No specific plain language requirement	<ul style="list-style-type: none"> • Plain language and clear communication of requirements. • Executive summary provision.

		<ul style="list-style-type: none"> • Technical assistance for inexperienced applicants. • NOFO simplification aiming for a 25% reduction in word count. • Review frequency updated from “every five years” to “Periodically.”
<i>Diversity in Review Panels</i>	No specific diversity requirement	Emphasized diversity in merit review panels.
<i>Whistleblower Protection</i>	No specific section	Added a new section on whistleblower protection.
Subpart D: Post-Federal Award Requirements		
<i>Internal Controls</i>	General internal controls	Must include cybersecurity measures.
<i>Equipment and Supplies</i>	Equipment threshold at \$5,000; supplies at \$5,000	Increased thresholds to \$10,000.
<i>Procurement (200.317)</i>	Allowed Indian tribes to follow their own procurement policies and equipment disposition in accordance with Tribal law.	Removed the prohibition on geographic preference in procurements.
<i>Procurement Standards</i>	Formerly: General procurement standards	Introduced examples of labor-related provisions and scoring mechanisms for job commitments. Pass-through entities are responsible for subrecipient and contractor determinations.
<i>Subawards and Termination</i>	Fixed Amount Subawards threshold at \$250,000	Increased to \$500,000; clarified termination policy.
Subpart E: Cost Principles		
<i>Approval Requirements</i>	Various prior approval requirements	Eliminated several prior approval requirements.
<i>Indirect Costs</i>	De minimis rate at 10%	Increased to 15%; subaward threshold for indirect costs raised to \$50,000.
Subpart F: Audit Requirements		
<i>Single Audit and Major Program Threshold</i>	\$750,000 threshold	Increased to \$1,000,000.
<i>2 CFR 200.513 Audit extensions</i>	Single Audit Report Request for Extension Timely Single Audit reports are necessary for proper program oversight. Nevertheless, the law recognizes that in cases of undue burden on a non-Federal entity, an extension on the report deadline may be necessary. See 31 U.S.C. § 7502(h) (providing that audit reports are due “9 months after the end of the period audited, or within a longer timeframe authorized by the [relevant] Federal agency ... when the 9-month timeframe would place an undue burden on the non-Federal entity”). Subpart F of Title 2 of the CFR has been updated at section 200.512(a) to more accurately reflect the provisions of the Single Audit Act with respect to the report submission deadline.	Added the following: The cognizant agency for audit or oversight agency for audit (in the absence of a cognizant agency for audit) may authorize an extension when the nine-month timeframe would place an undue burden on the auditee. 2 CFR 200.512(a) (as revised).

<i>Appendices</i>	Detailed and complex requirements	Simplified requirements, emphasizing key information and providing flexibility for agencies.
Additional Specific Changes		
<i>Cybersecurity Internal Controls</i>	No specific cybersecurity framework required	Added requirements without mandating a specific framework.
<i>Veteran-Owned Businesses</i>	Not specified	Added to the list of encouraged businesses for procurement contracts.
<i>Suspension and Debarment:</i>	General administrative actions	Clarified administrative actions and factors influencing decisions, including business license status.