

# Rules and Regulations

Federal Register

Vol. 81, No. 188

Wednesday, September 28, 2016

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## DEPARTMENT OF AGRICULTURE

### Food and Nutrition Service

**7 CFR Parts 210, 215, 220, 225, 226, 227, 235, 240, 246, 247, 248, 249, 253, 272, 273, 274, 276, and 277**

**RIN 0584-AE42**

### **Regulatory Implementation of Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**

**AGENCY:** Food and Nutrition Service (FNS), USDA.

**ACTION:** Final rule.

**SUMMARY:** This rule amends FNS regulations to implement the Department of Agriculture final guidance of USDA-specific requirements in the Federal Agency Regulations for Grants and Agreements. **DATES:** Effective September 28, 2016.

**FOR FURTHER INFORMATION CONTACT:** Lael Lubing, Food and Nutrition Service, Financial Management, Grants Division, 3101 Park Center Drive, Room 732, Alexandria, VA or [lael.lubing@fns.usda.gov](mailto:lael.lubing@fns.usda.gov).

**SUPPLEMENTARY INFORMATION:** This rule amends FNS regulations to implement the Department of Agriculture final guidance of USDA-specific requirements at 2 CFR part 400 on December 19, 2014 (79 FR 75871). Prior to that, on December 26, 2013, the Office of Management and Budget (OMB) published "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" in 2 CFR part 200 (78 FR 78589). OMB's final guidance at 2 CFR part 200 followed a Notice of Proposed Guidance issued February 1, 2013, and an Advanced Notice of Proposed Guidance issued February 28, 2012. The OMB 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](http://www.cfo.gov/COFAR). In accordance with the good cause exception under the APA, it is unnecessary to engage in the Notice and Comment provisions of 5 U.S.C. 553 because the provisions set forth in this rulemaking are a non-discretionary implementation of USDA requirements codified at 2 CFR part 400. The APA exempts from the prior notice and opportunity for comment requirements rules "relating to Agency management or personnel or to public property, loans, grants, benefits, or contracts" (5 U.S.C. 553 (a)(2)).

Currently, references appear throughout the FNS regulations to the OMB guidance consolidated under the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" and the USDA implementing regulations in Title 2, of the CFR. There are over 100 references throughout 19 Parts of the FNS regulations that must be revised to accurately reference the revised OMB and USDA regulations. FNS is therefore proposing nomenclature revisions to the following Parts of Title 7: 210, 215, 220, 225, 226, 227, 235, 240, 246, 247, 248, 249, 253, 272, 273, 274, 276, and 277. The revisions will remove the following references, and other associated outdated references, and replace them as appropriate:

#### References:

7 CFR Part 3015  
7 CFR Part 3016  
7 CFR Part 3017  
7 CFR Part 3018  
7 CFR Part 3019  
7 CFR Part 3021  
7 CFR Part 3052  
OMB Circular A-133  
OMB Circular A-102  
OMB Circular A-87  
SF-269

As noted above, the final OMB guidance incorporated feedback received from the public.

#### Procedural Matters

#### **Executive Order 12866 and 13563**

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is

necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This final rule has been determined to be not significant and, therefore, was not reviewed by the Office of Management and Budget (OMB) in conformance with Executive Order 12866.

#### *Regulatory Impact Analysis*

This rule has been designated as not significant by the Office of Management and Budget, therefore, no Regulatory Impact Analysis is required.

#### *Regulatory Flexibility Act*

The Regulatory Flexibility Act (5 U.S.C. 601-612) requires Agencies to analyze the impact of rulemaking on small entities and consider alternatives that would minimize any significant impacts on a substantial number of small entities. Pursuant to that review, it has been certified that this rule would not have a significant impact on a substantial number of small entities.

#### **Unfunded Mandates Reform Act**

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local and tribal governments and the private sector. Under section 202 of the UMRA, the Department generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures by State, local or tribal governments, in the aggregate, or the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, Section 205 of the UMRA generally requires the Department to identify and consider a reasonable number of regulatory alternatives and adopt the most cost effective or least burdensome alternative that achieves the objectives of the rule.

This rule does not contain Federal mandates (under the regulatory provisions of Title II of the UMRA) for State, local and tribal governments or the private sector of \$100 million or more in any one year. Thus, the rule is

not subject to the requirements of sections 202 and 205 of the UMRA.

