

## RAIN-2025-G01

### **Allowing Assistance Agreement Recipients to Request No-Cost Amendments to Fully Funded Assistance Agreements to Reference the October 1, 2024, Revisions to 2 CFR 200 Uniform Grant Guidance**

**Guidance Notification Date:** November 12, 2024

**Purpose:** This Recipient/Applicant Information Notice (RAIN) informs EPA assistance agreement recipients of the process to amend fully funded assistance agreements (grants and cooperative agreements) to incorporate the Office of Management and Budget's (OMB) revisions to 2 CFR 200 that went into effect on October 1, 2024 ("2024 Revisions").

**Summary:** The 2024 Revisions went into effect on October 1, 2024, and apply to all new grant awards made on or after October 1, 2024, and any existing assistance agreements that have funding added to them on or after October 1, 2024.

EPA is offering recipients with fully funded assistance agreements made prior to October 1, 2024, that have a project period end date later than September 30, 2025, the option to request a no-cost amendment to allow them to apply the 2024 Revisions to the assistance agreement. If a current EPA recipient is expecting supplemental or incremental funding in Fiscal Year 2025 (FY25), the 2024 Revisions will be incorporated by amendment when the new funding is added to the grant or cooperative agreement. The 2024 Revisions cannot apply retroactively to already expended or spent EPA funds.

**Background:** The OMB revised the general grants regulations in 2 CFR 200 effective on October 1, 2024. One of the primary purposes of the updated regulations is to reduce the administrative burden on recipients and federal agencies. Please visit <https://www.epa.gov/grants/what's-new-uniform-grants-guidance-2024-revision-2-cfr-200> for a summary of the 2024 Revisions. Assistance agreements awarded on and after October 1, 2024, are subject to the revised regulations. An amendment will be required for recipients with fully funded assistance agreements who are interested in taking advantage of the 2024 Revisions regarding any unspent funds on those agreements.

Typically, the general grant regulations in place when the last funding amendment (either incremental or supplemental) is added to the assistance agreement are what govern any unused funds on EPA grant awards. As such, in the absence of an amendment specifying otherwise, the 2024 Revisions do not apply to any fully funded awards made before October 1, 2024. In a [supplemental implementation letter](#) dated August 15, 2024, OMB encourages Federal Agencies to allow recipients the option to amend their fully funded agreements if they are interested in taking advantage of the new provisions.

**Applicability:** This no-cost amendment is only available to fully funded assistance agreements with grant performance periods extending into FY25 and beyond.

Assistance agreements that receive additional grant funds in FY25 will be updated to incorporate the 2024 Revisions when the new funds are added through the inclusion of the [FY25 General Terms & Conditions on the amendment award](#).

**Action:** If a recipient is interested in amending their fully funded award(s) to incorporate the 2024 Revisions, the recipient needs to request this change in writing to the Project Officer and Grant Specialist listed in their award agreement. As the 2024 Revisions may impact certain aspects of the grant budget, the recipient must also decide whether they want to request a budget modification. While some provisions of the 2024 Revisions may allow recipients to modify aspects of their budget, these provisions are not mandatory, and recipients may choose to keep their existing budget with no modifications. For recipients interested in modifying their budget, note that EPA is not required to add funds to any amended agreement due to an increase in the de minimis indirect cost rate from up to 10% to up to 15%, and may decline to allow recipients to increase the de minimis rate if doing so will adversely impact the achievement of agreed upon environmental outputs and outcomes. Also, if a recipient has a negotiated indirect cost rate, they are not eligible to use the increased de minimis rate.

**Amending Multiple Fully Funded Awards:** If a recipient has multiple fully funded EPA awards and they are interested in modifying all of the awards to apply the new regulations, the recipient may prepare one email with their intention and a comprehensive list of grants they intend to modify and send to all relevant project officers and their grant specialists listed in their award agreements. If it includes any budget modifications, separate proposed budget changes and project impact assessments must be included in the request.

**Examples:**

**No Budget Revision:** For example, if a recipient is using the 10% de minimis Indirect Cost Rate (IDC) rate from the prior regulations and is not interested in taking advantage of the 2024 Revisions increased 15% de minimis rate, but they are interested in taking advantage of the revised procurement regulations (e.g., 2 CFR 200.319 to allow for a preference for local hiring, and 200.317 for Tribal procurement rules to be similar to states), they should state in their written request they do not intend to take advantage of opportunities to revise their budget, such as increasing the IDC rate, but do want to apply the 2024 Revisions.

**Budget Revision:** If a recipient currently uses the de minimis IDC rate of 10% and is interested in requesting a change in rate to between 10% and 15%, that must be included in the request letter along with a proposed budget modification and an explanation of how this proposed change may impact the recipient's ability to complete the overall project. Recipients requesting approval for budget revisions must follow the requirements at [2 CFR 200.308\(c\)](#). Proposed

budget changes may not be automatically approved. Approval will require a determination by the EPA Project Officer regarding the impact of the proposed budget revision on the overall project.

**Related Resources:**

[2 CFR Part 200 eCFR](#)

[COFFA website](#)

[FY 25 General Terms and Conditions](#)