



## Grants Policy Bulletin

### Adopting 2 CFR Part 200 and the HHS Grants Policy Statement

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**Issued by:** Office of Federal Assistance and Acquisition Management (OFAAM)

#### Purpose

This grants policy bulletin explains how HRSA will adopt the revised [2 CFR part 200](#) and [HHS Grants Policy Statement \(GPS\)](#).

#### Background

HHS issued two important updates effective October 1, 2024. The first was the publication of an [interim final rule \(IFR\)](#) with a phased plan for adopting [2 CFR part 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards](#). The second was the publication of a revised [HHS GPS](#).

In the IFR, HHS announced they will adopt eight key changes from 2 CFR part 200 on **October 1, 2024** (See Appendix 1). These eight changes add flexibility and reduce applicant and recipient burden. HHS will adopt the rest of 2 CFR part 200 on **October 1, 2025**. At that time, HHS will rescind 45 CFR part 75 and keep 12 HHS-specific provisions at 2 CFR part 300 (See Appendix 2). The IFR provides more background on HHS' plan.

HHS also updated the [GPS](#) effective October 1, 2024. This is the first update since HHS issued it in 2007. HHS Notices of Awards (NoAs) cite the GPS as a standard term. The GPS also provides information about legal and regulatory rules for HHS awards. The key changes in the revised HHS GPS include:

- (1) Using plain language.
- (2) Adding flexibility based on HHS' phased plan for adopting 2 CFR part 200.
- (3) Updating HHS' indirect cost policy to reflect that the Executive Level II salary cap applies to both direct and indirect costs.

## Implementation

Effective **October 1, 2024**, HRSA will apply the eight new flexibilities from [2 CFR part 200](#) to **all new and active awards**. This promotes flexibility and reduces applicant and recipient burden. Applying these changes to all awards helps clarify which standards apply.

In addition, effective **October 1, 2024**, HRSA will apply the [2024 HHS GPS](#) to **all new and active awards**. Placing all HRSA awards under the new GPS will help reduce confusion from the 2007 version. All new and active awards must follow the 2024 HHS GPS.

HRSA is updating our [general terms and conditions](#) to add the eight changes from 2 CFR part 200 and the link to the revised HHS GPS. You will see these changes in awards issued after October 1. We will not issue new NoAs for current awards adding a term reflecting these changes. Recipients can use the new flexibilities if needed. We will post frequently asked questions on the HRSA website within 30 days of this policy bulletin. We will also update the [HRSA Application Guide](#) to inform applicants of these changes. Please contact your grants management specialist listed in your NoA if you have any questions.

## Resources

- [2 CFR part 200](#) – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- [45 CFR part 75](#) – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards
- [Federal Register Notices](#)
  - [89 FR 30046](#) (Apr. 22, 2024) – OMB Updates Uniform Guidance again
  - [89 FR 80055](#) (Oct. 2, 2024) – HHS adopts 2 CFR part 200 in phased approach
- [OMB Memo – M-24-11 Reducing Burden in the Administration of Federal Financial Assistance](#) (April 4, 2024)
- [2024 HHS Grants Policy Statement \(GPS\)](#)

## Inquiries

Inquiries regarding this bulletin should be directed to:  
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## **Appendix 1: 2 CFR part 200 changes effective 10/1/2024 for all new and active HRSA awards**

New changes:

1. Increased exclusion threshold of subawards from \$25,000 to \$50,000 for modified total direct cost calculations (*2 CFR § 200.1 definition of Modified Total Direct Cost*).
2. Increased threshold for equipment from \$5,000 to \$10,000, and clarification that Indian tribes may use their own procedures for equipment disposition (*2 CFR § 200.313(e)*).
3. Increased threshold for supplies from \$5,000 to \$10,000 (*2 CFR § 200.314(a)*).
4. Increased amount of fixed amount subawards that a recipient may provide with agency prior written approval to \$500,000 (*2 CFR § 200.333*).
5. Increased indirect cost de minimis rate from 10 to 15 percent (*2 CFR § 200.414*).
6. Increased single audit threshold from \$750,000 to \$1 million (*2 CFR § 200.501*).

HHS has already adopted these changes:

7. Increased micro-purchase threshold to \$50,000 (*2 CFR § 200.320*).
8. Allowing 120 days after the period of performance for submission of all final reports related to award closeout (*2 CFR § 200.344*); See [88 FR 63591 - PDF](#).

**Appendix 2: HHS-Specific Modifications to be Codified at 2 CFR part 300 on 10/1/25**

#	HHS Modification	Current 45 CFR part 75 Citation	NEW Proposed 2 CFR part 300 Citation	Summary of Modification
1	Adoption of 2 CFR part 200	<a href="#">2 CFR § 300.1</a>	2 CFR § 300.106	HHS adoption of 2 CFR part 200 with modifications in 2 CFR part 300.
2	Conflict of Interest	<a href="#">45 CFR § 75.112</a>	2 CFR § 300.112	Supplementary conflict of interest requirements and directs Public Health Service recipients to align conflict of interest policies with requirements in 42 CFR part 50, subpart F.
3	Special provisions for awards to for-profit organizations as recipients	<a href="#">45 CFR § 75.216</a>	2 CFR § 300.218	Specific requirements for awards to for-profit organizations.
4	Special provisions for awards to Federal agencies	<a href="#">45 CFR § 75.217</a>	2 CFR § 300.219	Specific requirements for awards to Federal agencies.
5	Nondiscrimination language (HHS specific)	<a href="#">45 CFR § 75.300</a>	2 CFR § 300.300	HHS-specific non-discrimination requirements.
6	Federal payment	<a href="#">45 CFR § 75.305(a)</a>	2 CFR § 300.305(a)	Addresses payments to States.
7	Revision of budget and program plans (specific to research care cost prior approval)	<a href="#">45 CFR § 75.308(c)(1)(ix)</a>	2 CFR § 300.308(f)(11)	Requires prior approval for research patient care costs.
8	Intangible Property (patents and inventions)	<a href="#">45 CFR § 75.307(c)(2)</a>	2 CFR § 300.315(c)	Limits HHS rights in inventions under awards made primarily for educational purposes.
9	Indirect Costs (Training and Foreign cap and allowing rates for American U, Beirut, and WHO)	<a href="#">45 CFR § 75.414(c)(1)(i)-(iii)</a>	2 CFR § 300.414(c)(i)-(iii)	Limits indirect costs on training awards, awards to Foreign organizations, and awards to Foreign public entities performed fully outside the US to a fixed rate of 8 percent of MTDC and allows negotiated indirect cost rates for American University, Beirut, and the World Health Organization.
10	Independent research and development costs	<a href="#">45 CFR § 75.476</a>	2 CFR § 300.477	Describes requirements for independent research and development costs.
11	Shared responsibility payments	<a href="#">45 CFR § 75.477</a>	2 CFR § 300.478	Describes requirements for payments for failure to maintain minimum essential health coverage and failure to offer health coverage to employees.
12	Cost Principles for Research & Development grant activities with Hospitals	<a href="#">45 CFR part 75, Appendix IX</a>	2 CFR part 300, Appendix IX	Hospital Cost Principles