### Federalism Summary Impact Statement

Executive Order 13132 requires Federal agencies to consider the impact of their regulatory actions on State and local governments. Where such actions have federalism implications, agencies are directed to provide a statement for inclusion in the preamble to the regulations describing the agency's considerations in terms of the three categories called for under Section (6)(b)(2)(B) of Executive Order 13121. The Department has considered the impact of this rule on State and local governments and has determined that this rule does not have federalism implications. Therefore, under section 6(b) of the Executive Order, a federalism summary is not required.

### Executive Order 12988, Civil Justice Reform

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is intended to have preemptive effect with respect to any State or local laws, regulations or policies which conflict with its provisions or which would otherwise impede its full and timely implementation. This rule is not intended to have retroactive effect unless so specified in the Effective Dates section of the final rule. Prior to any judicial challenge to the provisions of the final rule, all applicable administrative procedures must be exhausted.

### Civil Rights Impact Analysis

FNS has reviewed this rule in accordance with USDA Regulation 4300-4, "Civil Rights Impact Analysis," to identify any major civil rights impacts the rule might have on program participants on the basis of age, race, color, national origin, sex or disability. After a review of the rule's intent and provisions, FNS has determined that this rule is not expected to affect the participation of protected individuals in FNS program(s).

### Executive Order 13175

Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a government-to-government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and

other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. FNS has assessed the impact of this rule on Indian tribes and determined that this rule does not, to our knowledge, have tribal implications that require tribal consultation under E.O. 13175. If a Tribe requests consultation, FNS will work with the Office of Tribal Relations to ensure meaningful consultation is provided where changes, additions and modifications identified herein are not expressly mandated by Congress.

### Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. Chap. 35; 5 CFR 1320) requires the Office of Management and Budget (OMB) approve all collections of information by a Federal agency before they can be implemented. Respondents are not required to respond to any collection of information unless it displays a current valid OMB control number. This rule does not contain information collection requirements subject to approval by the Office of Management and Budget under the Paperwork Reduction Act of 1994.

### E-Government Act Compliance

The Department is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

### List of Subjects

#### 7 CFR Part 210

Grant programs—education, Grant programs—health.

#### 7 CFR Part 215

Grant programs—education, Grant programs—health.

#### 7 CFR Part 220

Grant programs—education, Grant programs—health.

#### 7 CFR Part 225

Grant programs—health.

#### 7 CFR Part 226

Grant programs, Grant programs—health.

#### 7 CFR Part 227

Grant programs—education, Grant programs—health.

#### 7 CFR Part 235

Grant programs—education, Grant programs—health.

#### 7 CFR Part 240

Grant programs—education, Grant programs—health.

#### 7 CFR Part 246

Grant programs—health, Grant programs—social programs.

#### 7 CFR Part 247

Grant programs—health, Grant programs—social programs.

#### 7 CFR Part 248

Grant programs—social programs.

#### 7 CFR Part 249

Grant programs—social programs.

#### 7 CFR Part 253

Grant programs—social programs.

#### 7 CFR Part 272

Grant programs—social programs.

#### 7 CFR Part 273

Grant programs—social programs.

#### 7 CFR Part 274

Grant programs—social programs.

#### 7 CFR Part 276

Grant programs—social programs.

#### 7 CFR Part 277

Grant programs—social programs.

Accordingly, 7 CFR parts 210, 215, 220, 225, 226, 227, 235, 240, 246, 247, 248, 249, 253, 272, 273, 274, 276, and 277 are amended as follows:

### PART 210—NATIONAL SCHOOL LUNCH PROGRAM

■ 1. The authority citation for 7 CFR part 210 continues to read as follows:

**Authority:** 42 U.S.C. 1751–1760, 1779.

**§§ 210.5, 210.9, 210.19, 210.20, 210.22, 210.24, 210.25 [Amended]**

■ 2. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
210.5 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.

