

2024 Revisions to 2 CFR Part 200 Regulations Webinar

October 9, 2024

Frequently Asked Questions (FAQ) (organized by topic)

Q1: Could you please expand on the indirect costs? What is considered indirect? Please explain if Childcare is allowable. Does it mean employee assistance with childcare? Additionally, are there revisions to assist staff with mental health-gym memberships, etc.?

- Indirect Costs are those incurred for a common or joint purpose benefiting more than one cost objective. They are allowable, allocable, and reasonable facilities and administrative costs that benefit EPA assistance agreements as well as other activities that are carried out. These can include:
 - Space costs
 - Utilities
 - Accounting Services
 - Human Resource Services
 - Etc.
- Childcare is allowable as a participant support cost and can be accounted for under Fringe Benefits (200.431). Fringe benefits are allowances and services employers provide to their employees as compensation in addition to their regular salaries and wages. Examples of fringe benefits include, but are not limited to:
 - Costs of leave
 - Employee insurance
 - Pensions
 - Costs of fringe benefits – provided that the benefits are reasonable and required by law, an organization-employee agreement, or an established policy of the recipient or subrecipient
- Mental Health/Gym memberships, while not specifically addressed in these revisions, the guidance within 200.431, Compensation – Fringe Benefits, considers this as allowable as a Fringe Benefit.
- Fringe benefits must be used consistently across the Federal award and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities and charged as direct or indirect costs following the recipient's accounting practices.

Q2: Will this webinar be recorded and available later? And when will it be posted since there's limited time before application due date.

- Yes, this presentation will be recorded and posted at the [2024 Revisions to 2 CFR Part 200 Regulations webinar webpage](#). This presentation recording is planned to be posted in around 2 weeks.

- Q3: I am a current EPA grantee, and my grant was awarded 1 year ago. I would like to incorporate the local hire provisions into my grant. What do I need to do to make use of the new local hire provision? My project is located in an underserved community, and we want to hire local companies through a competitive process.
- For this and other current EPA grant recipients, please discuss the potential to incorporate the 2 CFR 200 revisions with your EPA Project Officer and EPA Grant Specialist. Thank you.
- Q4: Are these new updates in effect for any grants awarded *before* October 1, 2024? If my grant (that was awarded before October 2024) is extended or amended, will these new regulations be in effect?
- The set of regulations that will apply to your project is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.
- Q5: Would the previous regulations be in effect regardless of if my grant (which was awarded before October 1, 2024) is extended or amended?
- No. The previous regulations would be in effect up to when your EPA grant is amended.
 - If a recipient is interested in amending their Federal award to point to the 2024 revisions, they will need to formally request this change and be approved by the award official. As the 2024 revisions may impact certain aspects of the grant budget, the recipient must also decide whether they want to request a budget modification.
- Q6: Our Prime's grant was awarded before October 1, but we, as the subrecipient, have not been awarded yet – can we ask for 15% de minimis?
- No.
 - The regulations trickle down from the Prime, so if the EPA grant was awarded before October 1, 2024, the previous regulations and agreed upon 10% de minimis rate still apply.
- Q7: Are all changes that are going to be discussed applicable for all grants federal government wide, or are some changes specific to just U.S. EPA grants?
- The 2 CFR 200 Revisions are federal-wide per the Office of Management and Budget. Federal agencies have discretion for some parts of the 2 CFR and is noted in the parts and subparts of the guidance.
- Q8: How do we get a soft copy of the revised guidelines?
- By visiting the [eCFR website](#). You should be able to view the document in full and will have access to a PDF version.
- Q9: Is this information relevant to the Healthy Communities program?
- The 2 CFR 200 Revisions are relevant to all Federal awards for those awards funded on or after October 1, 2024, and those that may be amended in the future. There may be specific requirements for this program.

