



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE DIRECTOR

April 4, 2024

M-24-11

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Shalanda D. Young

SUBJECT: Reducing Burden in the Administration of Federal Financial Assistance

The Biden-Harris Administration is making it possible for recipients of Federal funding to focus more on the people they serve and to deliver results for their communities. This Memorandum builds on previous efforts by providing direction to Federal agencies on improving the management of Federal financial assistance to ensure the consistent implementation of Federal financial assistance policy.<sup>1</sup>

This Administration continues to focus on efforts to streamline, simplify, and make more accessible the processes, systems, and data standards associated with Federal financial assistance to reduce burden on Federal agencies, applicants, and recipients. The American people are our customers and their experiences are central to the design of products and processes to deliver services. Government must also work to deliver services more equitably and effectively, especially for those who have been historically underserved.<sup>2</sup>

Consistent with these principles, the Office of Management and Budget (OMB) has published revised guidance to Federal agencies on administering and managing Federal awards in Title 2 of the Code of Federal Regulations (CFR). In addition, this memorandum describes a Government-wide approach that will reduce burden for agencies and recipients, ensure

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<sup>1</sup> As used in this memorandum, the terms “Federal agency” and “agency” have the same meaning as “Federal agency” in 2 CFR 200.1, and the term “Federal financial assistance” has the meaning set forth in 2 CFR 200.1.

<sup>2</sup> See, e.g., Executive Order (E.O.) 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*; E.O. 14058, *Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government*; E.O. 14091, *Further Advancing Racial Equity and Support for Underserved Communities through the Federal Government*; E.O. 14112, *Reforming Federal Funding and Support for Tribal Nations To Better Embrace Our Trust Responsibilities and Promote the Next Era of Tribal Self-Determination*; [Presidential Memorandum of January 27, 2017 on Restoring Trust in Government Through Scientific Integrity and Evidence-Based Policymaking](#).

transparency and accountability, and identify specific opportunities for increased coordination throughout the lifecycle of Federal financial assistance—all to deliver results for the American people.

## **I. Implementation of Title 2 of the CFR**

The lifecycle of Federal financial assistance must begin with clear and concise guidance on administration and management of Federal awards that is consistently implemented across all Federal agencies. To achieve that, the Administration conducted a comprehensive process to revise and strengthen Title 2 of the CFR, which includes the administrative requirements, cost principles, and audit requirements for Federal awards. This process included multiple opportunities for the public to provide feedback on potential and proposed policy revisions including on opportunities to reduce administrative burdens for applicants and recipients. *See* 88 FR 8480 (Feb. 9, 2023) (request for information); 88 FR 69390 (Oct. 5, 2023) (notice of proposed guidance). As a result of this effort, OMB has published revisions to Title 2 of the CFR (2024 Revisions).

These revisions will improve stewardship of Federal funds, promote equitable access to programs and services, reduce administrative burden for agencies, applicants, and recipients, and facilitate streamlined and effective oversight and implementation of Federal programs. Among other things, the revisions eliminate several prior approval requirements, increase multiple thresholds that trigger additional requirements, and clarify requirements for agencies and recipients.

For recipients to realize the maximum benefit of the 2024 Revisions, Federal agencies must implement them quickly and consistently. *See* 2 CFR 200.106. Consistent with 2 CFR 200.106 and applicable law, Federal agencies must take appropriate steps to ensure the 2024 Revisions are effective for all Federal awards issued on or after October 1, 2024. Agencies should ensure that Federal award terms and conditions, notices of funding opportunities (NOFOs), internal agency policies and procedures, agency templates, and other program documents reflect the 2024 Revisions for those Federal awards. Federal agencies may elect to apply the 2024 Revisions to Federal awards issued prior to October 1, 2024, but they are not required to do so.

By May 15, 2024, all Federal agencies must submit to OMB their plan for implementing the 2024 Revisions.

