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Your Presenter



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Overview of the 2024 Uniform Guidance Revisions

- OMB issued revisions on April 4, 2024
 - Changes to Uniform Guidance (2 C.F.R. Part 200)
- First extensive revision in a decade
 - Previous revisions were less comprehensive
- Impactful changes highlighted in the article
 - Recipients of federal awards should be aware



Effective Date and Applicability

- Effective Date
 - Starting October 1, 2024
 - Applies to all newly issued federal awards
- Applicability
 - Awards issued before October 1, 2024 may still be affected
 - Depends on agency decision
 - May apply if award extends into fiscal year following implementation
 - Additional funding may trigger applicability
- Retroactive Enforcement
 - Generally, agencies cannot enforce new requirements retroactively
 - Revisions typically impact activities after contract or amendment date
- Provisions for Past Activities



Updates to Notices of Funding Opportunities (NOFOs)

- Federal agencies must update NOFOs
 - Applies to NOFOs issued before October 1, 2024
 - Updates needed if awards are granted after that date
- Active NOFOs on Grants.gov
 - Must reflect 2024 revisions
- Closed application periods
 - Inform selected recipients about 2024 revisions
- Applicants may need to revise budgets
 - Reflect new changes such as increased de minimis indirect cost rate
 - Resubmit if award granted after October 1, 2024



POLLING QUESTION #1

Is your Organization usually subject to Single Audit Requirements?

- Yes
- No



Period of Performance

- Period of Performance Definition
 - Excludes estimated start and planned end dates
 - Specifies the time interval between start and end date of a Federal award
 - May include one or more budget periods
- Federal Award Identification
 - Period of performance identified as per §200.211(b)(5)
 - Does not obligate Federal agency to provide funding beyond approved budget period



Questioned Costs

- Definition of Questioned Costs
 - Potentially noncompliant costs
 - Poorly documented expenses
 - Unreasonable expenditures
- Review Process
 - Costs reviewed and confirmed as improper
 - Based on OMB Circular A-123 Appendix C
- Types of Questioned Costs
 - Specifically identified costs
 - Estimated costs
- New Audit Reporting Requirements
 - Explanations for questioned costs





Negotiation and Budgeting

- Negotiation and Budgeting
 - Budgets are negotiated between the Federal agency and the recipient or subrecipient
 - Based on proposals, pricing data, and subpart E adherence
- Clarification on Fixed Amount Awards and Contracts
 - Section 200.201 provides updates



Accountability and Cost Sharing

- Accountability
 - Based on performance and results
 - Communicated through performance reports or routine monitoring
 - No financial reporting required
 - Record retention mandatory as outlined in §§ 200.334 through 200.338
- Cost Sharing
 - Fixed amount awards must not be used in programs requiring cost sharing



Program Income and Certification

Program Income

- Fixed amount awards generate program income
- Usage of program income according to Federal award terms
- § 200.307 does not apply

Certification Requirements

- Recipients must certify project completion
- Identify incomplete activities
- Ensure all expenditures align with § 200.403
- Unexpended funds retained by recipient if activities are completed as agreed



Reports and Approval

- Periodic Reports
 - More performance driven
- Prior Approval Requirements
 - Budgets
 - Subawards based on fixed amounts up ... \$500,000





Whistleblower Protections

- Protection for Employees
 - Protected from discharge, demotion, or discrimination
 - Applies to employees of recipients or subrecipients of Federal funds
- Reporting Evidence of Misconduct
 - Gross mismanagement of a Federal contract or grant
 - Gross waste of Federal funds
 - Abuse of authority related to a Federal contract or grant
 - Substantial and specific danger to public health or safety
 - Violations of law, rule, or regulation related to a Federal contract or grant
- Notification Requirement
 - Recipients and subrecipients must inform employees in writing
- Statutory References



POLLING QUESTION #2

In your last Single Audit, how many major programs did you have?

- One
- Two
- Three
- Four or more



Internal Controls and Cybersecurity

- Importance of Internal Controls
 - Establish, document, and maintain effective internal control over Federal awards
 - Include controls addressing cybersecurity
- Cybersecurity Measures
 - Protect sensitive information
 - Safeguard federal funds and program data
- Evaluating Current Controls
 - Assess current internal controls
 - Consider enhancements related to data security
- Grant Management Strategy
 - Include updates in overall strategy



Program Income Clarifications

- Deduction Method for Program Income
 - Used unless stated otherwise in Federal award's terms
 - Reduces total federal award by the amount of program income earned
- Handling of Program Income Earned After Performance Period
 - No handling requirements typically
 - Subject to agency regulations or award's terms
- Post-Performance Income Negotiation
 - Federal agencies may negotiate during closeout process
 - Provides flexibility based on recipient's situation



Equipment Threshold Increase

- New Equipment Threshold
 - Raised from \$5,000 to \$10,000
 - Provides more flexibility for handling smaller assets
- Disposition Instructions
 - Required when equipment is no longer needed
 - Terms may require instructions from Federal agency or pass-through entity
- Equipment Valued at \$10,000 or Less
 - · Can be kept, sold, or disposed of without obligations
- Equipment Valued Over \$10,000
 - · Federal agency entitled to share of proceeds or market value
- Lost, Damaged, or Stolen Equipment
- Capitalization Policy



Supplies Threshold Increase

- Increased Threshold for Supplies
 - Threshold raised from \$5,000 to \$10,000
 - Applies to all types of supplies
- Unused Supplies Compensation
 - Unused supplies over \$10,000 may require compensation
 - Compensation to federal agency
- Grant Management Considerations
 - Account for increased threshold in grant management



