

U.S. Department of Education

Frequently Asked Questions

2 CFR Part 200

Date: July 2024

This Frequently Asked Questions (FAQ) document addresses common questions regarding the Office of Management and Budget's (OMB) April 22, 2024 revisions to Title 2 of the Code of Federal Regulations (CFR). Title 2 of the CFR is now called the OMB Guidance for Federal Financial Assistance (replacing the previous title of OMB Guidance for Grants and Agreements). This FAQ focuses on 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which is still referred to as the Uniform Guidance. This document provides additional context of the revisions to the Uniform Guidance that apply to U.S. Department of Education (Department) recipients (which are referred to as grantees in this FAQ) and subrecipients (which are referred to as subgrantees in this FAQ).¹ Grantees should consult with their Education Program Contact listed in Box 3 of the Grant Award Notification (GAN) if they have questions regarding the Uniform Guidance, and subgrantees should consult with the grantee. The full text of OMB's final revisions to the Uniform Guidance can be found on the *Federal Register* website at:

<https://www.federalregister.gov/documents/2024/04/22/2024-07496/guidance-for-federal-financial-assistance>.

¹ While 2 CFR § 200.1 defines recipient and subrecipient, this FAQ uses the term grantee or subgrantee to align with the definitions that apply to Department regulations in the Education Department General Administrative Regulations (EDGAR) in 34 CFR § 77.1. In this FAQ, the terms grantee and subgrantee are respectively synonymous with recipient and subrecipient in the Uniform Guidance.

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Q-1. What is the Uniform Guidance?

A-1. Title 2 of the Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is also known as the Uniform Guidance. It was established by the Office of Management and Budget (OMB) to provide a set of consolidated, streamlined, and superseded requirements from previously separate OMB Circulars that provide a *government-wide* (not individual agency-specific) framework for managing Federal financial assistance (e.g., grants and cooperative agreements). The overarching goal of the Uniform Guidance is to improve program performance, reduce administrative burden on award recipients, and mitigate the risk of the inappropriate use of Federal funds.

Q-2. When was the Uniform Guidance revised and where can a copy be obtained?

A-2. The OMB Guidance for Federal Financial Assistance was published in the Federal Register on April 22, 2024 and made substantial revisions to 2 CFR Part 200, which is known as the Uniform Guidance. The full text can be found at: <https://www.federalregister.gov/d/2024-07496>. The Department's adoption of the OMB Uniform Guidance can be found on the Department's website: <https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>.

Q-3. Does the Uniform Guidance apply to the Department's State-administered and direct formula grant programs?

A-3. Yes, the Uniform Guidance applies to the Department's formula grants, both State-administered grants (such as Title I of the ESEA and IDEA) and direct formula grants (such as the Higher Education Emergency Relief Fund (HEERF)).

Q-4. Does the Uniform Guidance apply to the Department's discretionary grant programs?

A-4. Yes, the Uniform Guidance applies to the Department's discretionary grants.

Q-5. What actions should grantees take to comply with the new guidance?

A-5. Discretionary grantees and subgrantees should review the revised Uniform Guidance thoroughly, update their internal policies and procedures accordingly, train relevant staff, and ensure their financial and administrative systems are compliant with the new requirements.

Q-6. When is the revised Uniform Guidance effective for the Department's grants?

A-6. The effective date of the revised Uniform Guidance provisions in 2 CFR Part 200 is October 1, 2024, except for State-administered formula grants, which have the option of implementing as early July 1, 2024, provided that they implement as described directly below. For the Department's other grants (discretionary, new and continuation awards, and direct formula grants), the effective date is October 1, 2024 (see description below).

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For State-administered Formula Grants and Carryover Funds under State-administered Formula Grants:

Recipients of fiscal year (FY) 2024 State-administered formula grants issued on or after July 1, 2024 can implement the revised 2024 Uniform Guidance in 2 CFR Part 200 effective **July 1, 2024**, provided that they have revised any applicable State policies and procedures with changes from the 2024 Uniform Guidance.

Carryover funds from State-administered formula grants are subject to the same provisions as the new awards in State-administered formula programs such that the recipients of carryover funds can implement the revised Uniform Guidance effective **July 1, 2024**, provided that the State has updated any applicable State policies and procedures. This early implementation flexibility can occur as early as **July 1, 2024**, if State policies and procedures have been updated and finalized with changes from the 2024 Uniform Guidance.

For Discretionary Grants, New and Continuation Awards and Direct Formula Grants:

Any Discretionary grant with a performance period start date on or after October 1, 2024, must implement the revised 2 CFR Part 200 effective **October 1, 2024**. For any discretionary grant continuation issued on or after October 1, 2024, must implement the revised 2 CFR Part 200 effective **October 1, 2024**.

Any direct formula grant made on or after October 1, 2024, must implement the revised 2 CFR Part 200 effective **October 1, 2024**. For any discretionary grant continuation issued on or after October 1, 2024, must implement the revised 2 CFR Part 200 effective **October 1, 2024**.

Front-loaded discretionary grant awards,² can exercise the flexibilities in the revised 2 CFR Part 200 effective **October 1, 2024**.

The revised Uniform Guidance in 2 CFR Part 200 also applies to supplements made to those awards made on or after October 1, 2024.

Q-7. What actions should State-administered formula grants take to exercise the flexibility to implement the new provisions of the Uniform guidance earlier than October 1, 2024?