- Q10: Can Tribes award subawards how they see fit according to their own procurement policies? Or do sub-awarding rules from before still apply when an Indian Tribe parcels out some of the funds in a subaward?
- For awards made on or after October 1, 2024, Tribes must follow the same policies and procedures used for procurements with non-Federal funds when conducting procurement transactions.
 - If such policies and procedures do not exist, Tribes must follow the procurement standards in 200.318 through 200.327.
 - As for the subaward, they must still follow the regulations at 200.333, for fixed amount subawards, they will still require prior approval, regardless of type.
- Q11: Does the removal of the prohibition on geographic preferences apply to Federal Emergency Management Agency (FEMA) grants that have already been awarded with the prohibition in the original terms?
- You should contact your grant points of contact at FEMA to answer this question.
- Q12: Who in EPA will approve the micro-purchase self-certification? Is that at the Project Officer (PO) or Grant Specialist (GS) level, or does it require higher approval?
- Recipients and subrecipients may establish a micro-purchase threshold over \$10,000.
 - Recipients and subrecipients can self-certify micro-purchase thresholds up to \$50,000.
 - EPA approval is not required. Micro-purchase thresholds over \$50,000 must be approved by EPA if EPA is the cognizant agency. That approval must come from the Award Official.
- Q13: Is the new audit requirement only for awards greater than \$1,000,000? Our award is nearly \$1,000,000 but does not exceed the new threshold. Our award ended up being approximately \$999,950 so will not be subject to a single audit now, is that true?
- The single audit threshold is not based on one award but rather based on the total expenditures across all Federal awards for one entity. This means that even if the EPA award is under \$1M, there is still a possibility that an audit will need to be conducted if the recipient has expenditures from other awards.
 - This threshold increase is effective for entities with fiscal years that started on or after October 1, 2024. The increase would be based on the recipient's fiscal year.
 - If the recipient's fiscal year started on or after October 1, 2024, then they would follow the new threshold, but if their fiscal year ran from January 1 through December 30, that would mean they are subject to the \$750k threshold until their new fiscal year starts on January 1, 2025.
- Q14: If we submit an application and include an item less than \$10,000 in the Equipment section, will the application be disallowed?
- No. If in your application you incorrectly categorize a budget category, and your applicant is accepted for funding, the EPA Project Officer and Grant Specialist will work with you to address and ensure proper budget categorization.

- Q15: Are vehicles covered by 200.439?
- Purchasing a vehicle is covered under 200.439, Equipment and Other Capital Expenditures.
 - Cars are considered equipment because it is over the allowed threshold (\$10,000) and thus are considered covered by 200.439.
- Q16: If a grantee asks whether their grant (which was awarded before October 1, 2024) can it be regulated under the new regulations, can we amend the grant to the updated regulations?
- Yes.
 - If a recipient is interested in amending their Federal award to point to the 2024 revisions, they will need to formally request this change and be approved by the award official. As the 2024 revisions may impact certain aspects of the grant budget, the recipient must also decide whether they want to request a budget modification.
- Q17: Would EPA modify its existing agreements with recipients/pass-through entities to incorporate the new Uniform Guidance (UGG) revisions? What is EPA's strategy there? Would you issue a blanket modification?
- If a recipient is interested in amending their Federal award to point to the 2024 revisions, they will need to formally request this change and be approved by the award official. As the 2024 revisions may impact certain aspects of the grant budget, the recipient must also decide whether they want to request a budget modification.
- Q18: What is the measurement period for the Single Audit requirement? Is the threshold measured based on the calendar year (i.e. 1/1-12/31) or is it the government's fiscal year (10/1-9/30)?
- The measurement is based on the pass-through entity's fiscal year, so the dates are based on calendar year vs the government's fiscal year.
- Q19: If a pass-through entity mixes EPA funds with another Federal agency funding (one with old UG applicable and the other the new UGG), what is EPA's expectation? How should that pass-through approach their plan to implement the UGG revisions?
- Mixing funds is considered an inappropriate use of federal funds.
 - Recipients must follow the regulations to that federal grant. For example, if a recipient has one grant from EPA and another grant from another agency, the recipient must follow both regulations and not mix them together.
- Q20: Are gift cards considered prizes?
- This is dependent on their use.
 - Prizes are not allowable except under specific and direct programmatic purpose and are included in a Federal award per 200.438, Entertainment and Prizes.
 - Gift cards purchased under participant support costs, outlined within the 2CFR Part 200, must support participants 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.

