



*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

# Prepare for Significant Changes to OMB's Uniform Guidance

April 10, 2025



The information herein has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen LLP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgment. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters.

CliftonLarsonAllen LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftonLarsonAllen LLP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftonLarsonAllen LLP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein.

# Introductions



**Alix Gruden, CPA**  
Principal  
Nonprofit Services



**Tayiika M. Dennis, CPA**  
Principal  
Nonprofit Services





# Background and Implementation



# Background



Every 5 years OMB reviews the Guidance for Federal Financial Assistance, located in title 2 of the Code of Federal Regulations (CFR)



Part 1, 25, 170, 180 182, 183, 184



Part 200 (Uniform Guidance)

# 2024 Revisions

In this update, there were significant changes made to 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, commonly known as the “Uniform Guidance”.



Noted as the most significant update to the Uniform Guidance since it was released in 2013.



# Revised Guidance Is Effective For:



Subpart A – E: New awards issued on or after October 1, 2024.



Subpart F: – Fiscal years beginning after October 1, 2024



Council on Federal Financial Assistance Guidance (8/15/24)  
FY2024 Revisions to 2 CFR helped provide some clarification



[FY-2024-Revisions-to-2-CFR-Supplementary-Information-for-Federal-Agency-Implementation.pdf \(cfo.gov\)](#)

# Existing Awards

For existing awards entered into before October 1, 2024, Federal agencies are strongly encouraged to apply the 2024 Revisions to any amendments agencies enter into on or after October 1, 2024



OMB also encourages agencies to amend existing awards for this purpose if the awards will extend into FY 2025 or beyond.







# Revisions



# Modified Total Direct Costs

Updated definition of MTDC to include up to \$50,000  
(previously \$25,000) of each subaward



# Negotiated Indirect Cost Rate Agreements

Negotiated Indirect Cost Rate Agreements (NICRA) negotiated prior to October 1, 2024 must continue to be honored by both Federal agencies and recipients.

Cognizant agencies for indirect costs may—but are not required to—renegotiate existing NICRAs (i.e., issue revised or amended agreements) to reflect the new MTDC base.

Still some unresolved questions on how that will coincide when an award is not updated for 2024 Revisions



# Negotiated Indirect Cost Rate Agreements

## Provisional Rates:

- Recipients with provisional rates in effect prior to October 1, 2024 must finalize those rates using the provisional rate's approved MTDC base.

## Predetermined and Fixed Rates:

- Recipients with predetermined or fixed rates must use the new MTDC base beginning with the first proposal that is required on or after October 1, 2024.

## Negotiating New Rates:

- Recipients preparing indirect cost rate proposals must apply the new MTDC base for proposals that are submitted to the cognizant agency for indirect costs on or after October 1, 2024.



# De Minimis Rate

Recipients and subrecipients that do not have a current Federal negotiated indirect cost rate (including provisional rate) may elect to charge a de minimis rate of up to 15% of modified total direct costs (MTDC).

- The recipient or subrecipient is authorized to determine the appropriate rate up to this limit.



Federal agencies and pass-through entities may not require recipients and subrecipients to use a de minimis rate lower than the negotiated indirect cost rate or the rate elected pursuant to this subsection (15%) unless required by Federal statute or regulation.



# De Minimis Rate – New Awards



Recipients may elect to use the new 15% de minimis indirect cost rate for any award executed on or after October 1, 2024.



All Federal agencies must honor the new de minimis rate after this date unless a different rate is required by law (such as Federal statute or regulation) or otherwise allowed by 2 CFR part 200.



Recipients submitting applications to Federal agencies before October 1, 2024 for programs with an anticipated award date that occurs on or after October 1, 2024 may use the 15% de minimis rate in calculating the budget in that application even if the NOFO does not yet indicate that the 2024 Revisions will apply.

# De Minimis Rate – Existing Awards



Federal agencies may allow a recipient to apply the 15% de minimis rate to an existing award if the agency determines that there are sufficient funds to support the 15% de minimis rate.



In these instances, the recipient must charge the 15% de minimis rate only to costs incurred after the effective date of the amendment to implement the 15% de minimis rate.



Recipients may not retroactively apply the de minimis rate to costs incurred prior to the effective date of the amendment.

# Mandatory Disclosure

Modifications were made to the mandatory disclosure requirements to more closely align with Federal Acquisition Regulation (FAR) 48 CFR 52.203-13.

Previously, an entity was required to report violations of Federal criminal law involving fraud, bribery or gratuity violations.

As revised, the requirement now reads that an applicant, recipient or sub-recipient of a federal award must promptly disclose whenever it has **credible evidence** of a commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations under the false claims act.





# Fixed Amount Subawards Updates

Increased the threshold for when fixed amount subawards can be made from \$250,000 to \$500,000



Expanded guidance to clarify certain requirements for fixed amount subawards including that unexpended funds may be retained if the program objectives and milestones have been achieved



# Internal Controls – PII

200.303(e) added a requirement that a recipient/subrecipient take “reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information”.

OMB did not provide a relevant framework for “cybersecurity and other measures”

OMB indicated that they would consider the need to implement a government-wide specific framework in the future but in the interim, will leave it to the Federal agencies to consider providing more specific guidance on the topic, as appropriate.



