

**FINDINGS AND DETERMINATION for
CLASS DEVIATION to 2 CFR 910.360 REAL PROPERTY AND
EQUIPMENT and 2 CFR 910.510
FINANCIAL STATEMENTS FOR FOR-PROFIT ORGANIZATIONS**

Findings:

DOE makes financial assistance awards to institutions of higher education, non-profit organizations, state, local and tribal governments, and for-profit organizations.

The Department of Energy (DOE) promulgates regulations for Federal financial assistance awards at 2 Code of Federal Regulations (CFR) 910. 2 CFR 910 codified the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards that were issued by OMB at 2 CFR 200.

2 CFR part 910 contains specific changes to 2 CFR 200 that apply to for-profit organizations and in some cases, the provisions in 2 CFR 910 Subpart D and Subpart F will replace the language in a specific section of 2 CFR part 200.

Recent updates by OMB to 2 CFR 200.313 *Equipment*, to raise the threshold for the value of equipment from \$5,000 to \$10,000, and to 2 CFR 200.414 *Indirect costs*, to raise the de minimis indirect rate from 10% to 15% requires DOE to update the equipment threshold for for-profit organizations in 2 CFR 910.360, *Real property and equipment*, and update the de minimis rate in 2 CFR 910.510, *Financial statements*, to provide relief in DOE requirements and to maintain consistency in requirements and guidance.

The update for 2 CFR 910 to increase the threshold and de minimis rate requires a rulemaking with notice to and the opportunity for comment from interested parties. DOE is unable to complete the rulemaking by this date. A class deviation is required to increase the threshold and de minimis rate prior to the completion of the rulemaking.

Determination:

In order to provide relief to for-profit organizations and maintain consistency in DOE's property and de minimis rate requirements for all financial assistance recipients, it is determined that a class deviation to 2 CFR 910.360 and 2 CFR 910.510 is in the best interest of DOE and necessary to achieve program objectives.

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Attachment: Deviation text

Deviation Text to 2 CFR 910.360 and 2 CFR 910.510

§ 910.360 Real property and equipment.

(a) Prior approvals for acquisition with Federal funds. Recipients may purchase real property or equipment with an acquisition cost per unit of **\$10,000** or more in whole or in part with Federal funds only with the prior written approval of the contracting officer or in accordance with express award terms.

(g) Disposition. (1) If, as determined by the contracting officer, an item of real property or equipment is no longer needed for Federally sponsored projects, or if the recipient has suspended work on the project, the recipient has the following options:

(i) If the property is equipment with a current per unit fair market value of less than **\$10,000**, it may be retained, sold, or otherwise disposed of with no further obligation to DOE.

(Note: bolded text changed from \$5,000 to \$10,000.)

§ 910.510 Financial statements.

(b) Schedule of expenditures of DOE awards. The auditee must prepare a schedule of expenditures of DOE awards for the period covered by the auditee's fiscal year which must include the total DOE awards expended as determined in accordance with § 910.502 Basis for determining DOE awards expended. While not required, the auditee may choose to provide information requested by DOE and pass-through entities to make the schedule easier to use. For example, when a DOE program has multiple DOE award years, the auditee may list the amount of DOE awards expended for each DOE award year separately. At a minimum, the schedule must:

(6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the for-profit entity elected to use the **15%** de minimis cost rate as covered in 2 CFR 200.414 Indirect (F&A) costs.

(Note: bolded text changed from 10% to 15%)