- Q21: If one has a different cognizant agency, would that agency provide the certification on the \$50,000 threshold or must the grantor provide the certification?
- If the threshold is over \$50,000, the cognizant agency would provide the approval.
 - Per 200.320, Procurement Methods, the recipient may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal agency or pass-through entity and auditors in accordance with 200.334.
 - For thresholds higher than \$50,000, they must be approved by the cognizant agency for indirect costs. The recipient must submit a request that includes the requirements outlined in 200.320.
- Q22: I still see some new EPA cooperative agreements with the old UGG, when do you plan to incorporate the new UGG revisions in all your new cooperative agreements or grants?
- Any EPA cooperative agreement awarded after or on October 1, 2024, will have incorporated the revisions.
- Q23: If the sub awardee is performing services for the recipient, is it acceptable to have higher subaward amount?
- Subawards are defined as an award provided by a pass-through entity to a subrecipient for the subrecipient to contribute to the goals and objectives of the project by carrying out part of a Federal award received by the pass-through entity. It does not include payments to a contractor, beneficiary, or participant, per 200.1, Definitions.
 - Because a subaward is not a contract and not doing services for the recipient, the costs are determined through the subaward agreement.
- Q24: Do any items discussed today apply specifically to grant awards made prior to 9/20/2024?
- The guidance in place when the Federal award was made are still applicable to the award.
 - To access the prior guidance, please visit the eCFR webpage, located [HERE](#).
- Q25: We frequently have subrecipients who choose to take a lower indirect rate; however, we don't require it. Is that still allowed per 200.414(c)?
- Per 200.414(c), a Federal agency may use a rate different from the negotiated rate for either a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by the awarding Federal agency.
 - Per the same citation, pass-through entities are subject to the requirements in 200.332(b) and must accept all federal negotiated indirect costs rates for subrecipients.
- Q26: If a grant was initially awarded before 10/1/24 but will have a supplemental amendment after 10/1/24 will the new 2 CFR revisions apply?
- Yes.
 - The regulations would apply on the effective date of the supplemental amendment.
- Q27: The de minimis rate is now 15% as of when?

- The change is effective October 1, 2024, for grants awarded on or after that date, per 200.414.
- Q28: Is the de minimis rate a fixed 15% or up to 15%?
- The de minimis rate is up to 15% modified total direct cost.
- Q29: If our organization does not have a Negotiated Indirect Cost Rate Agreement (NICRA), can we still utilize the new de minimis rate of 15%, correct?
- Yes.
 - Per 200.414 (c)(1), Indirect Costs, negotiated indirect cost rates must be accepted by all Federal agencies. A Federal agency may use a rate different from the negotiated for either a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by the awarding Federal agency.
- Q30: If a recipient is currently using the 10% indirect cost rate, do they now have to change it to the 15%?
- No, it is an option, not a must, per 200.414, Indirect Costs.
- Q31: Recipients and subrecipients are still required to use a Negotiated Indirect Cost Rate Agreement (NICRA) if they have one in place, correct? Meaning, if an entity wants to claim indirect costs and has a NICRA in place, they cannot choose to use the de minimis rate instead of their NICRA.
- Correct, the entity must use their current negotiated rate.
- Q32: Is the new de minimis rate just for EPA grants?
- No, this applies to all Federal awards.
- Q33: If our grant funding was received prior to October 1 but we will be awarding some pass-through funding to some sub awards after October 1, will these new regulations apply, or will they need to follow our pre-October 1 terms & conditions?
- The regulations trickle down from the Prime, so if the EPA grant was awarded before October 1, 2024, the agreed upon Terms and Conditions still apply.
- Q34: Could you explain what the 120 days means on slide 13 under 200.313?
- 200.313, Equipment, states that equipment with a current fair market value of \$10k or less per unit may be retained, sold, or otherwise disposed of with no further responsibility to the Federal agency or pass-through entity.
 - Except as provided in 200.312(b), or if the Federal agency or pass-through entity fails to provide request disposition instructions within 120 days, items of equipment with a current fair market value in excess of \$10k per unit may be retained or sold by the recipient or subrecipient.
 - For further rules and guidance, please see 200.313 in the guidance.
- Q35: Is a required match now a required cost share?

