



Acquisition & Assistance Policy Directive (AAPD)

From the Director, Office of Acquisition & Assistance

AAPD No. 24-06

USAID's Early Implementation of 2 CFR Revisions

Issued: August 7, 2024

AAPDs provide information of significance to all Agency personnel and partners involved in the Acquisition and Assistance process. Information includes (but is not limited to): advance notification of changes in acquisition or assistance regulations; reminders; procedures; and general information. AAPDs may be used to implement new requirements on short notice, pending formal amendment of acquisition or assistance regulations. Each AAPD is effective as of the issuance date on its cover page unless otherwise noted elsewhere in the AAPD guidance; the directives remain in effect until the specified expiration date (if any) or M/OAA/Policy issues a rescission.

This AAPD is: New Replaces

Category: Acquisition Assistance PSCs

This AAPD applies to: Solicitations New awards Existing awards
 Modification required

This AAPD precedes changes to:

FAR _____ AIDAR _____ CFR 2 CFR
 ADS 303 Other _____ No change to regulations

Clause/Provision: New Provision/Clause Provided Herein Available in GLAAS

Contains a deviation? No Yes: # _____ effective until: _____

Jami J. Rodgers, Director, M/OAA

I. **Purpose**

This AAPD provides guidance regarding USAID's early implementation of the [revisions to Title 2 of the Code of Federal Regulations \(2 CFR\)](#) ("2024 Revisions") published by the Office of Management and Budget (OMB) on April 22, 2024. OMB permits Federal agencies to apply the 2024 Revisions before their October 1, 2024 government-wide effective date. This AAPD authorizes Agreement Officers (AOs) to begin applying the 2024 Revisions **immediately**.¹ USAID also maintains answers to [Frequently Asked Questions \(FAQs\)](#) (available to Agency staff on the intranet only).

USAID is implementing the 2024 Revisions via a two-phased approach:

- Phase 1 (from AAPD effective date to September 30, 2024): During Phase 1, AOs have flexibility when implementing the 2024 Revisions as further described below in Section II. When implementing 2024 Revisions, AOs must follow the guidance in this AAPD and use the temporary "2024 Interim Standard Provisions" (see [Attachments 1-3](#)) and "2024 Interim Certifications" (see [Attachment 4](#)) that incorporate the 2024 Revisions, instead of the standard provisions in ADS 303maa, 303mab, and 303mat, and the certifications in ADS 303mav.

Applicability: Phase 1 of this AAPD applies to all assistance awards, with the exception of grants under contract (which are addressed in Phase 2).

- Phase 2 (October 1, 2024 - thereafter): By October 1, 2024, USAID will fully implement the 2024 Revisions, including incorporating this AAPD guidance into Agency regulations and policy through revisions to 2 CFR 700, ADS 303, and the applicable mandatory references (including ADS 303maa, 303mab, 303mat, and 303mav).

Applicability: Phase 2 of this AAPD applies to all assistance awards and grants under contract.

This AAPD is effective as of the issuance date on the cover page and continues in effect until rescinded.

¹ All elements of the 2024 Revisions are authorized for immediate use, with the exception of the revised single audit threshold (see Section II.B.4 of this AAPD for more details).

II. Required Actions

When implementing Phase 1 of the 2024 Revisions, AOs must follow the below required actions.

- A. *Standard Provisions and Certifications*: AOs must incorporate the 2024 Interim Standard Provisions into Notices of Funding Opportunity (NOFOs) and awards as described below. Changes to existing awards will be effective on the date the award is amended. AOs must not apply the 2024 Interim Standard Provisions to activities and costs under awards retroactively - this is further explained below.