## **II. Implementation of Pre-Award Efficiencies to Promote Transparency and Equity**

Federal financial assistance is at the core of how the Federal Government delivers services. Even though Federal financial assistance enables vital services to be delivered in communities across the country, identifying opportunities and applying for assistance can sometimes be a source of burden for applicants. Administrative processes that are difficult and time-consuming are obstacles to getting critical funding to intended destinations, especially

underserved communities.<sup>3</sup> More must be done to effectively communicate the breadth of Federal programs, the availability of funding, and how to apply for and receive those resources.

### *Tribal Nations*

In keeping with this Administration's commitment to honoring our trust and treaty obligations to Tribal Nations, Federal agencies should design and administer Federal funding and support programs for Tribal Nations in a manner that better recognizes and supports Tribal sovereignty and self-determination, as consistent with applicable law and to the extent practicable.<sup>4</sup>

Section 5 of E. O. 14112 directs Federal agencies to increase the accessibility, equity, flexibility, and utility of Federal funding and support programs for Tribal Nations. As most relevant here, E.O. 14112 specifies that agencies shall design, revise, provide waivers for, and otherwise administer Federal funding and support programs for Tribal Nations to achieve the following objectives, to the maximum extent practicable, appropriate, and consistent with applicable law:

- i. promote compacting, contracting, co-management, co-stewardship, and other agreements with Tribal Nations;
- ii. identify funding programs that may allow for Tribal set-asides or other similar resource or benefits prioritization measures and, where appropriate, establish Tribal set-asides or prioritization measures that meet the needs of Tribal Nations
- iii. design application and reporting criteria and processes in ways that reduce administrative burdens, including by consolidating and streamlining such criteria and processes within individual agencies;
- iv. take into account the unique needs, limited capacity, or significant barriers faced by Tribal Nations by providing reasonable and appropriate exceptions or accommodations where necessary;
- v. increase the flexibility of Federal funding for Tribal Nations by removing, where feasible, unnecessary limitations on Tribal spending, including by maximizing the portion of Federal funding that can be used for training, administrative costs, and additional personnel;
- vi. improve accessibility by identifying matching or cost-sharing requirements that may unduly reduce the ability of Tribal Nations to access resources and removing those burdens where appropriate;
- vii. respect Tribal data sovereignty and recognize the importance of Indigenous Knowledge by, when appropriate and permitted by statute, allowing Tribal Nations to use self-

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<sup>3</sup> As used in this memorandum, the term "underserved communities" has the meaning set forth in E.O. 14091.

<sup>4</sup> See E.O. 14112, *Reforming Federal Funding and Support for Tribal Nations To Better Embrace Our Trust Responsibilities and Promote the Next Era of Tribal Self-Determination*. As used in this memorandum, the terms "Tribal Nations" and "Federal funding and support programs for Tribal Nations" have the meanings set forth in E.O. 14112.

- certified data and avoiding the establishment of processes that require Tribal Nations to apply to, or obtain permission from, State or local governments to access Federal funding or to be part of a Federal program;
- viii. provide Tribal nations with the flexibility to apply for Federal funding and support programs through inter-Tribal consortia or other entities while requiring non-Tribal entities that apply for Federal funding on behalf of, or to directly benefit, Tribal Nations to include proof of Tribal consent; and
  - ix. provide ongoing outreach and technical assistance to Tribal Nations throughout the application and implementation process while continually improving agencies' understanding of Tribal Nations' unique needs through Tribal consultation and meaningful partnerships.

### *Federal Program Inventory*

On February 15, 2024, OMB launched the Federal Program Inventory (FPI)—a new comprehensive, searchable tool with critical information about all domestic Federal financial assistance programs. The FPI makes it easier for applicants and potential recipients to find programs, ensures the effective stewardship of taxpayer funds, and further increases Government transparency. The FPI uses Assistance Listings, which are the comprehensive Government-wide source of Federal financial assistance program information produced by the executive branch.<sup>5</sup> The FPI connects program and performance information from program Assistance Listings to spending information required by the Digital Accountability and Transparency Act of 2014.<sup>6</sup>

OMB is committed to continuing to improve the FPI by working with Federal agencies to add information to each listing to make the FPI more comprehensive, useful, and consistent with other sources. To that end, by June 1, 2024, agencies must identify the Assistance Listings associated with each program or activity reported under the Payment Integrity Information Act (PIIA) of 2019<sup>7</sup> and submit to OMB a crosswalk of Assistance Listings and program or activity names used when fulfilling the requirements under PIIA.