- Match is considered a type of cost share, and cost share is defined in the guidance as a portion of project costs not paid by Federal funds or contributions (unless authorized by Federal statute). This term includes matching, which refers to required levels of cost share that must be provided.
 - Please see 200.306, Cost Sharing, for more information on the topic of cost share.
- Q36: Our Negotiated Indirect Cost Rate Agreement (NICRA) was recently signed and will not expire for a few years. It specifies that the Modified Total Direct Cost (MTDC) base excludes equipment over \$5,000 and amounts over the initial \$25,000 for each subaward. Though the 2 CFR updates are effective on 10/1/24, in our situation, do we need to wait until a new NICRA is signed to incorporate these changes?
- The approved rates in the NICRA can only be applied to the MTDC approved in the Rate Agreement, which in this example only includes the first \$25,000 of each subaward and excludes equipment over \$5,000.
 - The approved rates only included the first \$25,000 of each subaward in the MTDC base when the rates were negotiated and excluded equipment over \$5,000. Your cognizant agency for indirect costs may be willing to recalculate your rates using the new MTDC base and issue a revised NICRA to supersede your current NICRA.
 - OMB encourages cognizant agencies for indirect costs to accommodate requests to renegotiate existing NICRAs that are in effect beyond October 1, 2025.
- Q37: Under the new regulations, does this mean that cost-sharing is no longer going to support "in-kind" match as a commitment in an application?
- Each competition is different based on their information, but as defined in 200.306, Cost Sharing, Federal agencies are discouraged from using voluntary committed cost sharing as a factor during the merit review of applications for other Federal financial assistance programs. If voluntary committed cost sharing is used for this purpose for other programs, the notice of funding opportunity; must specify how an applicant's proposed cost sharing will be considered.
 - For all Federal awards, the Federal agency or pass-through entity must accept any cost sharing funds including cash and third-party in-kind contributions, per 200.306, Cost Sharing.
- Q38: Can a grantee meet their cost sharing requirement with expenses they incurred pre-award?
- Pre-award costs are those incurred before the start date of the Federal award or subaward directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work, per 200.458, Per-award Costs.
 - Per 1500.9, Revision of Budget and Program Plans, EPA award recipients may incur allowable project costs 90 calendar days before the Federal awarding agency makes the Federal award. Expenses more than 90 calendar days pre-award require prior approval of EPA. All costs incurred before EPA makes the award are at the recipient's risk. EPA is under no obligation to reimburse such costs if for any reason the recipient does not receive a Federal award or if the Federal award is less than anticipated and inadequate to cover such costs.

- Q39: Please explain the difference between match and cost share. I've always treated the terminology as having the same definition.
- Match is considered a type of cost share, and cost share is defined in the guidance as a portion of project costs not paid by Federal funds or contributions (unless authorized by Federal statute). This term includes matching, which refers to the required levels of cost share that must be provided.
 - Please see 200.306, Cost Sharing, for more information on the topic of cost share.
- Q40: To which grants do the de minimis change, and \$50,000 sub threshold apply? All existing, multi-year grants or only new awards on or after 10/1/24?
- This threshold increase is effective for entities with fiscal years that started on or after October 1, 2024. The increase would be based on the recipient's fiscal year.
 - If a recipient is interested in amending their Federal award to point to the 2024 revisions, they will need to formally request this change and be approved by the award official. As the 2024 revisions may impact certain aspects of the grant budget, the recipient must also decide whether they want to request a budget modification.
- Q41: The speaker mentioned under section 200.307, if program income is earned, they must drawdown first. Does this apply to revolving loan funds (RLF) under the Brownfields Program?
- No.
 - The EPA changed the general program income rule for Brownfields RLFs several years ago. The pertinent coverage from 2 CFR 1500.8(c) states:
 - *Brownfields Revolving Loan. To continue the mission of the Brownfields Revolving Loan fund, recipients may use EPA grant funding prior to using program income funds generated by the revolving loan fund. Recipients may also keep program income at the end of the assistance agreement as long as they use these funds to continue to operate the revolving loan fund or some other brownfield purpose as outlined in their respective closeout agreements. (emphasis added).*
 - Please note that under 2 CFR 1500.8(d), a virtually identical provision extends to other EPA Revolving Loan Capitalization grant programs other than Clean Water and Drinking Water State Revolving Funds.
- Q42: Does income not reduce the award amount?
- No.
- Q43: Are there plans to hold this webinar at a time that work for recipients in the Pacific Islands (it's currently 3:20 am in Guam, 6:20 in American Samoa, and 7:20 in Hawai'i)?
- This webinar and others that are hosted by the National Policy, Training, and Compliance Division (NPTCD) on behalf of the EPA are recorded and available online.
 - NPTCD is currently looking at future options on hosting webinars at times that work for recipients in the Pacific Islands and the State of Alaska.
- Q44: Would you clarify whether, and if so when, local governments can use the de minimis rate for indirect rates? State agencies are using de minimis for local governments.