Required AO actions:

1. New NOFOs: For all new NOFOs issued on or after the effective date of this AAPD, the AO must include the 2024 Interim Standard Provisions and the 2024 Interim Certifications in the NOFO. The standard provisions package in ADS 303maa, 303mab, and 303mat **cannot** be used in new NOFOs issued during the Phase 1 period.
2. Existing NOFOs: The AO should, to the extent practicable, amend the NOFO to incorporate the 2024 Interim Standard Provisions and the 2024 Interim Certifications. In determining whether to amend, AOs can consider the timing of award, the deadline for applications, rolling deadlines (such as an APS), the time required to translate the amendment if the NOFO was issued in a language other than English, the time required to negotiate the award, the potential of later amending the award to incorporate the revisions if not incorporated into the NOFO and resultant award, and budget capacity for incorporating the revised requirements (e.g., *de minimis* rate, etc.). Additionally:
 - a. If amending the NOFO to include the 2024 Interim Standard Provisions and 2024 Interim Certifications, AOs must post the amendment to grants.gov, as applicable and if the application period has not yet closed. AOs should consider including in the amendment information as to whether applicants are required to submit a revised application (for example, to revise the application budget to reflect the higher *de minimis* rate) and, if so, provide a deadline with sufficient time for applicants to respond.
 - b. If it is impractical to amend the NOFO to include the 2024 Interim Standard Provisions and 2024 Interim Certifications, e.g., applications have already been submitted to USAID, the AO must provide clear direction to applicants

that the 2024 Revisions will be in effect for awards issued under that NOFO (unless the award is issued before October 1, 2024 and the AO determines that applying the 2024 Revisions to the award is impracticable, as discussed below). At a minimum, the AO must attach the 2024 Interim Standard Provisions to the draft award and send it to the prospective recipient for review prior to signing the award.

3. New Awards:

- a. *Issued before October 1, 2024 (Phase 1)*: For all new awards issued before October 1, 2024 (and after the effective date of this AAPD), the AO may consider including the 2024 Interim Standard Provisions. The AO may consider, for example, the timeframe for renegotiating costs or terms (if needed), the benefit to the program, recipient, and USAID, and other factors. If it is not practicable to include the 2024 Interim Standard Provisions, the AO may issue the award with the standard provisions in ADS 303maa, 303mab, or 303mat, as applicable. However, the AO should consider renegotiating and amending the award in the future to allow the recipient and any subrecipients to use the flexibilities and burden reductions that the 2024 Revisions provide. Note that if an award is not amended to include the 2024 Revisions then any subrecipients under the award will be prohibited from implementing the 2024 Revisions.
- b. *Issued on or after October 1, 2024 (Phase 2)*: New awards issued on or after October 1, 2024 will fall under Phase 2 of USAID's implementation of the 2024 Revisions. As such, the 2024 Interim Standard Provisions will have been incorporated into ADS 303maa, 303mab, and 303mat, respectively, and the AO must follow the guidance in ADS 303 at that time.

Existing Awards: For amendments to increase the total estimated amount, AOs must incorporate the 2024 Interim Standard Provisions. AOs may incorporate the 2024 Interim Standard Provisions in all other amendment types to existing awards. When making this decision, AOs should consider that:

- c. Amendments to awards to incorporate the 2024 Interim Standard Provisions must be bilateral.
- d. The 2024 Revisions and revised award terms must not be applied to activities performed and costs incurred prior to the amendment. For example, USAID and recipients cannot retroactively apply the 15% *de minimis* rate, revised

- modified total direct cost (MTDC) base, or increased equipment threshold to costs incurred prior to such an amendment.
- e. AOs have discretion to determine the best point at which to amend an award to incorporate the 2024 Revisions (for example, to minimize administrative burden, the amendment can be made in conjunction with amendments for other purposes). AOs can, however, issue amendments for incremental funding without incorporating the 2024 Interim Standard Provisions.
 - f. The decision to amend an award to incorporate the 2024 Revisions should take into account, for example:
 - i. The availability of funds and other budget implications.
 - ii. Whether the benefit of issuing an amendment outweighs the administrative burden, especially considering the remaining period of performance (PoP). For example, AOs are strongly encouraged to amend awards with PoPs extending beyond FY25.
 - iii. Explicit requests from recipients, regardless of the remaining PoP.
4. Subawards: For subawards issued by the prime recipient on or after the date of the AAPD, the 2024 Interim Standard Provisions can only be incorporated into the subaward if the prime award under which it was issued includes or has been amended to include the same. If the AO has not issued or amended the prime award to incorporate the 2024 Interim Standard Provisions, then the recipient must not apply any of the 2024 Interim Standard Provisions to a subaward issued under that prime award – even if the subaward is executed after October 1, 2024. If the prime award includes or has been amended to include the 2024 Interim Standard Provisions, then the AO must instruct the recipient to also amend any subawards to incorporate the revisions as soon as practicable.