Section	Remove	Add
210.9 .....	7 CFR part 3015 and 7 CFR part 3016, or 7 CFR part 3019, as applicable.	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
210.19 .....	7 CFR part 3015 and 7 CFR part 3016, or 7 CFR part 3019.	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
210.22 .....	Office of Management and Budget Circular A-133 and the Department's implementing regulations at 7 CFR part 3052. For availability of the OMB Circular mentioned in this paragraph, please refer to 5 CFR 1310.3.	2 CFR part 200, subpart F and Appendix XI (Compliance Supplement) and USDA implementing regulations 2 CFR part 400 and part 415.
210.22 .....	7 CFR part 3015 .....	2 CFR part 200, subpart F and Appendix XI, and USDA implementing regulations 2 CFR part 400 and part 415.
210.24 .....	§§ 3016.43 and 3019.62 of this title .....	2 CFR 200.338 through 200.342.
210.25 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.

■ 3. In § 210.2:

■ a. Remove the definitions for 7 CFR part 3015, 7 CFR part 3016, 7 CFR part 3018; 7 CFR part 3019, and 7 CFR part 3052;

■ b. Add a definition, in alphabetical order, for 2 CFR part 200.

■ c. Revise the definition for *Applicable credits*.

■ d. Add a definition, in alphabetical order, for *USDA implementing regulations*.

The additions and revision read as follows:

**§ 210.2 Definitions.**

\* \* \* \* \*

2 CFR part 200, means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by OMB. The part reference covers applicable: Acronyms and Definitions (subpart A), General Provisions (subpart B), Post Federal Award Requirements (subpart D), Cost Principles (subpart E), and Audit Requirements (subpart F). (NOTE: Pre-Federal Award Requirements and Contents of Federal Awards (subpart C) does not apply to the National School Lunch Program).

\* \* \* \* \*

Applicable credits shall have the meaning established in 2 CFR part 200 and USDA implementing regulations 2 CFR part 400 and part 415.

\* \* \* \* \*

*USDA implementing regulations* include the following: 2 CFR part 400, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR part 415, General Program Administrative Regulations; 2 CFR part 416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments; and 2 CFR part 418, New Restrictions on Lobbying.

\* \* \* \* \*

■ 4. In § 210.3:

■ a. Revise the last sentence of paragraph (b).

■ b. Revise the last sentence of paragraph (d).

The revisions read as follows:

**§ 210.3 Administration.**

\* \* \* \* \*

(b) \* \* \* Each State agency desiring to administer the Program shall enter into a written agreement with the Department for the administration of the Program in accordance with the applicable requirements of this part; parts 235 and 245 of this chapter; parts 15, 15a, and 15b of this title, and 2 CFR part 200; USDA implementing regulations 2 CFR part 400 and part 415; and FNS instructions.

\* \* \* \* \*

(d) \* \* \* State agencies shall ensure that school food authorities administer the Program in accordance with the applicable requirements of this part; part 245 of this chapter; parts 15, 15a, and 15b, and 3016 or 3019, as applicable, of this title and 2 CFR part 200; USDA implementing regulations 2 CFR part 400 and part 415 and FNS instructions.

■ 5. Revise § 210.21(a) and (b), and the introductory text of paragraph (c), to read as follows:

**§ 210.21 Procurement.**

(a) *General*. State agencies and school food authorities shall comply with the requirements of this part and 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415, as applicable, which implement the applicable requirements, concerning the procurement of all goods and services with nonprofit school food service account funds.

(b) *Contractual responsibilities*. The standards contained in this part and 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415, as applicable, do not

relieve the State agency or school food authority of any contractual responsibilities under its contracts. The State agency or school food authority is the responsible authority, without recourse to FNS, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in connection with the Program. This includes, but is not limited to source evaluation, protests, disputes, claims, or other matters of a contractual nature. Matters concerning violation of law are to be referred to the local, State, or Federal authority that has proper jurisdiction.

(c) *Procedures*. The State agency may elect to follow either the State laws, policies and procedures as authorized by 2 CFR 200.317, or the procurement standards for other governmental grantees and all governmental subgrantees in accordance with 2 CFR 200.318 through 2 CFR 200.326. Regardless of the option selected, States must ensure that all contracts include any clauses required by Federal statutes and executive orders and that the requirements 2 CFR 200.236 and Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Award are followed. A school food authority may use its own procurement procedures which reflect applicable State and local laws and regulations, provided that procurements made with nonprofit school food service account funds adhere to the standards set forth in this part and in 2 CFR part 200, subpart D, as applicable. School food authority procedures must include a written code of standards of conduct meeting the minimum standards of 2 CFR 200.318, as applicable.