- If a local government is a subrecipient on an award made to a state agency, the de minimis rate will depend on when the award was made to the state (as the prime recipient of the federal financial assistance). If the award was made to the prime recipient prior to October 1, 2024 then the de minimis is still 10% unless the award gets amended to apply the 2024 Revisions. See RAIN regarding amending existing awards. If the state agency (as the prime) is awarded the federal financial assistance after October 1, 2024 then the de minimis rate may go up to 15%.
- Q45: Do the monitoring provisions under 200.332 apply exclusively during the period of performance?
- No.
 - Monitoring provisions would fall under closeout reporting and is described within 200.332(b)(6), Requirements for Pass-Through Entities.
- Q46: If a cooperative agreement came in-house before 10/1 with a 10% de minimis, but signed off on/after 10/1/24, can we use the new de minimis rate?
- This threshold increase is effective for entities with fiscal years that started on or after October 1, 2024. The increase would be based on the recipient's fiscal year.
 - Because every project has specific factors, we recommend discussing with your Project Officer if using the new de minimis rate is an option.
- Q47: If grantees are now required to spend their program income first, does that create an issue when award funding is left over at the end of the grant?
- This should not create an issue.
 - When the grant closes, the recipient may work with their Project Officer to determine options, for example, of returning the funds.
- Q48: In the Solar for All guidance, I've consistently heard that program income must be "lock-boxed" until all federal funds are fully spent. However, this seems to contradict the statement that any income must be used to support the program before drawing down additional federal funds. Could you clarify this discrepancy?
- Correct, Solar for All does require the recipient to use EPA funds before they can access program income.
 - Please refer to the Terms and Conditions of this award, which provides information on this.
- Q49: Do pre-award monies include grant preparation consultants?
- If the question is asking whether the cost for grant application preparation services is eligible to be charged to the EPA grant as a pre-award cost, the answer depends on the grant program.
 - For instance, grant application preparation costs are prohibited as an allowable cost under EPA Brownfields Grants. However, other EPA grant programs may allow it.
 - For more information, see EPA's Guidance on Selected Items of Cost, available at https://www.epa.gov/sites/default/files/2018-05/documents/recipient_guidance_selected_items_of_cost_final.pdf and or consult with your EPA program contact.

- Q50: With the change to the de minimis rate increasing to 15%, did the cap on the award level also increase (i.e., the \$35 million in direct federal funding threshold for using the de minimis rate)?
- No, the \$35 million threshold for governmental departments and agencies did not increase.
 - Please see 2 CFR Appendix-VII-to-Part-200 D.1.b.
- Q51: Can you clarify whether all these changes will be applicable to previous EPA grants or future grants only?
- The change is effective October 1, 2024, for grants awarded on or after that date, per 200.414.
 - If a recipient is interested in amending their Federal award to point to the 2024 revisions, they will need to formally request this change and be approved by the award official. As the 2024 revisions may impact certain aspects of the grant budget, the recipient must also decide whether they want to request a budget modification.
- Q52: Regarding 200.308 revision of budget changes. Can you please clarify? Are we no longer able to make adjustments within 10% of the award amount without prior approval?
- No. This is still allowed per 200.308(f), Revision of Budget and Program Plans, which outlines when a recipient must request prior written approval from the Federal agency or pass-through entity.
 - For further information, we recommend also reviewing the General Terms and Conditions which provides in section 24, Transfer of Funds.
- Q53: Do these guidelines apply to federal loans, such as Clean Water and Drinking Water state revolving fund (SRF), Water Infrastructure Finance and Innovation Act (WIFIA), and Clean Water Infrastructure Financing Program (CWIFP)?
- Some of the requirements in 2 CFR Part 200 apply to Federal loan programs administered by EPA, such as CWSRF, DWSRF, and WIFIA; however, this question should be raised to the appropriate EPA program contact (or other Federal government agency as appropriate (e.g., in the case of CWIFP)) as the applicability of the requirements in 2 CFR Part 200 may vary depending on the program.
- Q54: If we pay and then ask for reimbursement, will that be an issue?
- Per 200.305, Federal Payment, reimbursement is preferred when the requirements outlined within the guidance cannot be met, when the Federal agency or pass-through entity sets a specific condition per 200.208, when requested by the recipient, when a Federal award is for construction, or when a significant portion of the construction project is accomplished through private market financing or Federal loans, and the Federal award constitutes a minor portion of the project.
 - We also recommend reviewing the General Terms and Conditions section 4, Reimbursement Limitation, and section 5, Automated Standard Application Payments (ASAP) and Proper Payment Draw Down Electronic Payments, for more specific information on EPA's policy on reimbursement.