A-7. For State-administered formula grants to exercise the flexibility of early implementation of the revised Uniform Guidance, there are two relevant areas: (1) the definition of equipment; and (2) indirect costs.

- For early implementation, State-administered formula grant recipients must modify their policies to increase the capitalization threshold for equipment to \$10,000 (from \$5,000)

² In the context of a discretionary grant, a front-loaded grant is one in which partial or full funding for out years of the grant is either provided in the initial award of the grant or the award of a non-competing continuation.

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in order to exercise the flexibility to apply the new \$10,000 threshold for prior approval requests for both equipment.

For charging indirect costs to State-administered grants, grantees must comply with thresholds in their current indirect cost rate agreements issued by their cognizant agency (34 CFR § 76.564(b)). Grantees must refrain from implementation until a new indirect cost rate agreement is approved which includes the new thresholds.

Q-8. How did the definitions for equipment and supplies change in the revised Uniform Guidance?

A-8. Equipment in [2 CFR § 200.1](#) is now defined as tangible personal property with a unit cost of \$10,000 or the capitalization level provided by the Federal grant recipient's or subrecipient's own policies, whichever is lower. All grantees and subgrantees (regardless of the effective date), if they wish to take advantage of the higher \$10,000 threshold for equipment (for example, for prior approval), will need to revise their policies to reflect the higher capitalization level. By making this change to its capitalization level for equipment, the grantee or subgrantee will not need to make further changes to its threshold for supplies because the definition for supplies in [2 CFR § 200.1](#) cross-references the definition of equipment. See the definitions of equipment and supplies in [2 CFR § 200.1](#).

Q-9. Can grantees and subgrantees retroactively apply the revised Uniform Guidance to an award?

A-9. No. Grantees and subgrantees may not retroactively apply the revised Uniform Guidance to past costs and/or activities under an existing award that precede the effective date of implementation for discretionary or formula awards. See FAQ Q-5.

Q-10. How does the change of the *de minimis* indirect rate from 10% to 15% affect discretionary grant applicants who submitted their proposals this year?

A-10. If an applicant does not have an approved indirect cost rate agreement with a cognizant Federal agency, and the award does not require a restricted (34 CFR [§ 75.563](#)) or training 34 (CFR [§ 75.562](#)) indirect cost rate, the applicant may elect the *de minimis* rate of up to 10% Modified Total Direct Costs (MTDC) 2 CFR [§ 200.1](#)³ "Modified Total Direct Cost" for awards with project periods beginning before October 1, 2024. For awards with project beginning on or after October 1, 2024 the applicant may elect the *de minimis* rate up to 15% MTDC. Discretionary grantees who received awards for projects that start on or after October 1, but only proposed a 10% indirect cost *de minimis* rate in their approved application, will need to work with their program office to get approval for a revised budget that allows them to claim the

³ Note that many Department grants require indirect costs to be charged on a restricted basis. Also, grant recipients that receive more than \$35 million in direct federal awards not eligible to use the *de minimis* indirect cost rate and must submit an indirect cost proposal. Please reference 2 CFR Appendix-VII-to-Part-200 D.1.b.

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higher de minimis rate of 15%, which might not be granted if it alters the scope and objectives of their project.

Q-11. For Discretionary Grants, Does the Uniform Guidance update allow for training and restricted programs to use the *de minimis* indirect cost rate?

A-11. No, the de minimis indirect cost rate is not applicable to training and restricted programs. For applicants and/or grantees of a restricted or training awards who do not qualify for the respective 8% Modified Total Direct Cost (MTDC) indirect cost rates (restricted - 34 CFR [§76.564\(c\)](#) or training - 34 CFR. [§75.562\(c\)](#)). The applicant must use a temporary rate of 10% budgeted direct salaries and wages 34 CFR. [§75.560\(c\)](#) while the applicant pursues a negotiated indirect cost rate. For more information on indirect cost rate types, please reference the Department’s Indirect Cost Decision Tree <https://www2.ed.gov/about/offices/list/ocfo/fipao/indirect-cost-rate-decision-tree-and-chart.pdf>.

Q-12. How does the Uniform Guidance reference integrated data systems or evaluations to be funded by any federal grant?

A-12. The updated Uniform Guidance clarifies in 2 CFR [§ 200.455 Organization costs](#), that grants may use funds for costs related to data and evaluation. Grantees may include such direct costs in their grant applications/proposals if they are reasonable, allocable, allowable, and necessary.

Q-13. Do grant recipients need to obtain the Department’s prior approval for “participant support costs”?

A-13. No, under the revised Uniform Guidance (2 CFR §§ 200.407 and 200.456), Federal grant recipients no longer need to obtain prior approval to charge participant support costs as direct costs to Federal funds.

Q-14. What are the major changes to the audit requirements in Subpart F?

A-14. The major changes to the audit requirements in Subpart F are that the threshold for single audits has been increased from \$750,000 to \$1,000,000, and the criteria for selecting major programs for audit have been updated to better focus on higher-risk areas. See 2 CFR [§ 200.501 Audit Requirements](#).

Q-15. Who can grantees contact for more information or assistance?

A-15. Grantees can contact their Education Program Contact listed in Box 3 of the Grant Award Notification document (GAN) for additional guidance and support.

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Q-16. Does the Department have any resources for applicants and/or grantees on the revised Uniform Guidance?

A-16. Yes, applicants and/or grantees may visit the Department’s Grant Award Laws, Regulations, and Resources page for more information regarding the Uniform Guidance: <https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>. The Department will continue to provide more resources on our webpage as they become available.