\* \* \* \* \*

**§ 210.25 [Amended]**

■ 6. In § 210.25, remove the words “or the parallel provisions of 7 CFR part 3019,”.

**PART 215—SPECIAL MILK PROGRAM FOR CHILDREN**

■ 7. The authority citation for 7 CFR part 215 continues to read as follows:

**Authority:** 42 U.S.C. 1772 and 1779.

**§§ 215.3, 215.11, 215.13, 215.15, 215.16 [Amended]**

■ 8. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
215.3 .....	7 CFR part 3015, 7 CFR part 3016 and 7 CFR part 3019, and with.	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400, subparts B and D and USDA implementing regulations 2 CFR part 400 and part 415, and.
215.11 .....	SF–269 .....	FNS–777.
215.13 .....	Office of Management and Budget Circular A–133 and the Department’s implementing regulations at 7 CFR part 3052.	2 CFR part 200, subpart F, and Appendix XI, Compliance Supplement and USDA’s implementing regulations 2 CFR part 400 and part 415.
215.15 .....	at §§ 3016.43 and 3019.62 of this title .....	2 CFR 200.338 through 200.342.
215.16 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR subparts B and D and USDA implementing regulations 2 CFR part 400 and part 415.

■ 9. In § 215.2:

■ a. Remove the definitions for 7 CFR part 3015, 7 CFR part 3016, 7 CFR part 3018, 7 CFR part 3019, and 7 CFR part 3052.

■ b. Add a definition, in alphabetical order, for 2 CFR part 200.

■ c. Revise the definition for Applicable credits.

■ d. Add a definition, in alphabetical order, for *USDA implementing regulations*.

The additions and revision read as follows:

**215.2 Definitions.**

\* \* \* \* \*

2 CFR part 200, means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by OMB. The part reference covers applicable: Acronyms and Definitions (subpart A), General Provisions (subpart B), Post Federal Award Requirements (subpart D), Cost Principles (subpart E), and Audit Requirements (subpart F). (NOTE: Pre-Federal Award Requirements and Contents of Federal Awards (subpart C) does not apply to the National School Lunch Program).

\* \* \* \* \*

*Applicable credits shall have the meaning established in 2 CFR part 200 and USDA implementing regulations 2 CFR part 400 and part 415.*

\* \* \* \* \*

*USDA implementing regulations* include the following: 2 CFR part 400, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR part 415, General Program Administrative Regulations; 2 CFR part

416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments; and 2 CFR part 418, New Restrictions on Lobbying.

\* \* \* \* \*

**§ 215.13 [Amended]**

■ 10. Amend § 215.13(a) by removing the last sentence.

■ 11. Revise § 215.14a (a) and (b), and the introductory text of paragraph (c), to read as follows:

**§ 215.14a Procurement standards.**

(a) *General*. State agencies and school food authorities shall comply with the requirements of this part and 2 CFR part 200 and USDA implementing regulations 2 CFR part 400 and part 415, as applicable concerning the procurement of all goods and services with nonprofit school food service account funds.

(b) *Contractual responsibilities*. The standards contained in this part and 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 200 subparts B and D and USDA implementing regulations 2 CFR part 400 and part 415, as applicable, do not relieve the State agency or School Food Authority of any contractual responsibilities under its contract. The State agency or School Food Authority is the responsible authority, without recourse to FNS, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in connection with the Program. This includes but is not limited to: Source evaluation, protests, disputes, claims, or other matters of a contractual nature.

Matters concerning violation of law are to be referred to the local, State or Federal authority that has proper jurisdiction.

(c) *Procedures*. The State agency may elect to follow either the State laws, policies and procedures as authorized by 2 CFR 200.317, or the procurement standards for other governmental grantees and all governmental subgrantees in accordance with 2 CFR 200.318 through 2 CFR 200.326. Regardless of the option selected, States must ensure that all contracts include any clauses required by Federal statutes and executive orders and that the requirements of 2 CFR 200.236 and Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Award are followed. The school food authority or child care institution may use its own procurement procedures which reflect applicable State or local laws and regulations, provided that procurements made with nonprofit school food service account funds adhere to the standards set forth in this part and in 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415 as applicable. School food authority procedures must include a written code of standards of conduct meeting the minimum standards of 2 CFR 200.318, as applicable.

