

## WHAT'S NEW?

### 2 CFR 200 REVISIONS and NEA FY 2025 AND LATER AWARDS

Revisions to 2 CFR 200 (§ 200) went into effect as of October 2024 and will apply to all NEA FY 2025 funding offers and awards. **This is not a complete list of the changes; you should refer to the *General Terms and Conditions* applicable to your award for complete information.**

Here are the key updates to assist you with preparing your offer response documents:

- 1) **Cybersecurity Requirements.** Recipients and subrecipients must take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information deemed sensitive (§ 200.303 (e)).
- 2) **FY 2025 And Later Annual Financial and Performance Progress Reports.** If an award's period of performance is over 12 months, you will be required to submit annual financial and performance progress reports. These reports are in addition to the required payment progress report and your final reports for an award. The due dates of these reports will be included in your award documents. (§ 200.329(c))
- 3) **Changes to terminology.**

Old Term	New Term
Grants and Cooperative Agreements	Federal Financial Assistance, which includes grants and cooperative agreements.
Grantee, awardee	Recipient
Subgrantee, subawardee	Subrecipient
Subgrant	Subaward
Match	Cost share, which includes match

- 4) **Mandatory Disclosures.** You must promptly disclose to the NEA in writing whenever, in connection with an NEA award (including any activities or subawards thereunder), you have credible evidence of the commission of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code or a violation of the civil False Claims Act ([31 U.S.C. 3729-3733](#)). Failure to meet the requirement means the NEA can withhold payment, disallow costs, suspend, or terminate the award, suspend, or debar the organization, withhold all funds, or pursue other legal remedies. (§ 200.113).
- 5) **Whistleblower Protection.** An employee of a recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant. The recipient and subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. 4712. (§ 200.217)
- 6) **De minimis indirect cost rate has increased to 15% of modified total direct costs (MTDC).** If you do not have a negotiated indirect cost rate agreement (NICRA) with the federal government, can elect to use the de minimis indirect cost rate in your project budget. You are not required to charge indirect costs; you have the option to charge administrative costs as direct costs. MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first **\$50,000** of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward more than **\$50,000**. You can find complete definitions at § 200.1.

- 7) **Administrative Closeout Costs.** You may now include allowable administrative closeout costs in your project budget. These costs can be incurred until the due date of the final report(s) for your award. You liquidate these costs prior to the due date of the final report(s). Allowable administrative closeout costs include salaries of personnel preparing final reports, costs associated with the disposition of equipment and property, and related indirect costs (§ 200.472).
- 8) **Temporary Dependent Care Costs.** Direct costs that support participants' temporary dependent care needs (dependent is defined in 26 U.S.C. 152) to participate in or attend a program activity under an NEA award are allowable, as long as the classification of items as participant support costs are documented in the recipient's written policies and procedures and treated consistently across all federal awards. Consultants, project personnel, and staff members of a recipient organization are not program participants. (§ 200.1)
- 9) **Equipment - New Threshold is \$10,000.** Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or \$10,000. (§ 200.1). If your project budget includes equipment over this threshold, you must identify the item, the unit cost, and a justification for the costs.
- 10) **Supplies - New Threshold is \$10,000.** Supply means all tangible personal property other than those described in the equipment definition. A computing device is a supply if the acquisition cost is below the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes or \$10,000, regardless of the length of its useful life. (§ 200.1) If your project budget includes supplies over this threshold, you must identify the item, the unit cost, and a justification for the costs.