

In the Federal Register of 13 AUG 2020, at [85 FR 157 49522](#) et seq., OMB made significant changes to 2 CFR 25. All of these changes are effective 12 NOV 2020.

SYNOPSIS OF CHANGES TO 2 CFR 25

Numerous changes throughout that update terminology but do not impact the substance of the regulation are not discussed.

SUBPART A

§ 25.105 Types of awards to which this part applies.

This paragraph is simplified to refer simply to the definition at § 25.406.

§ 25.110 Exceptions to this part.

New title for this paragraph. Other than revised terminology (e.g. *exception* replacing *exemption*) this language is mostly unchanged from the previous version..

However, some important new language is added, as follows:

Old paragraph (c) is eliminated;

Old paragraph (d) is re-named to (c) and has new language at subparagraphs—

(ii) adding the requirement that exemptions for foreign entities must be made on a case-by-case basis. **This is no longer a blanket exception for subawards under \$25,000.**

(iii) a new subparagraph requiring awarding agencies to require recipients who (for exigent circumstances) do not have a unique entity identifier at the time of award to obtain such identifier within 30 days of the award date.

New paragraph (d) replaces old section 25.115 (eliminated in the new version) with language regarding class exceptions OMB may allow.

SUBPART B

§25.200 Requirements for notice of funding opportunities, regulations, and application instructions.

In addition to numerous terminology updates, there are some key changes.

Paragraph (a) states the applicability date of “August 13, 2020, which is inconsistent with the effective date of 12 NOV 2020, as stated in the FR announcement (see [85 FR 157 49506 et seq.](#), page 49506). As of 16 SEP 2020, the current version on eCFR continues to be the previous version. It seems likely at this date that the true effective date will end up being 12 NOV 2020.

Paragraph (b)(2) adds language requiring identification of a recipient’s “immediate and highest level owner and subsidiaries, as well as on all predecessors that have been awarded a Federal contract or grant within the last three years, if applicable.”

SUBPART C

Old Subpart C has been renamed to Subpart D (see below), and new Subpart C now contains only the new section 25.300, as described below.

§ 25.300 Requirement for recipients to ensure subrecipients have a unique entity identifier.

Excellent clarification of how the requirement for a unique entity identifier does apply to subrecipients but that subrecipients are not required to complete full registration in SAM.

This is not a change from the previous requirements, but it was difficult for recipients to find the statement, as it was not included in the text of 2 CFR 25. This is a welcome clarification.

SUBPART D

Old Subpart C has been renamed to Subpart D and includes the following changes.

§ 25.400 Applicant.

New term.

§ 25.401 Federal Awarding Agency.

New term.

§ 25.405 Federal Award.

Clarified definition.

§ 25.406 Federal financial assistance.

Clarified definition.

§ 25.407 Recipient.

New term.

§ 25.410 System for Award Management (SAM).

Clarified definition.

§ 25.415 Unique entity identifier.

Simply renumbered.

§ 25.425 For-profit organization.

Simply renumbered.

§ 25.430 Foreign organization.

Clarified definition.

§ 25.431 Foreign public entity.

Clarified definition.

§ 25.432 Highest level owner.

Clarified definition.

§ 25.433 Indian Tribe (or ``federally recognized Indian Tribe").

Clarified definition.

§ 25.440 Local government.

Clarified definition.

§ 25.443 Non-Federal entity.

Clarified definition.

§ 25.445 Nonprofit organization.

Clarified definition.

§ 25.447 Predecessor.

New term.

§ 25.450 State.

Clarified definition.

§ 25.455 Subaward.

Clarified definition.

§ 25.460 Subrecipient.

Clarified definition.

§ 25.462 Subsidiary.

Clarified definition.

§ 25.465 Successor.

New term.

Appendix A to Part 25 – Award Term

The only substantive changes to this Appendix are as follows:

I.A. Requirement for System for Award Management.

Adds language requiring reporting on recipient's "immediate and highest level owner and subsidiaries, as well as on all of your predecessors that have been awarded a Federal contract or Federal financial assistance within the last three years, if applicable."

I.B. Requirement for Unique Entity Identifier.

Subparagraph 2. is updated to clarify that subrecipients "are not required to obtain an active SAM registration, but must obtain a Unique Entity Identifier".