\* \* \* \* \*

**§ 215.16 [Amended]**

■ 12. In § 215.16, remove the words “, or the parallel provisions of 7 CFR part 3019, as applicable,”.

**PART 220—SCHOOL BREAKFAST PROGRAM**

Authority: 42 U.S.C. 1773, 1779, unless otherwise noted.

words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

■ 13. The authority citation for 7 CFR part 220 continues to read as follows:

**§§ 220.3, 220.13, 220.15, 220.18, 220.19 [Amended]**

■ 14. In the table below, for each section indicated in the left column, remove the

Section	Remove	Add
220.3 .....	7 CFR part 3015, 7 CFR part 3016 and 7 CFR part 3019, and with.	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 subparts B and D and USDA implementing regulations 2 CFR part 400 and part 415 and.
220.13 .....	7 CFR Part 3015, and 7 CFR Part 3016 or 7 CFR Part 3019.	2 CFR part 200, subpart D and E, as applicable, and USDA implementing regulations 2 CFR part 400 and part 415.
220.15 .....	Office of Management and Budget Circular A–133 and the Department's implementing regulations at 7 CFR part 3052. For availability of the OMB Circular mentioned in this paragraph, please refer to 5 CFR 1310.3.	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement, and USDA implementing regulations 2 CFR part 400 and part 415.
220.18 .....	Departmental regulations at §§ 3016.43 and 3019.62 of this title.	2 CFR 200.338 through 342.
220.19 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 subparts B and D and USDA implementing regulations 2 CFR part 400 and part 415.

■ 15. In § 220.2:

■ a. Remove the definitions for 7 CFR part 3015, 7 CFR part 3016, 7 CFR part 3018; 7 CFR part 3019, and 7 CFR part 3052.

■ b. Add a definition, in alphabetical order, for *2 CFR part 200*.

■ c. Revise the definition for Applicable credits.

■ d. Add a definition, in alphabetical order, for *USDA implementing regulations*.

The additions and revision read as follows:

**§ 220.2 Definitions.**

\* \* \* \* \*

*2 CFR part 200*, means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by OMB. The part reference covers applicable: Acronyms and Definitions (subpart A), General Provisions (subpart B), Post Federal Award Requirements (subpart D), Cost Principles (subpart E), and Audit Requirements (subpart F). (NOTE: Pre-Federal Award Requirements and Contents of Federal Awards (subpart C) does not apply to the National School Lunch Program).

\* \* \* \* \*

Applicable credits shall have the meaning established in 2 CFR part 200 and USDA implementing regulations 2 CFR part 400 and part 415.

\* \* \* \* \*

*USDA implementing regulations* include the following: 2 CFR part 400, Uniform Administrative Requirements, Cost Principles, and Audit

Requirements for Federal Awards; 2 CFR part 415, General Program Administrative Regulations; 2 CFR part 416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments; and 2 CFR part 418, New Restrictions on Lobbying.

\* \* \* \* \*

■ 16. Revise § 220.16 (a) and (b), and the introductory text of paragraph (c), to read as follows:

**§ 220.16 Procurement standards.**

(a) *General*. State agencies and school food authorities shall comply with the requirements of this part 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415, as applicable, which implement the applicable Office of Management and Budget Circulars, concerning the procurement of all goods and services with nonprofit school food service account funds.

(b) *Contractual responsibilities*. The standards contained in 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415, as applicable, do not relieve the State agency or School Food Authority of any contractual responsibilities under its contract. The State agency or School Food Authority is the responsible authority, without recourse to FNS, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in connection with the Program. This includes but is not

limited to: Source evaluation, protests, disputes, claims, or other matters of a contractual nature. Matters concerning violation of law are to be referred to the local, State or Federal authority that has proper jurisdiction.

(c) *Procedures*. The State agency may elect to follow either the State laws, policies and procedures as authorized by 2 CFR 200.317, or the procurement standards for other governmental grantees and all governmental subgrantees in accordance with 2 CFR 200.318 through 2 CFR 200.326. Regardless of the option selected, States must ensure that all contracts include any clauses required by Federal statutes and executive orders and that the requirements of 2 CFR 200.326 are followed. The school food authority may use its own procurement procedures which reflect applicable State and local laws and regulations, provided that procurements made with nonprofit school food service account funds adhere to the standards set forth in this part 2 CFR 200.326 and Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Award as applicable. School food authority procedures must include a written code of standards of conduct meeting the minimum standards of 2 CFR 200.318, as applicable.

