



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

2 CFR Part 1500

40 CFR Parts 30, 31, 33, 35, 40, 45, 46, and 47

[FRL-9926-01-OARM]

RIN 2030-AA99

Governmentwide Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final Rule.

SUMMARY: The Environmental Protection Agency (EPA) has adopted as final, with changes, the interim final rule outlining uniform administrative requirements, cost principles, and audit requirements for federal awards.

DATES: This final rule is effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Alexandra Raver, National Policy Training and Compliance Division in the Office of Grants and Debarment (3903R), Environmental Protection Agency, 1200 Pennsylvania Avenue, NW, Washington, DC 20460; telephone number: 202-564-5296; fax number: 202-565-2470; e-mail address: raver.alexandra@epa.gov.

SUPPLEMENTARY INFORMATION:

I. General Information

Affected Entities

Entities affected by this action are those that apply for and/or receive Federal financial assistance (grants, cooperative agreements or fellowships) from EPA including but not limited to: State and local governments, Indian tribes, intertribal consortia, institutions of higher education, hospitals, and other non-profit organizations, and individuals.

II. Background

This final rule implements for the Environmental Protection Agency the final guidance *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* published by the Office of Management and Budget (OMB) on December 26, 2013 in 2 CFR Part 200 (Uniform Guidance—available at 78 FR 78589) and amended in the joint interim final rule published on December 19, 2014 (Interim Final Rule – available at 79 FR 75867). The Uniform Guidance followed on a notice of proposed guidance issued February 1, 2013 (available at 78 FR 7282), and an advanced notice of proposed guidance issued February 28, 2012 (available at 77 FR 11778).

The final guidance incorporated feedback received from the public in response to those earlier issuances. Additional supporting resources are available from the Council on Financial Assistance Reform at www.cfo.gov/COFAR.

The Uniform Guidance delivered on two presidential directives; Executive Order 13520 on Reducing Improper Payments (74 FR 62201; November 15, 2009), and February 28, 2011 Presidential Memorandum on Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments, (Daily Comp. Pres. Docs.;

<http://www.gpo.gov/fdsys/pkg/DCPD-201100123/pdf/DCPD-201100123.pdf>). It reflected more than two years of work by the Council on Financial Assistance Reform to improve the efficiency and effectiveness of Federal financial assistance. For a detailed discussion of the reform and its impacts, please see the **Federal Register** notice for the issuance of the final guidance (78 FR 78589).

EPA's final rule incorporates minor changes to address a typographical error identifying the standard for quality management systems for environmental information and technology programs and to add 5 U.S.C. 301 to the authority citations in the regulation text.

Authority: 5 U.S.C. 301, 42 U.S.C. 241, 242b, 243, 246, 1857 *et seq.*, 33 U.S.C. 1251 *et seq.*, 42 U.S.C. 7401 *et seq.*, 42 U.S.C. 6901 *et seq.*, 42 U.S.C. 300f *et seq.*, 7 U.S.C. 136 *et seq.*, 15 U.S.C. 2601 *et seq.*, 42 U.S.C. 9601 *et seq.*, 20 U.S.C. 4011 *et seq.*, and 33 U.S.C. 1401 *et seq.*; 2 CFR 200.

III. Statutory and Executive Order Reviews

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review

This action is not a significant regulatory action and was therefore not submitted to the Office of Management and Budget (OMB) for review.

B. Paperwork Reduction Act

This action does not impose any new information collection burden under the PRA. OMB has previously approved the information collection activities contained in the existing

regulations and has assigned OMB control number 2030-0020. The OMB control numbers for EPA's regulations in 40 CFR are listed in 40 CFR part 9.

C. Regulatory Flexibility Act

This action is not subject to the RFA. The RFA applies only to rules subject to notice and comment rulemaking requirements under the Administrative Procedure Act (APA), 5 U.S.C. 553, or any other statute. This rule is not subject to notice and comment requirements under the APA or any other statute because this rule pertains to grants, which the APA expressly exempts from notice and comment rulemaking requirements. 5 U.S.C. 553(a)(2).

D. Unfunded Mandates Reform Act

This action does not contain any unfunded mandate as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. UMRA does not apply to this action because it requires compliance with accounting and auditing procedures for grants, other money or property provided by the federal government.