Additional Guidance on Use of Standard Provisions and Certifications: During Phase 1, AOs must include the 2024 Interim Standard Provisions in awards as described below and **in lieu of** the standard provisions found in ADS 303maa, 303mab, and 303mat; and the 2024 Interim Certifications in lieu of 303mav. The current standard provisions available in ADS 303maa, 303mab and 303mat, as well as the certifications in 303mav, may only be used in limited circumstances when time and other constraints prevent inclusion of the 2024 Interim Standard Provisions in an award.

When implementing the terms of this AAPD, the entirety of the 2024 Interim Standard Provisions package must be incorporated (e.g., no “cherry-picking” or choosing only those provisions that serve a benefit). In exceptional circumstances for specific awards, the AO may contact M/OAA Policy (policymailbox@usaid.gov) to request guidance on selectively applying the 2024 Revisions (for example, selectively including or excluding the increased *de minimis* rate).

The 2024 Interim Standard Provisions and 2024 Interim Certifications are linked here (also see Attachments 1-4):

- Attachment 1 - [2024 Interim Standard Provisions for U.S. Nongovernmental Organizations](#)
- Attachment 2 - [2024 Interim Standard Provisions for Non-U.S. Nongovernmental Organizations](#)
- Attachment 3 - [2024 Interim Standard Provisions for Fixed Amount Awards to Nongovernmental Organizations](#)
- Attachment 4 - [2024 Interim Certifications, Assurances, Representations, and Other Statements of the Recipient](#)

B. *Guidance for Specific Revisions*: This section contains supplemental guidance on new flexibilities from the 2024 Revisions that may not be addressed in the standard provisions. This guidance will be incorporated into revisions to Agency policy in Phase 2. **Note that additional information on these and other topics is available in FAQs.**

1. Languages other than English in award-related documentation: The 2024 Revisions include adjustments to the English language requirements to permit agencies to issue NOFOs and awards, and receive final applications and certain other award documentation in a language other than English when it is appropriate for a specific program or award. When authorizing the use of languages other than English, AOs must consider the impact, including the following parameters (see also the relevant FAQs):
 - a. There must be an official controlling English version of any NOFO or award translated into another language.
 - i. All NOFOs translated to a language other than English must include the following statement (such as in Section D.1 “General Content and Form of Application”): “In the event of inconsistency between any terms of this

NOFO and any translation into another language, the English language version will control.”

- ii. All awards translated to a language other than English must include the following statement in the award terms (such as in Attachment A, Schedule): “In the event of inconsistency between any terms of this award and any translation into another language, the English language version will control.”

 - b. When the NOFO permits use of a language other than English, the terms of any such NOFO must specify: 1) the acceptable language(s), and 2) the types of documents which can be accepted in other languages.

 - c. The AO may authorize the submission of post-award correspondence, such as routine approval requests or other emailed or mailed communications, related to award administration in a language other than English without requiring English translations if such correspondence is not required to be submitted to the DEC or DDL.

 - d. AOs must not authorize the post-award submission of financial reports or submissions to USG-wide systems in a language other than English.

 - e. The AO should not newly authorize the submission of post-award material that must be submitted to the DEC or DDL in a language other than English without also requiring an English translation until additional policy is established.