\* \* \* \* \*

**§ 220.19 [Amended]**

■ 17. In § 220.19, remove the words “, or the parallel provisions of 7 CFR part 3019, as applicable,”.

**PART 225—SUMMER FOOD SERVICE PROGRAM**

**Authority:** Secs. 9, 13 and 14, Richard B. Russell National School Lunch Act, as amended (42 U.S.C. 1758, 1761 and 1762a).

words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

■ 18. The authority citation for 7 CFR part 225 continues to read as follows:

**§§ 225.7, 225.8, 225.10, 225.17, 225.18 [Amended]**

■ 19. In the table below, for each section indicated in the left column, remove the

Section	Remove	Add
225.7 .....	7 CFR part 3015, and 7 CFR part 3016 or 7 CFR part 3019.	2 CFR part 200, subpart D and E, and USDA implementing regulations 2 CFR part 400 and part 415.
225.8 .....	SF-269 .....	FNS-777.
225.10 .....	the Department's Uniform Federal Assistance Regulations (7 CFR part 3015).	2 CFR part 200, subpart F and USDA implementing regulations 2 CFR part 400 and part 415.
225.10 .....	7 CFR part 3015 .....	2 CFR part 200, subpart F and USDA implementing regulations 2 CFR part 400 and part 415.
225.10 .....	OMB Circular A-133 and the Department's implementing regulations at 7 CFR part 3052. (To obtain the OMB circular referenced in this paragraph, see 5 CFR 1310.3.).	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement and USDA implementing regulations 2 CFR part 400 and part 415.
225.17 .....	7 CFR part 3016 or 7 CFR part 3019 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
225.17 .....	set forth in 7 CFR part 3016 .....	set forth in 2 CFR part 200, subpart F and USDA implementing regulations 2 CFR part 400 and part 415.
225.17 .....	set forth in 7 CFR part 3019 .....	set forth in 2 CFR part 200, subpart F and USDA implementing regulations 2 CFR part 400 and part 415.
225.18 .....	7 CFR part 3016 or 7 CFR part 3019 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.

■ 20. In § 225.2:

■ a. Remove the definitions for 7 CFR part 3015, 7 CFR part 3016, 7 CFR part 3019, and 7 CFR part 3052.

■ b. Add a definition, in alphabetical order, for 2 CFR part 200.

■ c. Add a definition, in alphabetical order, for USDA implementing regulations.

The additions read as follows:

**§ 225.2 Definitions.**

\* \* \* \* \*

2 CFR part 200, means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by OMB. The part reference covers applicable: Acronyms and Definitions (subpart A), General Provisions (subpart B), Post Federal Award Requirements (subpart

D), Cost Principles (subpart E), and Audit Requirements (subpart F). (NOTE: Pre-Federal Award Requirements and Contents of Federal Awards (subpart C) does not apply to the National School Lunch Program).

\* \* \* \* \*

USDA implementing regulations include the following: 2 CFR part 400, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR part 415, General Program Administrative Regulations; 2 CFR part 416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments; and 2 CFR part 418, New Restrictions on Lobbying.

\* \* \* \* \*

**PART 226—CHILD AND ADULT CARE FOOD PROGRAM**

■ 21. The authority citation for 7 CFR part 226 continues to read as follows:

**Authority:** Secs. 9, 11, 14, 16, and 17, Richard B. Russell National School Lunch Act, as amended (42 U.S.C. 1758, 1759a, 1762a, 1765 and 1766).

**§§ 226.4, 226.7, 226.10, 226.22, 226.24, 226.25 [Amended]**

■ 22. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
226.4 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D, and USDA implementing regulations 2 CFR part 400 and part 415, as applicable.
226.6 .....	parts 3015, 3016, and 3019 of this title .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
226.7 .....	7 CFR part 3015, 7 CFR part 3016 and 7 CFR part 3019.	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
226.7 .....	SF-269 .....	FNS-777.
226.7 .....	parts 3015, 3016, and 3019 of this title .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
226.10 .....	7 CFR part 3016 or 7 CFR part 3019 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
226.22 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
226.22 .....	7 CFR part 3019 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.

