

November 2024 Monthly Newsletter

<u>Updates to Federal Financial</u> <u>Regulations (2 CFR 200)</u>

On October 1, 2024, a Final Rule was implemented that made significant updates to 2 CFR 200. While most changes appear to not affect the Nutrition and Household Programs administered by TDA, there are several changes that will impact our operators, including:

- Equipment threshold increased from \$5,000 to \$10,000. This means that as of October 1, 2024, only equipment purchases of \$10,000 or more require a Capital Expenditure request.
- The single audit threshold has increased from \$750,000 to \$1 million. This means that any operator that expends more that \$1 million in Fiscal Year 2025 will need to conduct a single audit. Note that any operator that expended more that \$750,000 in FY 2024 will also need a single audit.
- For the few operators using the de minimis indirect cost rate, the percentage of modified total direct costs used to derive the rate has increased from 10% to 15%, and the threshold of federal reimbursement factored into the modified total direct cost amount has been increased from \$25,000 to \$50,000.
- The aggregate amount of unused supplies (including computers under \$10,000 each) that an operator can retain or sell at the time of closeout has been increased from \$5,000 to \$10,000. Note that if the amount is over \$10,000, TDA will be entitled to a percentage of the fair market value of the supplies or the amount received in the sale of those supplies.

Future Conference Survey - We Want to

Hear From You!

MegaCon 2025 Survey - We want to hear from you!

Please take a moment to complete a <u>brief survey</u>. Your feedback will help TDA Food and Nutrition improve future conference planning.

TANS Update

The Texas Automated Nutrition System (TANS) will replace TX-UNPS for administration and management of all programs beginning with Program Year 2026 applications. Timelines, resources, and updates are available now on the **Systems Hub**.

Crosswalk of 2 CFR 200 Updates Posted on SquareMeals

On October 25, TDA posted news on SquareMeals about updates to 2 CFR 200, the regulation that pertains to use of federal awards. While most updates are non-substantive in nature, some operators have requested to see a full list of the 560 changes to the regulation. TDA has posted on the Policy/Handbook pages of each program a USDA-provided **Excel crosswalk** of every edit made to the regulation.

RELEASE: Updated Pre-Award Civil Rights Compliance Review Form

The Pre-Award Civil Rights Compliance Review Form must be completed by new Contracting Entities (CEs) in all Child Nutrition and Household Programs prior to being approved for participation. This form has recently been updated to clarify that visual observation to obtain estimated racial/ethnic data is not allowable in CACFP and SFSP. Note that visual observation is not explicitly prohibited in any other program at this time. The form has also been updated with additional sources that a prospective CE may use to obtain the estimated data for the upcoming program year. The updated form is available in TX-UNPS and on each applicable program's Administration/Forms page.

NEW! Food Distribution Programs -Improving Access & Parity Final Rule

On October 31, 2024, USDA published the Food Distribution Programs -Improving Access & Parity Final Rule, which changes program regulations to make access and parity improvements within TEFAP, CSFP, and those using USDA Foods for disaster response. These changes must be implemented by December 30, 2024.





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