- Q55: What is the definition of "key personnel"? How can we get pre-approval of a change if the employee gives 2 weeks' notice (or less) before leaving?
- Per the EPA Key Contacts Form, 5700-54, Key Personnel includes the Project Manager, Authorized Representative, Payee, and Administrative Contact.
 - In section 40, Post-Award Disclosure of Current and Pending Support on Research Grants, within the EPA's General Terms and Conditions, it states that if there has been a change in senior/key persons, the recipient must report the change within 30 calendar days to the EPA Project Officer. This information should also be included in the next due performance report.
 - For further information on this, we recommend reviewing the above mentioned section within the EPA General Terms and Conditions.
- Q56: For larger grants like the Community Change Grants, can the sub-recipient threshold be greater than \$500,000? The applicant/pass-through entity is a municipality and the subrecipient is implementing the actual project.
- With prior written approval from the Federal agency, a recipient may provide subawards based on fixed amounts up to \$500,000, but Fixed amount subawards must meet the requirements of 200.201, per the guidance in 200.333, Fixed Amount Subawards.
- Q57: Specific to 200.439 – Equipment. Is it correct that effective 10/1/2024, newly procured equipment with aforementioned threshold requires a physical inspection every two years? Or is the equipment previously procured before 10/1/2024, meet this new threshold?
- If the equipment was procured before October 1, 2024, the previous regulations and Terms and Conditions still apply to that procurement and must follow the inventory requirements outlined.
 - The requirements outlined in 200.313, Equipment, remain the same and have not changed with the updates to the guidance, and therefore, taking inventory every two years remain in effect.
- Q58: What is the effective date of the \$1,000,000 single audit threshold?
- This threshold increase is effective for entities with fiscal years that started on or after October 1, 2024. The increase would be based on the recipient's fiscal year.
 - If the recipient's fiscal year started on or after October 1, 2024, then they would follow the new threshold, but if their fiscal year ran from January 1 through December 30, that would mean they are subject to the \$750k threshold until their new fiscal year starts on January 1, 2025.
- Q59: If a recipient met the \$750,000 threshold before 10/1 but not the \$1,000,000 threshold, is a single audit no longer required?
- The single audit threshold is not based on one award, but rather based on the total expenditures across all Federal awards for one entity. This means that even if the EPA

award is under \$1M, there is still a possibility that an audit will need to be conducted if the recipient has expenditures from other awards.

- This threshold increase is effective for entities with fiscal years that started on or after October 1, 2024. The increase would be based on the recipient's fiscal year.
- If the recipient's fiscal year started on or after October 1, 2024, then they would follow the new threshold, but if their fiscal year ran from January 1 through December 30, that would mean they are subject to the \$750k threshold until their new fiscal year starts on January 1, 2025.

Q60: What is the difference between a participant and subrecipient?

- Participant is defined as any person who submits a proposal for or enters into a covered transaction, including an agent or representative of a participant.
- Recipients is considered as any individual, corporation, organization, partnership, association, unit of government (except a Federal agency), or legal entity, regardless of how it is organized, that receives an award directly from a Federal agency.
- Subrecipient means any entity that receives a subaward from a pass-through entity to carry out part of a Federal award. The term subrecipient does not include a beneficiary or participant. A subrecipient may also be a recipient of other Federal awards directly from a Federal agency.

Q61: When is the \$1,000,000 threshold effective? With fiscal years that BEGIN on or after October 1, 2024, or with fiscal years that END on or after October 1, 2024?

- This threshold increase is effective for entities with fiscal years that started on or after October 1, 2024. The increase would be based on the recipient's fiscal year.
- If the recipient's fiscal year started on or after October 1, 2024, then they would follow the new threshold, but if their fiscal year ran from January 1 through December 30, that would mean they are subject to the \$750k threshold until their new fiscal year starts on January 1, 2025.

Q62: Under 200.313, what does it mean that Federal share must be paid back?

- Per 200.313, Equipment, if the Federal agency or pass-through entity fails to provide requested disposition instructions within 120 days, items of equipment with a current fair market value in excess of \$10,000 (per unit) may be retained or sold by the recipient or subrecipient.
- However, the Federal awarding agency is entitled to an amount calculated by multiplying the percentage of the Federal agency's contribution towards the original purchase by the current market value or proceeds from the sale.
- We also recommend reviewing section 36.2, Disposition, within the EPA's General Terms and Conditions, which outlines EPA's stance.

Q63: I see that EPA is sponsoring this training, but do these 2 CFR 200 changes apply to all Federal agencies?

- Yes, the revisions are Federal-wide. Please see the [Council on Federal Financial Assistance \(COFFA\) webpage](#) for more information.