Further, to the maximum extent practicable, for each newly authorized Federal financial assistance program, Federal agencies must create and maintain one Assistance Listing. For all existing Assistance Listings, agencies must identify where multiple programs have historically been included in a single Assistance Listing, and, where appropriate and in consultation with relevant congressional committees and stakeholders, create a separate Assistance Listing for each program.

For some agencies the transition to a single Assistance Listing for each program may require extensive engagement with OMB and congressional committees and potential changes to agency systems. To help this transition, by November 15, 2024, agencies must complete an

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<sup>5</sup> 2 C.F.R. 200.203.

<sup>6</sup> Pub. L. 113–101.

<sup>7</sup> Pub. L. 116–117.

initial assessment of their current Assistance Listings and their preliminary plan to work toward establishing a single Assistance Listing, where appropriate, for each program.

*Notices of Funding Opportunities (NOFOs)*

In recent years, the annual paperwork burden imposed by Federal agencies on the public has been in excess of nine billion hours.<sup>8</sup> That burden presents obstacles for too many otherwise qualified potential recipients of Federal financial assistance and undermines Federal programs.

To combat that burden, beginning today, Federal agencies must design and execute a plan to increase the accessibility, readability, clarity, and design of their NOFOs for new discretionary assistance programs where Federal awards are selected on a competitive basis. To improve the applicant experience, Federal agencies must announce specific NOFOs for Federal financial assistance that will be openly competed. NOFOs should be limited in length and only request information necessary for effective communication of program objectives.

In particular, Federal agencies should prioritize simplifying NOFOs for programs where the eligible applicants may have limited organizational capacity, such as those from underserved communities. Federal agencies should also prioritize simplifying NOFOs for programs designed to prepare individuals for employment, providing professional development and training opportunities, or strengthening U.S. infrastructure, particularly in underserved communities.

Using the Council on Federal Financial Assistance (COFFA)-developed template, Federal agencies must conduct an assessment to identify the NOFOs that will be prioritized for simplification in fiscal year (FY) 2025. The template will include several factors, such as statutory complexity, and prioritize for simplification those NOFOs that have higher numbers of applicants, make frequent awards, make a large number of awards, and have average award amounts that would be appropriate for limited capacity or first-time applicants, such as those between \$1 million and \$50 million.

Based on the prioritization assessment, Federal agencies must submit a NOFO simplification plan to OMB by August 1, 2024. During FY 2025, agencies will implement their approved plan. In FY 2026 and each year thereafter, agencies will continue to simplify their existing NOFOs until all NOFOs have been simplified according to guidelines provided by COFFA. Federal agencies should write NOFOs in plain language to reduce complexity and improve accessibility. To that end, agencies should ensure that NOFOs are written at a reading level that is accessible to the potential applicants of the relevant grant. As a general guideline for existing NOFOs, agencies should aim to reduce word count by 25 percent over the previously issued version. Agencies should also eliminate unnecessary provisions, and move content that is not directly related to the core activities to be performed under the Federal award (such as any assurances) to appendices on linked webpages. Agencies should also consider how translating NOFOs into other languages may ensure people with limited English proficiency can access the information.

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<sup>8</sup> See E.O. 14058.

In addition to emphasizing that agencies should use plain language in drafting NOFOs, COFFA's guidelines for simplification include enhancing readability to align with visual and user experience design principles, including typographic hierarchy, optimal line lengths, supporting imagery (icons and photos), use of color, bullets, tables, and checklists, as well as digital bookmarks and jump links for ease of navigation. In addition to simplifying existing NOFOs, starting in FY 2026, all NOFOs for new competitive programs must be streamlined according to COFFA's guidelines.

