

## Summary of Key Changes to the Uniform Guidance (2 CFR 200) as of 10/1/24.

- **Uniform Guidance Effective Date:** These changes apply to all new awards issued after 10/1/24, plus all existing awards when the sponsor modifies to add new funding. We do not expect sponsors to revise the terms for awards in a no-cost extension, although they have the authority to do so by amending the award. The new rules apply only prospectively to activities (requirements may not be imposed retroactively).  
*ACTION: OSP will notify the PI and department administrator via a Notice of Grant Award (NOGA) when an award is subject to the new rules. For awards that previously used the FDP Research Terms and Conditions and agency-specific requirements, these awards will now be subject to the Grant General Conditions (“GC-1”) and the prior approval matrix designated by the funding agency.*
- **Prior Approval for Personnel and Contractor Changes:** Changes to key personnel (employees and contractors) listed by name or position in an award notice require prior approval before changes can be made. Note that this language is broader than the previous language, which only focused on key personnel named in an award notice.  
*ACTION: PIs and Department Administrators need to identify on each award those entities and contractors (includes subrecipients) named in the award so that they can request prior approvals when needed. All such prior approval requests need to go through RAMP via Award Modification Request and be submitted by OSP using the agency’s standard approach for requesting prior approvals (agency system or countersigned letter).*
- **Cost-Sharing (for proposals):** For research grants, voluntary committed cost-sharing can only be used in merit review if authorized by the agency. For research and non-research grants, the NOFO must specify how any cost-sharing proposed by an applicant will be considered during the proposal review process. The wording in the new rules allows agencies more discretion in the use of voluntary cost-sharing, though cost-sharing is still not expected for research awards.  
*ACTION: PIs and department administrators should read each NOFO closely to determine how cost-sharing will be treated. Note that there may be changes in treatment from prior cycles of a similar NOFO.*
- **Cost Accounting Standards/DS-2 for federal contracts:** While the Uniform Guidance no longer requires this for Institutions of Higher Education, Mason will continue to maintain an approved DS-2 to facilitate applying to Federal CAS covered contract opportunities.  
*No Action needed*
- **Equipment and Supplies Thresholds:** The revised rules allow for an increase in the equipment capitalization threshold from \$5,000 up to \$10,000 per item. **However, these changes can only take place as of the effective date of Mason’s new Indirect Cost rate agreement in FY 2027.** The University’s indirect cost rate agreement runs through 6/30/26, so no changes in the University’s equipment thresholds will occur at least until then. Note, however, that subrecipients or pass-through entities may be using different thresholds.  
*ACTION: No action is needed. For proposals with subrecipients, it is helpful for College/Department Research Administrators to confirm that proposed subrecipients have applied the thresholds consistent with their approved indirect cost rate agreement.*

- **Unused Supplies:** Each ending award may retain up to \$10,000 (an increase from \$5,000) in unused supplies (new condition, not having been used or opened) on awards subject to the new rules. These supplies are expected to be used for future federal research projects. If the award has excess items at the end of the award exceeding that amount, the federal agency is entitled to compensation (through sale or calculation of current market value) minus \$1,000 of the proceeds to cover institutional expenses.

***ACTION:** OSP will continue to review supply and equipment purchases on awards at closeout and request confirmation from PIs and department administrators regarding any unused supplies. OSP will review award terms and conditions to determine which threshold is applicable and if any further action is needed. OSP will continue to review supply and equipment purchases on awards at closeout and request confirmation from PIs and department administrators regarding any unused supplies. OSP will review award terms and conditions to determine which threshold is applicable and if any further action is needed.*

- **Publication and Costs Incurred for Closeout after the Award End Date:** Publication-related costs or costs to share the research results (including the salaries of personnel preparing final reports) and costs associated with the disposition of equipment may be incurred after the award end date and charged to the final budget period if (and only if) all charges are liquidated prior to the due date of the final report (not the date it is actually submitted).

***ACTION:** PIs and department administrators should monitor project expenses closely as the end of date of the project approaches, direct charges and cost transfers must be completed promptly prior to the end of the award to ensure reporting and final invoice deadlines can be met. For awards with anticipated publication costs or significant administrative closeout costs contact the OSP billing & reporting team for questions or to coordinate final charges. This provision applies only to federal grants governed by Uniform Guidance and does not mean that new project expenses unrelated to closeout can continue to be incurred beyond the end date of the award.*

- **Participant Support:** Prior agency approval is no longer needed to ADD participant support costs in a budget, but funds still may not be rebudgeted OUT of this category without agency approval.