Section	Remove	Add
226.22 .....	§ 3015.175 .....	2 CFR part 200, subpart D and Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards and USDA implementing regulations 2 CFR part 400 and part 415.
226.24 .....	7 CFR part 3016 or 7 CFR part 3019 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
226.25 .....	7 CFR part 3016 or 7 CFR part 3019 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.

■ 23. In § 226.2:

■ a. Remove the definitions for 7 *CFR part 3015*, 7 *CFR part 3016*, 7 *CFR part 3019*, and 7 *CFR part 3052*; and

■ b. Add a definition, in alphabetical order, for 2 *CFR part 200*.

■ c. Add a definition, in alphabetical order, for *USDA implementing regulations*.

The additions read as follows:

**§ 226.2 Definitions.**

\* \* \* \* \*

2 *CFR part 200*, means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by OMB. The part reference covers applicable: Acronyms and Definitions (subpart A), General Provisions (subpart B), Post Federal Award Requirements (subpart D), Cost Principles (subpart E), and Audit Requirements (subpart F). (NOTE: Pre-Federal Award Requirements and Contents of Federal Awards (subpart C) does not apply to the National School Lunch Program).

\* \* \* \* \*

*USDA implementing regulations* include the following: 2 CFR part 400,

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR part 415, General Program Administrative Regulations; 2 CFR part 416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments; and 2 CFR part 418, New Restrictions on Lobbying.

\* \* \* \* \*

■ 24. Revise § 226.8(a) and (b) to read as follows:

**§ 226.8 Audits.**

(a) Unless otherwise exempt, audits at the State and institution levels must be conducted in accordance with 2 CFR part 200, subpart F, Appendices X and XI, Data Collection Form and Compliance Supplement, respectively and USDA implementing regulations 2 CFR parts 400, 415 and 416. State agencies must establish audit policy for for-profit institutions. However, the audit policy established by the State agency must not conflict with the authority of the State agency or the Department to perform, or cause to be

performed, audits, reviews, agreed-upon procedures engagements, or other monitoring activities.

(b) The funds provided to the State agency under § 226.4(j) may be made available to institutions to fund a portion of organization-wide audits made in accordance with 2 CFR part 200, subpart F and USDA implementing regulations 2 CFR part 400 and part 415. The funds provided to an institution for an organization-wide audit must be determined in accordance with 2 CFR part 200, subpart F and USDA implementing regulations 2 CFR part 400 and part 415.

\* \* \* \* \*

**PART 227—NUTRITION EDUCATION AND TRAINING PROGRAM**

**§§ 227.30, 227.31, 227.35, 227.42 [Amended]**

■ 25. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
227.30 .....	7 CFR part 3015 .....	2 CFR part 200, subpart D, and USDA implementing regulations 2 CFR part 400 and part 415, as applicable.
227.30 .....	OMB Circular A–102 Attachment C .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
227.30 .....	SF–269 .....	FNS–777.
227.30 .....	OMB Circular A–102, Attachment H .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
227.30 .....	Federal Management Circular 74–4 and OMB Circular A–102, Attachment G.	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
227.30 .....	OMB Circular A–102, Attachments N and O, and Federal Management Circular 74–4.	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
227.30 .....	OMB Circular A–102, Attachment E .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
227.31 .....	OMB Circular A–102, Attachment G .....	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement.
227.35 .....	SF–269 .....	FNS–777.
227.42 .....	OMB Circular A–102, Attachment L .....	2 CFR part 200, subpart D, and USDA implementing regulations 2 CFR part 400 and part 415.