 - f. For existing NOFOs, or for existing awards that contain a requirement for submissions in English, the AO must issue an amendment to the NOFO or an amendment to the award to specify the change in language requirements (i.e., the acceptable language(s) and types of documentation that can be accepted) and should incorporate the 2024 Revisions at that time.
2. Prompt closeout procedures for assistance awards: The 2024 Revisions explicitly state that an agency is authorized to mutually agree with the recipient to close an award using the current or most recently negotiated rate. OMB's revised language is intended to encourage the use of prompt closeout procedures when closeout cannot be completed in a timely manner because a recipient's final indirect cost rate has not been established. To be eligible for prompt closeout procedures, AOs must confirm that:

- a. The award is physically complete.
- b. The amount of unsettled direct costs and indirect costs to be allocated to the award is relatively insignificant.
- c. Recent audit reports, if any, and other financial history or documentation support the appropriateness of using prompt closeout (e.g., no audit findings, no extreme indirect cost rate volatility, no recent cost accounting structure changes, etc.)

To take advantage of this flexibility AOs must comply with the following parameters:

- a. The AO and recipient may mutually agree to use the current or most recently negotiated rate as the final rate for the award for purposes of a prompt closeout, but the recipient is *not* required to agree to this; and
 - b. The AO may **only** negotiate a final rate for the purpose of closing out a specific award in a timely manner; and
 - c. A final rate negotiated for the purpose of completing prompt closeout of an award does not create any rate precedent for other awards, nor does it supersede the rates negotiated by the recipient's cognizant agency.
3. *De minimis* indirect cost rate: The 2024 Revisions include an increase to the *de minimis* cost rate to 15 percent. In order to implement this revision, AOs must comply with the following parameters:
- a. While this change still allows recipients to apply a rate lower than 15 percent at their own discretion, AOs cannot compel recipients—nor should prime recipients compel subrecipients—to accept a lower rate, unless required by statute.
 - b. If recipients use the revised *de minimis* rate, recipients must also use the updated definition of Modified Total Direct Costs (MTDC) as the base of application for the revised rate.
 - c. If the resultant award under a NOFO will include the 2024 Interim Standard Provisions, AOs must accept applications in response to the NOFO that

- include the 15 percent *de minimis* rate, even if the NOFO itself did not include the 2024 Revisions. Any such use of the 15 percent *de minimis* rate must be in accordance with the guidance in this AAPD. AOs must ensure the 2024 Interim Standard Provisions are incorporated into the award, as described in this AAPD.
- d. New awards that incorporate the 2024 Revisions, whether under Phase 1 or Phase 2 as described in this AAPD, must allow for the recipient's use of the 15 percent *de minimis* rate if and as included in the recipient's budget.
 - e. For existing awards, AOs may allow a recipient to apply the 15 percent *de minimis* rate through award amendment, if the AO determines there are sufficient funds available to support that rate and if the award is otherwise amended to incorporate the 2024 Revisions. In these instances, the recipient must charge the higher rate only to costs incurred on or after the date the amendment is effective; the increased rate cannot be retroactively applied to costs incurred prior to such an amendment. The AO must incorporate the Standard Provision entitled "Indirect Costs - de Minimis Rate" as part of the amendment.
4. **Audit Threshold**: The 2024 Revisions include an increase to the Single Audit threshold to \$1,000,000 (from \$750,000) and changes to the major program determination threshold. **This revision applies to auditees in fiscal years beginning on or after October 1, 2024.** For example, a recipient with a fiscal year beginning on January 1, 2024 may receive an award on August 31, 2024 that includes the 2024 Interim Standard Provisions. Because the recipient's fiscal year did not start on or after October 1, 2024, the new audit threshold and other new audit requirements do not apply to the award subject to audit until the recipient's new fiscal year, starting January 1, 2025.

For additional information on these and other topics, refer to the [FAQs](#).