- Q64: To clarify around participant support costs/prior approval being no longer required. Per 200.308, prior approval is still required for the transfer of funds from participant support costs to other budget categories. Is this correct?
- Yes, that is correct, prior approval is still required.
 - As provided in 200.308, the recipient must obtain prior approval from EPA’s Grants Management Officer if the cumulative amount of funding transfers among direct budget categories or programs, functions and activities exceeds 10% of the total budget, as last approved by EPA, including cost share.
 - We recommend also reviewing section 24.1, Transfer of Funds, within the EPA’s General Terms and Conditions.
- Q65: Where can we find the slides?
- The presentation from today’s webinar is available for download from the [2024 Revisions to 2 CFR Part 200 Regulations webinar webpage](#).
- Q66: How does the new 120-day closeout work with Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) 90-day closeout regulation? Which do you follow?
- See 40 CFR 35.6335, 35.6660, and 35.6670.
- Q67: What requirements in 2 CFR 200, if any, have replaced 2 CFR 225, Appendix B, 8h? This was the section regarding documentation of time distribution in support of salary/wages reimbursed by Federal grant. Have those requirements been dropped completely, and we no longer have to maintain the signed "personnel activity reports" mentioned in 2 CFR 225 for employees who work on grant-related activities less than 100% of the time or whose salary is funded by multiple grants?
- Within the Uniform Grants Guidance (UGG), there is no 2 CFR 225, but there has previously been an OMB Circular 225, which focused on Cost Principles. We now reference and use the UGG for all grants guidance.
 - Looking at 2 CFR 200.430, Compensation – personal costs, section “g – Standards for Documentation of Personnel Expenses,” for a recipient or subrecipient whose records do not meet the standards described in this section, the Federal Government may require personnel activity reports, including prescribed certification, or equivalent documentation supporting the records as required within this section.
- Q68: For Tribes that received their original award for a set of activities before October 1st, and then received additional incremental funding after October 1st for additional activities, do the new procurement rules apply for the entirety of the activities, or only the ones funded in the later action?
- The set of regulations that will apply to your project is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.
- Q69: If the new EPA awards after October 1st stipulates the old UGG, what do we do?
- The set of regulations that will apply to your project is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.

- Q70: If you enter/administer into a subaward after 10/1, does your subrecipient need to follow new regulations or do they follow the regulations of the award that was dated prior to 10/01?
- The regulations trickle down from the Prime, so if the EPA grant was awarded before October 1, 2024, the previous regulations and agreed upon 10% de minimis rate still apply.
- Q71: If our award is from August 2023, we would follow guidance from 2022?
- The set of regulations that will apply to your project is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.
 - For further information on what to follow, please refer to the Terms and Conditions (T&Cs) of the award.
- Q72: Do these updates apply if a project start date is October 1 but the award notification was sent on September 24?
- The set of regulations that will apply to your project is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.
- Q73: If I have a Performance Partnership Grant (PPG) and receive an amendment after October 1, does it apply to the entirety of the award, including any incremental or supplemental extensions?
- The set of regulations that will apply to your award is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.
 - For existing awards that will receive incremental or supplemental funding, EPA's current policy is that the new regulations will apply once that incremental/supplemental funding is processed, and recipients may point to the new regs once they receive an increase in funds, which is consistent with OMB guidance.
- Q74: When you mention that awards made before October 1 will be governed by previous policies, does that refer to the date of the notice of award or the date the contract is signed?
- The set of regulations that will apply to your award is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.
- Q75: Is it "may use" or "must use" the new requirements with supplemental funding? The slide said "may."
- For supplemental funding, awards must use the new ones.
- Q76: Could you clarify whether the date threshold for when the 2 CFR 200 revisions take effect is based on the date of the award or the date of execution of the award?
- The set of regulations that will apply to your award is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.