# Equipment and Unused Supplies Thresholds

Increased capitalization threshold from \$5,000 to \$10,000 minimum for Federally funded equipment.

Increased threshold from \$5,000 to \$10,000 regarding the requirement in 200.314(a) to remit unused supplies



# Subrecipient Monitoring

Clarification was added to clarify that no single factor or combination of factors contained in subrecipient vs. contractor is necessarily determinative.

Emphasis was noted on the need for the pass-through entity to exercise judgment in classifying each agreement as a subaward or a procurement contract.



# Audit Related Changes



Effective for FY **beginning** after 10/1/2024 (first ones being 9/30/2025)



Increase single audit threshold from \$750,000 to \$1,000,000



Increased the Type A threshold to \$1,000,000 while also increasing the amount of awards expended for which it applies (from \$25 million up to \$34 million).

# Audit Report Submission

200.512 updated  
to include:

“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.”





# Grant Compliance Considerations



# Pros and Cons of Receiving Grant Funding

- Additional funding for programs that support mission of your organization
- Functions include:
  - Administrative work
  - Record-keeping
  - Reporting
  - Audits

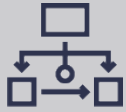




# Grants Management Challenges



Complex requirements, regulations, and reporting standards for each grant program.



Challenging process and workflow management, particularly when multiple departments are involved.



Time consuming manual updates and data entry with challenging resource constraints.

# Grants Management Challenges



Single audit preparation. Tracking down necessary documentation and compliance reports.



Lack of understanding or training on various grant requirements.



No central management and documentation repository.

# Effective Grant Management



Single audit preparation. Tracking down necessary documentation and compliance reports.



Lack of understanding or training on various grant requirements.



No central management and documentation repository.

# Effective Grant Management



## Planning:

- Identifying compliance requirements
- Establish roles and responsibilities
- Designing and implementing strong processes



## Compliance and monitoring:

- Confirm expenses are allowable within grant terms and approved budget
- Verifying activities are meeting program objectives
- Procure goods and services properly
- Monitor subrecipient activity



## Financial management and reporting

- Maintain current financial records to meet reporting and audit requirements.
- Track detailed budget, expenses, and revenues adequate for reporting

# Grants Management Software



Standardize data collection, reporting and approval processes for grants



Assist with tracking of grant and project financial information, goals and performance metrics



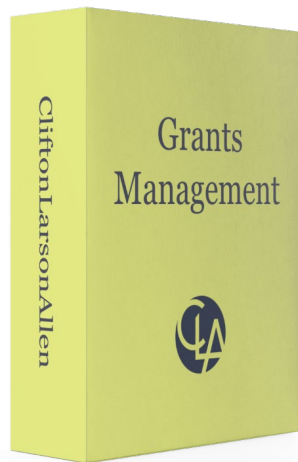
Streamline the grant lifecycle process, and minimize manual data entry and processing



# CLA Can Help You Navigate The Complexities Of Grants Management:

Whether you need assistance navigating the grant application process, or developing effective strategies, policies and procedures, or would like to see a demo of the grants management software, we can help you through the process.

Visit our [grant compliance services](#) page for additional information.



Grant  
compliance  
assessments

Grant management  
policies and  
procedures  
development

Training on  
understanding  
compliance  
requirements

Grant  
accounting/  
report  
preparation

Subrecipient  
monitoring  
assistance

Single audit  
preparation

Grant  
application  
writing or  
review

Indirect cost rate  
proposal  
preparation or  
review



# *Thank you!*

Alix Gruden, CPA

Principal – Nonprofit Services

[alix.gruden@CLAconnect.com](mailto:alix.gruden@CLAconnect.com)

Tayiika M. Dennis, CPA

Principal – Nonprofit Services

[tayiika.dennis@CLAconnect.com](mailto:tayiika.dennis@CLAconnect.com)



CLAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

©2024 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://claglobal.com/disclaimer).

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

# Disclosures

CliftonLarsonAllen Wealth Advisors, LLC (“CLA Wealth Advisors”) is an SEC-registered investment advisor that offers a wide array of private wealth advisory services. For more information about CLA Wealth Advisors’ business practices, fees, and services, please refer to our Form ADV Part 2A (the “Disclosure Brochure”). Your investment professional must provide you with a copy of the Disclosure Brochure before or at the time when you enter into a legal agreement with us.

Performance can not be guaranteed and any references to past specific performance should not be interpreted as a promise to achieve results. Investing involves various degrees of risk. You may lose money, including the principal of your investment.

Before deciding whether to engage CLA Wealth Advisors to manage any investment assets, you should review CLA Wealth Advisors’ Form ADV Part 2A (the “Disclosure Brochure”). Our Disclosure Brochure provides detailed description of CLA Wealth Advisors, its services, fees, and other important information including explanation of conflicts of interest. CliftonLarsonAllen Wealth Advisors, LLC is a wholly owned company of CliftonLarsonAllen LLP.

Different types of investments involve varying degrees of risk, including the loss of principal. There can be no assurance that the future performance of any specific investment or investment strategy (including those undertaken or recommended by CLA Wealth Advisors), will be profitable or equal any historical performance level(s).