III. **Additional Guidance**

Recipients will be required to implement the 2024 Interim Standard Provisions as they are incorporated into individual awards. However, during the transition period as the revisions go into effect, recipients may simultaneously be implementing multiple USAID awards, some of which were issued under the existing Standard Provisions and others issued under the 2024 Interim Standard Provisions. While it may be necessary for recipients to implement certain systematic changes across their organizations to comply

with awards incorporating the revisions, recipients should also remain cognizant that not all flexibilities made available under the 2024 Revisions will be available under the terms and conditions of earlier awards that have not or will not be amended to incorporate the revisions.

AOs and A&A specialists should work closely with recipients during this transition period to clearly communicate the requirements applicable to a given award. AOs and A&A specialists may also engage with recipients to address questions on whether systematic changes made by a recipient could impact compliance with the terms and conditions of earlier awards. In some cases, systematic changes may be compatible with both the revised and existing provisions. In other cases, recipients should remain aware that policies, requirements, and flexibilities may not be identical under all awards.

IV. Background

OMB revised various sections of Title 2 of the CFR — including the “Uniform Guidance” found in 2 CFR 200 — which govern how Federal agencies manage assistance awards. This process began with a [request for information](#) released on February 9, 2023 to solicit feedback from the general public on potential improvements to 2 CFR (88 FR 8480). OMB later issued a [proposed rule](#) on October 5, 2023 with proposed revisions to 2 CFR to collect public comments on these potential changes (88 FR 69390). Based on this feedback, OMB published the [final rule](#) in the Federal Register on April 22, 2024 (89 FR 30046).

OMB issued the 2024 2 CFR Revisions for the purposes of: (1) incorporating statutory requirements and administration priorities; (2) reducing agency and recipient burden; (3) clarifying sections that recipients or agencies have interpreted in different ways; and (4) rewriting applicable sections in plain language, improving flow, and addressing inconsistent use of terms. OMB intended for these revisions to improve Federal financial assistance management, transparency, and oversight through more accessible and easily understandable regulations.

OMB's final rule has an effective date of October 1, 2024, and all Federal agencies must take appropriate steps to ensure these 2024 Revisions are effective for all awards issued on or after that date. Agencies must ensure award terms and conditions, notices of funding opportunities, internal agency policies and procedures, agency templates, and other program documents reflect the 2024 Revisions. In accordance with [OMB Memorandum M-24-11](#), agencies must also closely coordinate the implementation of these revisions with OMB.

OMB's final rule permits agencies to implement the 2024 Revisions in advance of the October 1, 2024 date, but no earlier than June 21, 2024. USAID opted to implement an early adoption of the 2024 Revisions beginning in August 2024. This early implementation allows key flexibilities from the 2024 Revisions to be included in assistance awards issued at the end of FY2024, promoting meaningful impact on USAID's priorities of burden reduction and localization.

V. **Point of Contact**

Agreement Officers may direct their questions about this AAPD to the [Ask M/OAA Policy](#) Google Group.

VI. **Attachments**

The below attachments, and other useful documents and links pertaining to USAID's implementation of the 2024 Revisions, can also be found on the Agency intranet page [here](#).

To allow user-friendly access and functionality, the following are linked as downloadable documents (available internally):

Attachment 1 - [2024 Interim Standard Provisions for U.S. Nongovernmental Organizations](#)

Attachment 2 - [2024 Interim Standard Provisions for Non-U.S. Nongovernmental Organizations](#)

Attachment 3 - [2024 Interim Standard Provisions for Fixed Amount Awards to Nongovernmental Organizations](#)

Attachment 4 - [2024 Interim Certifications, Assurances, Representations, and Other Statements of the Recipient](#)

In addition, the following attachments are provided as live linked documents:

Attachment 5 - [Frequently Asked Questions \(FAQs\)](#)

Attachment 6 - [Diagrams](#)

CLEARANCE PAGE

AAPD No. 24-06, USAID's Early Implementation of Certain 2 CFR Revisions

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Clearances:

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M/OAA/OD, MPetitto, Acting:	Clear	08/06/2024
M/OAA/OD, CFloore:	Clear	08/06/2024
M/OAA/OD, NShah	Clear	08/06/2024
GC/A&A, GMarchand:	clear	8/6/2024