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April 08, 2024

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Navigating the Terrain of the 2024 Revised Uniform Guidance

In the realm of federal financial assistance, the landscape is evolving. With the U.S. government disbursing over \$1.2 trillion in financial assistance last year alone, the need for a streamlined, efficient process has never been more critical. The recent issuance of the [pre-publication version](#) of OMB Guidance for Title 2, “Grants and Agreements”, which is now called “Federal Financial Assistance” and includes the 2024 Revised Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards by the Office of Management and Budget (OMB) marks a significant shift towards reducing the bureaucratic burden and enhancing clarity for organizations navigating federal funding.

The pre-publication version does not constitute the final guidance for purposes of the Code of Federal Regulations. For more in-depth information on the final regulation, please refer to the official version in a forthcoming Federal Register publication, which will appear on the [Government Printing Office's website](#). It will also appear on [Regulations.gov](#). The official version may include technical or other revisions that are not reflected in the pre-publication version discussed above.

The Burden of Bureaucracy

Historically, the complexity of managing federal funds has been a significant hurdle for organizations that consumes valuable time and resources. The existing guidance, a complex amalgamation of documents spanning decades, has often led to confusion and conflicting requirements. This complexity is not just a logistical headache; it directly impacts the effectiveness of the funded initiatives.

A Beacon of Hope: The New Requirements

The OMB's revisions aim squarely at reducing compliance costs, dismantling barriers to entry, and ensuring that assistance reaches the communities that need it most. Key changes include simplifying compliance requirements, clarifying ambiguous terms, and reducing the need for additional approvals. These changes are designed to make the funding process more straightforward and efficient, enabling organizations to focus more on their core missions rather than bureaucratic navigation.

For CFOs, comptrollers, and grant managers, these changes herald a new era of federal grant management. The revisions touch on critical areas such as the definition of “federal financial assistance,” mandatory disclosures, the threshold for equipment and supplies disposition, audit requirements, prior approval requirements, and the treatment of indirect costs.

What This Means for Your Organization

Increased Accessibility: The new requirements aim to make federal funding more accessible, particularly to smaller organizations that have historically been sidelined due to high administrative

costs and complex application processes.

Raises the Audit Threshold: The single audit threshold has been raised from \$750,000 to \$1,000,000, providing more flexibility in programmatic and budgetary decisions and potentially reducing the audit burden for entities with federal funding below the threshold.

Simplified Compliance: With the removal of numerous prior written approval requirements for various costs, organizations can expect a decrease in administrative overhead, allowing for a more direct allocation of resources to project and service delivery.

Enhanced Indirect Cost Recovery: The increase in the de minimis indirect cost rate from 10% to 15% could enable a more realistic recovery of indirect costs, particularly beneficial for new or inexperienced organizations.

The effective date for the final guidance is October 1, 2024; review the final publication for more specific information regarding transition. Federal agencies may choose to apply the final guidance to Federal awards issued prior to this date but are not required to do so.

The Road Ahead

CFOs, comptrollers, and grant managers need to remain vigilant and proactive in adapting to these changes. It's imperative to:

- ▶ **Stay Informed:** Become familiar and comfortable with the new requirements and the implications for your organization.
- ▶ **Review and Adapt:** Conduct a thorough review of the new requirements to identify specific impacts on grant management and compliance.
- ▶ **Update Policies:** Align your organization's policies and procedures with the new changes to ensure compliance and effective program execution.
- ▶ **Enhance Training:** Ensure that your staff and stakeholders are well-informed about the revisions and understand their implications.
- ▶ **Foster Communication:** Maintain open lines of communication with federal agencies, pass-through entities, auditors, subrecipients, and other stakeholders to address any questions or concerns.

The OMB's revisions offer a promising path toward a more accessible, efficient, and impactful federal financial assistance framework. By understanding and integrating these changes, CFOs, comptrollers, and grant managers can ensure their organizations are well-positioned to navigate the new terrain of federal grant management effectively.

Further guidance is expected to address the implementation of the increased single audit and Type A program thresholds as well as others.”

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