General Procurement Standards

- Section 200.318: General Procurement Standards
 - Updated to include allowable provisions for contracts
 - Reflects labor-related goals



Competition and Procurement Methods

Competition

- Removed restriction on geographic preferences
- Clarification on scoring mechanism for performance metrics

Procurement Methods

- Streamlined processes and clarified terminology
- Local and tribal governments no longer required to publicly open sealed bids
- 'Small purchases' now referred to as 'simplified acquisitions'
- 'Micro-purchases' and 'simplified acquisitions' classified as informal procurement methods



Amendments to Subawards

- Application of 2024 Revisions to Awards
 - Changes will apply to subawards if award is amended
 - Pass-through entities must amend subawards accordingly
- Restrictions on Applying Revisions
 - Cannot apply revisions to subawards if federal agency hasn't applied them
 - Subawards issued after October 1, 2024 under prior grants cannot have revisions applied



Suspension and Department Requirements

- Pass-through entities requirements
 - Ensure potential subrecipients are not suspended
 - Verify subrecipients are not debarred from receiving federal funds



POLLING QUESTION #3

Do you have formal policies and or informal practices to review potential contractors for suspension or debarment from working on federally funded projects?

- Yes
- No



Threshold Increases for Subawards

- Fixed Amount Subawards
 - Threshold increased from \$250,000 to \$500,000
 - Requires written approval from the federal agency
 - Must comply with Section 200.201
- Modified Total Direct Costs Subawards
 - Threshold raised from \$25,000 to \$50,000



NICRAs and Provisional Rates

- NICRAs (Negotiated Indirect Cost Rate Agreements)
 - Must be honored if in place before October 1, 2024
 - Can be renegotiated to reflect new MTDC base
 - OMB supports renegotiation requests effective beyond October 1, 2025
- Provisional, Predetermined, or Fixed Rates
 - Rates in effect before October 1, 2024, must be finalized with approved MTDC base
 - Future provisional rates must use new MTDC base starting October 1, 2024



New De Minimis Rate

- Option to Use New Rate
 - Effective from October 1, 2024
 - Applicable to awards executed on or after this date
- Federal Agency Compliance
 - All Federal agencies must honor the updated rate
 - Exceptions if specified by law or permitted by 2 CFR part 200
- Proposal Submission
 - Include 15% rate in budget calculations for awards anticipated after October 1, 2024
 - Applicable even if NOFO has not indicated 2024 revisions
- Existing Awards
 - Federal agencies may permit applying the 15% rate to current awards
 - Must have adequate funds available



Organization Costs

Data-related Expenditures

- Data systems for program management
- Personnel involved in data handling
- Cybersecurity measures
- Essential items for enhancing programs

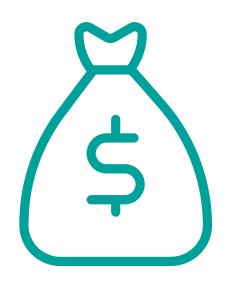
Evaluation Expenses

- Evidence reviews
- Planning evaluations
- Conducting evaluations
- Sharing results to improve program design

Unallowable Costs

Persuading or dissuading employees from collective bargaining





Audit Threshold Increase

- Single Audit Threshold Update
 - Effective October 1, 2024 (for June 30 year ends, effective in 2026 fiscal year)
 - Threshold increased to \$1,000,000
- Early Implementation
 - Federal agencies can implement changes from June 21, 2024
 - Applies to new or amended awards
- Compliance Requirements
 - Revisions from 2024 must not apply to awards issued before October 1, 2024
 - Unless Federal agency has implemented revisions



Reporting Extension

Requesting an Extension

- Submit request to cognizant or oversight agency
- Consideration of significant and unavoidable circumstances
- Impact on other project activities

Extension Criteria

- Not granted solely to maintain low-risk auditee designation
- Incidental result of extension possible

Guidance and Notification

- Guidance provided in OMB Memorandum M-24-11
- Agencies must inform relevant Federal agencies and OMB
- Consistent extensions ensured by OMB in significant events
- Agencies must notify recipient of decision



Managing Awards Pre-2024 and Post-2024 Revisions

- Managing Awards Pre-2024 and Post-2024 Revisions
 - Simultaneous management of awards pre-2024 revisions and new awards under 2024 revisions
 - Organizational changes may be needed for new awards
 - Flexibilities of new revisions do not apply to awards issued before 2024 revisions
- Collaboration with Federal Agencies
 - Outline specific requirements for each Federal award
 - Federal agencies can assist with questions on systematic changes
 - Impact of internal controls and mandatory disclosure procedures on compliance



Actionable Steps for Compliance

- Review Uniform Guidance document and COFFA crosswalk
 - Identify changes impacting your agency
- Assess existing grants for amendments
 - Discuss with granting agencies as needed
- Revisit pending grant applications
 - Submit additional or updated information if required
- Update policies
- Review subaward activity
- Evaluate overall grant management
- Review Indirect and Direct Costs
- Review Indirect Cost Rate
- Prepare for Single Audit Reporting



POLLING QUESTION #4

When the new Single Audit threshold takes effect, do you anticipate your organization still needing a Single Audit on a regular basis?

- Yes
- No



Next Back to Basics Webinar

Wednesday, September 24, at 10:00 am PST

Back to Basics | GASB Updates 102, 103, 104 (with projects – what's coming!)

Kelly Telford, CPA - Partner, Consulting & Advisory

Jayme Lambert, CPA – Senior Manager, Assurance & Advisory

You can sign up to register in the follow up email you will receive after this webinar. Please give it up to 24 hours.



Questions?



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