



**To:** Gatekeepers  
**From:** Homeless Services Section Staff  
**Date:** 9/18/2024

**Please distribute to:**  Executive Directors    Fiscal Staff    Homeless Services Program Staff  
 Rental Assistance Program Staff

**Update For: OHCS Implementation of new 2 CFR 200 (OMB) Rules**

Fiscal Message:     Other

**Message:** The purpose of this update is to detail how HSS and the Energy/Wx sections will implement the 2 CFR 200 guidance. The Office of Management and Budget has updated their regulations on the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. These new regulations will be effective as of 10/01/24 and OHCS has facilitated training for all CAAs regarding these new updates.

Use of these new regulations can only be on grants that were awarded on 10/01/24 or later. All grants that began 07/01/24 cannot use the new regulations until 07/01/25.

HSS will be updating program operations manuals for an effective date of 07/01/25 and will incorporate the new OMG guidance at that time, such as requiring pre-approval for purchases over \$10,000 rather than the current pre-approval requirement of \$5,000. Energy/Wx section will incorporate language in their written materials as needed.

The new indirect cost rate will not be applicable to grants that began 07/01/24, but if implemented, it must apply to all grants that begin after 10/01/24, in accordance with the OMB Guidance. This means that the new de minimis rate will not be allowable on any grant that began 07/01/24, which applies to all HSS funding (EHA, EHA DRF/DRF VET, ERA, ESG, HTBA, HSP, SHAP) and Energy/Wx funding until new awards are granted (i.e., 07/01/25).

CAAs that do not have a current negotiated indirect cost rate may elect to charge a de minimis rate, up to 15% of modified total direct costs on awards beginning 10/01/24 (again, this won't apply to the 24-25 fiscal year, but can be applied in the 25-26 fiscal year). CAAs can determine the appropriate rate up to this limit. No documentation is required to justify its use and the de minimis rate may be used indefinitely, however, it must be applied consistently to all grants, whether federally funded or state funded. Once elected, the CAA must use the de minimis rate until they choose to receive a negotiated rate.

If a CAA has a current indirect negotiated cost rate, they must continue to use that rate until a new rate is negotiated or until the current rate expires. Please connect with your CPA or financial advisor on how to choose the appropriate indirect rate for your organization. Remember, every CAA must have a **written** cost allocation plan on file for the purposes of monitoring and audits.

Please also recognize that the Department of Health and Human Services has not yet made the determination that they will implement the October changes of the 2 CFR 200 guidance. If they elect NOT to adopt these amendments, then HHS grants will still need to follow the guidance in 45 CFR 75 in its current form.



**For more information on how this impacts HSS program, contact:**  
[hsd.homelesservices@hcs.oregon.gov](mailto:hsd.homelesservices@hcs.oregon.gov).

**For more information on how this impacts Energy/Wx programs, contact:**  
[HSD.EnergyServices@HCS.oregon.gov](mailto:HSD.EnergyServices@HCS.oregon.gov)