



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
ADMINISTRATION  
AND RESOURCES  
MANAGEMENT

December 24, 2014

Dear Assistance Agreement Recipient:

This letter is to inform you of the Environmental Protection Agency's (EPA) implementation of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Grants Guidance or UGG) located at Title 2 of the Code of Federal Regulations [Part 200](#). Published by the Office of Management and Budget last December, the UGG streamlines the federal government's guidance on administrative requirements, cost principles and audits.

In a [joint interim final rule](#) published in the Federal Register on December 19, 2014 (see 79 Fed. Reg. 76050-76054), EPA has adopted the UGG along with EPA-specific provisions mandated by statute, regulation or agency policy. EPA's portion of the interim final rule will be codified at 2 CFR 1500. This is a positive development for EPA assistance agreement recipients, as the new rule will reduce the administrative burden of managing EPA awards.

Effective December 26, 2014, 2 CFR Parts 200 and 1500 supersede the previous administrative regulations at 40 CFR Parts 30 and 31. This means that the governing administrative regulations for new awards will be 2 CFR Parts 200 and 1500. The programmatic regulations that govern your award, including 40 CFR 35, 40, 45, 46 and 47 as applicable, will not be affected.

EPA will apply the regulations of 2 CFR Parts 200 and 1500 as follows:

- If you received an EPA award before December 26, 2014 and no funding is added on or after December 26, 2014, you will use the following regulations:
  - Uniform Administrative Requirements: 40 CFR 30 or 31
    - The [Annual version](#) of the Code of Federal Regulations is available electronically. EPA's uniform administrative guidelines, 40 CFR parts 30 and 31 are located in 40 CFR Subchapter B – Grants and Other Federal Assistance ([Parts 30-49](#)) which was last updated in 2013.
  - [Cost Principles](#) by entity type: A-21, A-87 or A-122
  - Audit Requirements: A-133 \$500,000+ threshold
- If you receive a new EPA award on or after December 26, 2014, you will use the following regulations:
  - Uniform Administrative Requirements: 2 CFR [200](#) and [1500](#)
  - Cost Principles: 2 CFR 200 Subpart E
  - Audit Requirements: 2 CFR 200 Subpart F \$750,000+ threshold (Audit requirements will apply to audits of non-Federal entity fiscal years beginning on or after 12/26/14.)

- If you received an EPA award prior to December 26, 2014, and supplemental or incremental funding is added to the award on or after December 26, 2014, you will use the following regulations for both the supplemental/incremental funding and the unobligated balances remaining from the previous award actions (see [2 CFR 200.98](#) for the definition of unobligated balances):
  - Uniform Administrative Requirements: 2 CFR [200](#) and [1500](#)
  - Cost Principles: 2 CFR 200 Subpart E
  - Audit Requirements: 2 CFR 200 Subpart F \$750,000+ threshold (Audit requirements will apply to audits of non-Federal entity fiscal years beginning on or after 12/26/14.)

EPA looks forward to working with you as we transition to the UGG. Further information on the UGG can be found at <https://cfo.gov/cofar/>. Additionally, if you have any questions about EPA's implementation approach, please contact the EPA Grants Specialist listed on your assistance agreement or amendment.

Sincerely,



Howard F. Corcoran  
Director, Office of Grants and Debarment