



November 1, 2024

Johanna Nestor, Director for Grants Policy  
Oversight, and Evaluation, Office of Grants  
Health and Human Services (HHS)  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Submitted Electronically to: [www.regulations.gov](http://www.regulations.gov)

**RE: Response to *Health and Human Services Adoption of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 300)***

Dear Ms. Nestor:

We write to offer comments in response to [HHS's Interim Final Rule](#) (IFR) adopting OMB's [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (i.e., the Uniform Guidance), published in the Federal Register on October 2, 2024.

COGR is the national authority on federal policies and regulations affecting U.S. research institutions. We provide a unified voice for over 220 research universities and affiliated academic medical centers and research institutes. Our work strengthens the research partnership between the federal government and research institutions and furthers the frontiers of science, technology, and knowledge. We advocate for effective and efficient research policies and regulations that maximize and safeguard research investments and minimize administrative and cost burdens.

HHS requested comments only on the department's plan and timeline for implementation, including the provision of two effective dates. Accordingly, COGR has limited our comments as requested. Our comments are intended to ensure that implementation is done in a manner that will allow grantees to take full advantage of the revisions that reduce administrative burden and provide a process for HHS and grantees to work together throughout the two phases of HHS's implementation to provide workable solutions that reduce confusion and burdens for both the federal government and research institutions.

## COMMENTS

COGR and its member institutions appreciate the thoughtful approach HHS has taken to implement the updated Uniform Guidance and HHS's October 1, 2024 implementation of eight provisions of the OMB updates that provide increased flexibility. We understand the decision to "adopt all of the rest of [2 CFR part 200](#) with an effective date of October 1, 2025." This dual-phased implementation is not ideal as it complicates the grantee community's efforts to comply with varying implementations by federal sponsors. However, we understand the difficulty HHS –

as the largest grant-making agency in the United States – faces in swiftly implementing the updated requirements.

The increased thresholds for equipment and subawards will significantly reduce burden for recipients, but this relief will not be fully realized for many years. Further, without flexibility, each institution will need to implement varying policies and procedures to address purchases made from:

- awards existing prior to 10/1/24,
- awards made after 10/1/24 but prior to the effective date of a Negotiated Indirect Cost Rate Agreement (NICRA) implementing the new threshold, and
- awards made after 10/1/24 and a new NICRA.

Individual public institutions and/or institutions that are part of a state system are further challenged because an equipment threshold change for financial statement purposes must be coordinated with other institutions and may be dictated by the state.

Council on Federal Financial Assistance supplementary information to FY 2024 Revisions to 2 CFR encourages agencies to amend existing agreements when providing additional funds or if extending into FY 2025 or beyond and allows such amendments in other cases.<sup>1</sup>.

Therefore, we strongly recommend that the HHS Office of Grants work with:

1. HHS awarding agencies to amend all awards issued prior to October 1, 2024 to allow implementation of the new equipment threshold, in conjunction with an increase in the threshold for financial statement purposes, as early as October 1, 2024; and
2. Cost Allocation Services to facilitate timely implementation of these thresholds for Modified Total Direct Cost calculation purposes.

Given the aggressive implementation timeline, we also understand the rationale for foregoing advance notice and an opportunity for comment on the HHS-specific provisions and modifications. However, we believe implementation would benefit from additional stakeholder input, and we respectfully request an opportunity to do so before implementation on October 1, 2025.

Thank you for this opportunity to comment on the interim final rule. Please contact Cindy Hope ([chope@cogr.edu](mailto:chope@cogr.edu)), Krystal Toups ([ktoups@cogr.edu](mailto:ktoups@cogr.edu)), or me ([mowens@cogr.edu](mailto:mowens@cogr.edu)) if you have questions.

Sincerely,



Matt Owens  
President