While considering changes to NOFOs, agencies should also take the opportunity to reassess the merit review process of the program. As part of this review, agencies should consider prioritizing Federal awards to applicants that propose evidence-based practices and encourage applicants to include these types of costs in their proposed budgets. To ensure that awards are being implemented equitably, agencies should use consistent metrics to track the impacts of these NOFO simplification efforts, including with respect to applicants and recipients.

To improve access to NOFOs, whenever practicable, agencies should post their NOFOs on Grants.gov. In addition, agencies may also post NOFOs on their agency websites. In cases where agencies are otherwise required by law to publish NOFOs in the *Federal Register*, agencies should include a link to the NOFO on Grants.gov or the agency website.

#### *Build America, Buy America*

In 2024, OMB published 2 CFR part 184 and Memorandum M-24-02,<sup>9</sup> providing implementing guidance on the application of the Buy America preference in Federal financial assistance programs for infrastructure set forth in the Build America, Buy America Act (BABA) included in the Infrastructure Investment and Jobs Act.<sup>10</sup> BABA strengthens America's industrial base, protects national security, and improves the resiliency of critical supply chains by maximizing the use of American products in Federal awards for infrastructure.

Building on existing guidance, this memorandum directs Federal agencies to use the program development and NOFO process as a tool to identify and address supply chain gaps. Early identification of items that are not available domestically can provide opportunities for agencies to take steps to build domestic manufacturing capacity.

For all significant infrastructure programs subject to BABA requirements established after this memorandum is published, Federal agencies should specify in the NOFO the products that are anticipated to constitute major material expenditures under the program and indicate which of those may need to be foreign-sourced. Agencies should consider, where appropriate, engaging with industry and other agencies to develop a plan for increasing domestic supply, in coordination with OMB. Federal agencies are also encouraged to gather Buy America sourcing plans from applicants as part of the application process. Federal agencies should consider asking

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<sup>9</sup> <https://www.whitehouse.gov/wp-content/uploads/2023/10/M-24-02-Buy-America-Implementation-Guidance-Update.pdf>.

<sup>10</sup> Pub. L. 117-58.

applicants to identify products they expect to procure for the infrastructure project that are not available domestically, and to describe their plan to comply with domestic content requirements.

### **III. Implementation of Post-Award Accountability and Transparency Practices**

Federal agencies and recipients must continue implementing efficiencies in the post-award administration and management of Federal awards in order to reduce burden while promoting accountability and transparency and delivering program outcomes for the American people. The Administration is committed to increasing the transparency of Federal financial assistance data and providing flexibility to recipients during situations of undue hardship.

#### *Sub-Recipient Reporting*

Maintaining high quality and accurate Federal financial assistance award and subaward data is essential for providing transparency with respect to how Federal funding is spent. The prime recipient is responsible for reporting quality subaward data to the Federal Funding Accountability and Transparency Act of 2006 Subaward Reporting System (FSRS) that is subsequently displayed on USASpending.gov. Federal agencies, in turn, are responsible for holding prime recipients accountable for this reporting taking place. Federal agencies also have a role in ensuring prime recipients understand the reporting requirements and assisting to resolve subaward reporting challenges. Agencies can do this in a variety of ways, including checking USASpending.gov to verify that subaward reporting is taking place as outlined in the Federal award term. Federal agencies may also offer technical assistance and training, including on how prime recipients can correct errors via FSRS, particularly in response to audit findings indicating that recipients are not complying with subaward reporting requirements.

Federal award and subaward descriptions are critical to informing the public of Federal spending. The Federal award and subaward description provide the public with an understanding of the purpose of the Federal award provided to the recipient. The descriptions should include award-specific activities and avoid acronyms or Federal or agency-specific terminology. Agencies should update their Federal award terms to clearly convey to prime recipients this requirement to provide complete subaward descriptions to further increase Federal award transparency.