E. Executive Order 13132 (Federalism)

This action does not have federalism implications. It will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

F. Executive Order 13175

This action does not have tribal implications as specified in Executive Order 13175. This action affects all applicants and recipients of EPA financial federal assistance and therefore no one entity type will be impacted disproportionately. Thus, Executive Order 13175 does not apply to this action. Although Executive Order 13175 does not apply to this action, EPA has made a conscious effort to engage tribal entities on changes to federal financial assistance requirements.

EPA published materials summarizing these changes which can be found at <http://www.epa.gov/ogd/grants/regulations.htm>. EPA intends to host informational sessions tailored to tribal entities.

G. Executive Order 13045: Protection of Children from Environmental Health Risks and Safety Risks

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of “covered regulatory action” in section 2-202 of the Executive Order. This action is not subject to Executive Order 13045 because it does not concern an environmental health risk or safety risk.

H. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This action is not subject to Executive Order 13211, because it is not a significant regulatory action under Executive Order 12866.

I. National Technology Transfer and Advancement Act

This action does not involve technical standards.

J. Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations

The EPA believes that it is not feasible to determine whether the human health or environmental risk addressed by this action will have potential disproportionately high and adverse effects on minority, low-income or indigenous populations.

K. Congressional Review Act

This action is subject to the CRA, and the EPA will submit a rule report to each House of the Congress and to the Comptroller General of the United States. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

List of Subjects

2 CFR Part 1500

Environmental protection, Accounting, Administrative practice and procedure, Colleges and universities, Grant programs, Hospitals, Indians, Intergovernmental relations, Loan programs, Nonprofit organizations, Reporting and recordkeeping requirements.

40 CFR Part 30

Environmental protection, Accounting, Colleges and universities, Grant programs, Hospitals, Nonprofit organizations, Reporting and recordkeeping requirements.

40 CFR Part 31

Environmental protection, Accounting, Administrative practice and procedure, Grant programs, Indians, Intergovernmental relations, Loan programs, Reporting and recordkeeping requirements.

40 CFR Part 33

Environmental protection, Grant programs, Minority businesses, Reporting and recordkeeping requirements.

40 CFR Part 35

Environmental protection, Air pollution control, Coastal zone, Grant programs, Hazardous waste, Indians, Intergovernmental relations, Pesticides and pests, Reporting and recordkeeping requirements, Technical assistance, Waste treatment and disposal, Water pollution control, Water supply.

40 CFR Part 40

Environmental protection, Grant programs, Reporting and recordkeeping requirements.

40 CFR Part 45

Environmental protection, Education, Grant programs, Reporting and recordkeeping requirements.

40 CFR Part 46

Environmental protection, Education, Grant programs, Reporting and recordkeeping requirements, Scholarships and fellowships.

40 CFR Part 47

Environmental protection, Education, Grant programs, Reporting and recordkeeping requirements.

Dated: September 30, 2015.

Gina McCarthy,

Administrator.

Accordingly, the interim rule amending 2 CFR part 1500 and 40 CFR Parts 30, 31, 33, 35, 40, 45, 46, and 47 which was published in the Federal Register at 79 FR 75867 on December 19, 2014, is adopted as final with the following changes:

Title 2 – Grants and Agreements

CHAPTER XV – ENVIRONMENTAL PROTECTION AGENCY

PART 1500 – UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

1. The authority citation for part 1500 is revised to read as follows:

Authority: 5 U.S.C. 301, 42 U.S.C. 241, 242b, 243, 246, 1857 *et seq.*, 33 U.S.C. 1251 *et seq.*, 42 U.S.C. 7401 *et seq.*, 42 U.S.C. 6901 *et seq.*, 42 U.S.C. 300f *et seq.*, 7 U.S.C. 136 *et seq.*, 15 U.S.C. 2601 *et seq.*, 42 U.S.C. 9601 *et seq.*, 20 U.S.C. 4011 *et seq.*, and 33 U.S.C. 1401 *et seq.*; 2 CFR part 200.

Subpart D – Post Federal Award Requirements

§ 1500.11 [Amended]

2. In § 1500.11, paragraphs (c) and (f)(1)(i) are amended by removing “ANSI/ASQ” and adding “ASQ/ANSI” in its place.

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