- ***ACTION:** OSP has updated the University procedures to incorporate changes related to participant support. PIs and department administrators should note that they do not need to submit a prior approval request to add participant support costs, however, prior approval is still required to rebudget participant support to other categories.*

- **Pre-Award Costs for Continuation Awards:** OMB makes it clear that spending against a forthcoming budget period is not considered pre-award spending

***ACTION:** PIs and Department Administrators must make sure they are following Sponsor requirements, Mason policies and internal controls related to spending.*

- **Subawards – Effective Date:** When the federal agencies modify your current award to include the 2024 Revisions, subawards under your award will need to be amended as well to include the new rules. Subawards may not be updated until the prime award with Mason is updated.

- ***ACTION:** OSP anticipates that the vast majority of subawards will be updated to incorporate the new rules during the normal course of business (e.g., the University receives a new or modified award*

*incorporating the new rules; the post award research administrator initiates a new subaward request or a subaward modification in RAMP; and the OSP contracts team takes action on that subaward request. When taking action on these requests, OSP will automatically check the parent award to see if it is subject to the new rules, and if so, will flow down the new rules to the subrecipient. In the unlikely event that OSP receives an award modification from a federal agency with the sole purpose of updating the parent award to the new rules, OSP will check to see if there are subawards on the award and if so, OSP will assume responsibility for issuing the subaward modification.*

- **Subawards – New De Minimis Indirect Cost Rate:** Subrecipients without negotiated F&A rates (e.g., small businesses or nonprofits) may now charge up to 15% indirect cost (up from 10%) for proposals submitted on or after 10/1/2024 (grants and cooperative agreements only).

***ACTION:** PIs and department administrators should make sure their prospective subrecipients without negotiated indirect cost rates are aware of the new de minimis rates prior to their subaward proposal being budgeted.*

- **Subawards MTDC – indirect cost Threshold Change:** The revised rules allow for an increase for the pass-through entity to earn indirect cost on the first \$50,000 of a subaward rather than the current \$25,000. However, these changes can **ONLY** be implemented as of the **effective date of a new indirect cost rate agreement**. The University's indirect cost rate agreement runs through 6/30/26, so no changes in thresholds expected to occur until FY 2027

***ACTION:** No change needed. Mason's budgets should continue to use the \$25,000 threshold when calculating the amount of indirect costs the University will be entitled to earn on each subaward.*

- **Subawards - Fixed amount subawards:** Fixed-amount subawards require agency prior approval but may now be issued up to a \$500,000 ceiling rather than the previous threshold of \$250,000. The expectation for accurate pricing for these transactions and the use of standard cost principles to judge allowable costs has increased. Pricing and costing documents may now also be audited. At the end of a fixed amount subaward, the subrecipient must certify completion and that all expenditures were in accordance with CFR 200.403.

***ACTION:** OSP will be issuing guidance in the coming months to help PIs select the best model for a given circumstance. In the interim, OSP will confer with PIs and department administrators wanting to use fixed price/amount subawards.*

- **Subawards – Federal Contracts Only:** For federal contracts only: Entities must now have a full System for Award Management (SAM) registration (not just a UEI) in order to be eligible to receive a federal subcontract.

***ACTION:** When considering an entity for a federal subcontract, PIs and Department Administrators should verify that the prospective subcontractor has such registration, is willing to obtain one, or is eligible for an exception from the federal agency before investing considerable time and energy in planning to work with that entity.*

- **Subawards – Agreements:** Mason is now required to perform a risk assessment on subawards issued under federal prime awards and as needed, incorporate additional terms in the subaward to mitigate potential risk (e.g., additional reporting or monitoring, site visits, etc.). Under the 2024

Revisions, institutions are now also required to notify the sponsor when additional risk mitigation terms are included in the subaward agreement.

***ACTION:** OSP will continue to perform the mandatory risk assessments of subrecipients and, when needed, incorporate additional terms in the subaward to mitigate potential risk (e.g., additional reporting or monitoring, rebudgeting restrictions, etc.). OSP Contracts will notify the federal agency as required and share a copy of the notification with the PI and the department administrator. In addition, OSP may have additional discussions in advance of issuing subawards with PIs about the need for risk mitigation terms, so that PI input can be incorporated into the decision to add terms that would trigger reporting. Ultimately, it remains OSP's responsibility to decide whether such terms are necessary for the University.*