#### *Core Data Elements*

The Administration continues to make progress strengthening the transparency of Federal award data by developing and implementing standardized data elements across all Federal agencies. This Memorandum continues that progress and establishes efficiencies by leveraging previously established data elements. A subset of data elements that pertain to grants and cooperative agreements developed in response to the Federal Funding Accountability and Transparency Act (FFATA) of 2006 (as amended by the DATA Act of 2014),<sup>11</sup> contained in the

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<sup>11</sup> Pub. L. 109–282, as amended. See 31 U.S.C. 6101 note.

data dictionary of USAspending.gov, will serve as the initial core data elements<sup>12</sup> for the data standards required by the Grant Reporting Efficiency and Agreements Transparency Act of 2019.<sup>13</sup>

Federal agencies will continue FFATA reporting requirements without disruption, as the Core Data Element designation builds on and does not disrupt existing data flows. For future proposed data elements to the USAspending.gov data dictionary, the Department of the Treasury will, prior to making relevant changes to the website, consult with OMB and the Department of Health and Human Services (HHS) (as the Standards Setting Agency) to determine if the proposed data element is applicable to grants and cooperative agreements; if so, OMB and HHS will also need to consult on its definition and will make a determination as to whether it will be included in the core data elements. Additionally, data elements will be finalized in a series of tranches over time. OMB will announce the publication of each tranche as it is completed.

#### *Single Audit Report Request for Extension*

Timely Single Audit reports are necessary for proper program oversight. Nevertheless, the law recognizes that in cases of undue burden on a non-Federal entity, an extension on the report deadline may be necessary. *See* 31 U.S.C. § 7502(h) (providing that audit reports are due “9 months after the end of the period audited, or within a longer timeframe authorized by the [relevant] Federal agency ... when the 9-month timeframe would place an undue burden on the non-Federal entity”). Subpart F of Title 2 of the CFR has been updated at section 200.512(a) to more accurately reflect the provisions of the Single Audit Act with respect to the report submission deadline. The cognizant agency for audit or oversight agency for audit (in the absence of a cognizant agency for audit) may authorize an extension when the nine-month timeframe would place an undue burden on the auditee. 2 CFR 200.512(a) (as revised).

Cognizant agencies for audit listed on the Federal Audit Clearinghouse website should expect to receive deadline extension requests from non-Federal entities. The cognizant agency for audit should distribute the deadline extension request to all applicable Federal agencies. The cognizant agency for audit should then determine whether an extension will be granted and the length of any extension, and provide its decision to OMB. If different cognizant agencies for audit are unable to coordinate deadline extensions for significant events affecting a large number of recipients (such as natural disasters or other events affecting a specific geographic area or a specific industry), OMB will coordinate among the cognizant agencies for audit to ensure that deadline extensions are consistent. The cognizant agency for audit should notify the recipient of its decision regarding the request.

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<sup>12</sup> 31 U.S.C. § 6401(2) defines “core data elements” as data elements relating to financial management, administration, or management that—(A) are not program-specific in nature or program specific outcome measures, as defined in section 1115(h) of ... title 31 U.S.C.; and (B) are required by agencies for all or the vast majority of recipients of Federal awards for purposes of reporting.

<sup>13</sup> Pub. L. 116–103.



Within 30 days of the issuance of this Memorandum, cognizant agencies for audit should: (1) identify a point of contact within the agency to receive requests from non-Federal entities seeking report submission deadline extensions; (2) identify the individual in the agency responsible for making deadline extension determinations; and (3) provide these names to OMB.

#### *Grants and Cooperative Agreements Management Systems*

In accordance with OMB Memorandum M-19-16, Federal agencies are reminded to consult with the lead Grants Quality Service Management Office (QSMO) (GrantsQSMO@hhs.gov) when updating their grants and cooperative agreements management systems and supporting contracts. HHS, as the designated Grants QSMO lead agency, has the responsibility for managing such capabilities. QSMOs are responsive to customer agencies that use their services and offer premier capabilities, employing best practices from both the public and private sectors to offer competitive solutions that drive standardization and provide high quality service offerings that are responsive and adaptable to agency business needs.

#### **IV. Next Steps**

Unless otherwise specified in this memorandum, the Federal agency's Senior Financial Assistance Officer, or in the case of small agencies, the individual designated by the head of the agency, is responsible for sending all deliverables to OMB at MBX.OMB.Grants@omb.eop.gov.