- Q77: Do these changes affect all federal programs or just the EPA?
- These changes are government wide. Please refer to the EPA specific Terms and Conditions for EPA specific changes.
- Q78: For our existing subrecipients or vendors with contracts established prior to October 1, but receiving new funding for those contracts after this date, are they required to comply with the new terms? This may require additional administrative costs/activities that weren't previously negotiated.
- This is dependent on the project itself and if incorporated into the new revisions and Terms and Conditions (T&Cs).
- Q79: Can you please explain the applicability of using this guidance for assistance award increases that occurred before 10/1/24?
- The revisions to the Uniform Grants Guidance (UGG) are applicable to all grants awarded on October 1, 2024 and later.
 - Grants awarded prior to October 1, 2024 will follow the regulations at that time.
- Q80: Indirect costs—if we do not have an agreed-upon rate and the terms state that we must have one, would we still be able to draw the de minimis rate if we do not yet have an agreed rate?
- If the project does not have a negotiated rate, you are allowed to use the de minimis rate.
 - Having a de minimis rate is an option, not a requirement.
- Q81: Will some of the amendments apply to grants awarded prior to October 1, 2024 (e.g., single audit requirements minimum threshold)?
- The set of regulations that will apply to your award is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.
 - If a recipient is interested in amending their Federal award to point to the 2024 revisions, they will need to formally request this change and be approved by the award official. As the 2024 revisions may impact certain aspects of the grant budget, the recipient must also decide whether they want to request a budget modification.
- Q82: Is there a link that specifically outlines changes that relate to Tribal entities?
- No. We recommend visiting the Bureau of Indian Affairs, White House Council on Native American Affairs page with information and links to a listening and question session they conducted on this topic, located [HERE](#).
 - EPA will be conducting a webinar on December 4, 2024 that focuses on the revision changes that specifically impact Tribal entities and communities. More information and a link to register will be made available closer to the date.
- Q83: Can you please clarify what is meant by “services” with respect to Modified Direct Costs (MDC)? Is a subcontract for design/construction considered a “service” or a “subaward”?
- Construction is considered a capital expenditure, so it’s excluded from the modified Total Direct Cost Base (MTDC). Construction costs that are contracted out are still

considered construction costs and not services. Please note construction costs include all the costs of materials, supplies, and labor that are reasonable and necessary for building the asset and preparing it for its intended use, including professional fees for architects, engineers, appraisers, and attorneys associated with feasibility studies; preliminary engineering, planning, and design.

- Contracts are typically for goods or services. The contracts for goods are typically included in a recipient's budget as materials and supplies or as equipment, depending on the prices of the goods purchased. Materials and supplies are included in the MTCD base, while equipment is excluded from MTDC base. Contracts for services are performed by a contractor and are included in the budget have contractual costs. The following list includes examples of services: IT Services, Pest Control Services, and Security Services. The contracts are for services required for the grant but not contracted out by the recipient, and these services are included in the recipient's MTDC base.
- Subaward do not include payments to contractors.
- For more information on Indirect Costs and Modified Direct Costs, please see the [EPA Indirect Cost Policy for Recipients of EPA Assistance Agreements](#).

Q84: Can you give us the website address for the EPA 2 CFR 200 page?

- <https://www.epa.gov/grants/whats-new-uniform-grants-guidance-2024-revision-2-cfr-200>

Q85: If you made an award before October 1st, but the project and budget does not start until October 1st, do we adhere to revised regulations?

- The set of regulations that will apply to your award is based on the award date of your grant. If the grant is awarded before October 1, 2024, then you would comply with the regulations in effect at the time of award.

Q86: My agency has an incremental award, at what specific point would the guidance switch? Will there be documentation, i.e. a letter ####-1 or -2 etc.?

- For existing awards entered into before October 1, 2024, EPA will apply the 2024 Revisions to any amendments entered into on or after October 1, 2024, that provide additional funds. The amendment will be formally documented.

Q87: Can participant support costs be included in the payments to the Statutory Partner Subawards, since the partner has the written policies?

- If you have an existing project, you may need prior approval for this.
- If this is for a new project under the new regulations, you may not need prior approval as a recipient, but would need to be aware and know what your subrecipient is doing.

Q88: How far in advance can payments be requested from the Automated Standard Application for Payments (ASAP)? I thought grantees could only draw down funds for payments that need to be made within 5 days.

- Per 200.305, Federal Payment, it states that the timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by

the recipient or subrecipient for direct program or project costs and the proportionate share of any allowable indirect costs.

- It is EPA’s interpretation that it is five business days when disbursement can occur. Please refer to the EPA General Terms and Conditions (T&Cs) which provide further information on this.

Q89: How do we contact you with additional questions?

- For any grants related questions, please email us at EPA_Grants_Info@epa.gov.

Q90: Can you explain the cost-reimbursement of procurement contracts – why can the de minimis not be used?

- Per 200.414, Indirect Costs, the de minimis rate must not be applied to cost reimbursement contracts issued directly by the Federal Government in accordance with the Federal Acquisition Regulations.

Q91: Are states required to follow these new guidelines? For example, the 319 Grants Program?

- These changes are government wide. Please refer to the EPA specific Terms and Conditions for EPA specific changes.