**PART 235—STATE ADMINISTRATIVE EXPENSE FUNDS**

■ 26. The authority citation for 7 CFR part 235 continues to read as follows:

**Authority:** Secs. 7 and 10 of the Child Nutrition Act of 1966, 80 Stat. 888, 889, as amended (42 U.S.C. 1776, 1779).

**§§ 235.3, 235.5, 235.6, 235.7, 235.8, 235.9, 235.11 [Amended]**

■ 27. In the table below, for each section indicated in the left column, remove the words indicated in the middle column

from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
235.3 .....	3015, and 3016 .....	and 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
235.5 .....	Office of Management and Budget Circular A–87, Attachment B, to establish cost categories.	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
235.5 .....	(SF) 269 .....	FNS 777.
235.6 .....	Office of Management and Budget Circular A–87 .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
235.7 .....	SF–269 .....	FNS–777.
235.8 .....	Office of Management and Budget Circular A–133, and the Department’s implementing regulations at 7 CFR part 3052. (To obtain the OMB circular referenced in this definition, see 5 CFR 1310.3.).	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement and USDA implementing regulations 2 CFR part 400 and part 415.
235.9 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
235.11 .....	SF–269 .....	FNS–777.
235.11(a) .....	7 CFR part 3016 .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
235.11(b)(5)(v) .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
235.11(d) .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.

■ 28. In § 235.2:

■ a. Remove the definitions for 7 CFR part 3015, 7 CFR part 3016, 7 CFR part 3018, 7 CFR part 3019, and 7 CFR part 3052; and

■ b. Add a definition, in alphabetical order, for 2 CFR part 200.

■ c. Add a definition, in alphabetical order, for *USDA implementing regulations*.

The additions read as follows:

**§ 235.2 Definitions.**

\* \* \* \* \*

2 CFR part 200, means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by OMB. The part reference covers applicable: Acronyms and Definitions (subpart A), General Provisions (subpart B), Post Federal Award Requirements (subpart D), Cost Principles (subpart E), and Audit Requirements (subpart F). (NOTE:

Pre-Federal Award Requirements and Contents of Federal Awards (subpart C) does not apply to the National School Lunch Program).

\* \* \* \* \*

*USDA implementing regulations* include the following: 2 CFR part 400, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR part 415, General Program Administrative Regulations; 2 CFR part 416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments; and 2 CFR part 418, New Restrictions on Lobbying.

**PART 240—CASH IN LIEU OF DONATED FOODS**

**§ 240.9 [Amended]**

■ 29. In § 240.9(c), remove the words “the Department’s Uniform Federal

Assistance Regulations (7 CFR part 3015)” and add, in their place, the words “2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415”.

**PART 246—SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN**

■ 30. The authority citation for 7 CFR part 246 continues to read as follows:

**Authority:** 42 U.S.C. 1786.

**§§ 246.3, 246.4, 246.12, 246.13, 246.14, 246.15, 246.17, 246.20, 246.24, 246.25 [Amended]**

■ 31. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
246.3 .....	7 CFR part 3016 .....	2 CFR part 200, subpart A–F and USDA implementing regulations 2 CFR part 400 and part 415.
246.3 .....	7 CFR part 3018 .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400, part 415, and part 418.
246.4 .....	7 CFR part 3017 .....	2 CFR part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension and USDA implementing regulations 2 CFR part 417.
246.4 .....	7 CFR part 3021 .....	2 CFR part 180, Government-wide Requirements for Drug-Free Workplace (Financial Assistance) and USDA implementing regulation 2 CFR part 421.
246.12 .....	<i>Part 3016</i> .....	2 CFR part 200, subpart D, and USDA implementing regulations 2 CFR part 400 and part 415.
246.12 .....	part 3016 of this title .....	2 CFR part 200, subpart D, and USDA implementing regulations 2 CFR part 400 and part 415.
246.13 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D, USDA implementing regulations 2 CFR part 400 and part 415.



Section	Remove	Add
246.14 .....	7 CFR part 3016 .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
246.15 .....	§ 3016.25(g) of this title .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
246.17 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
246.20 .....	part 3052 of this title .....	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement and USDA implementing regulations 2 CFR part 400 and part 415.
246.24(b) .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards and USDA implementing regulations 2 CFR part 400 and part 415.
246.24(c) .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards and USDA implementing regulations 2 CFR part 400 and part 415.
246.24(d) .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
246.25 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.

■ 32. In § 246.2:

- a. Remove the definitions for 7 CFR part 3016, 7 CFR part 3017, 7 CFR part 3018, and 7 CFR part 3021; and
- b. Add a definition, in alphabetical order, for 2 CFR part 200.
- c. Add a definition, in alphabetical order, for *USDA implementing regulations*.

The addition and revisions read as follows:

**§ 246.2 Definitions.**

\* \* \* \* \*

2 CFR part 200, means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by OMB. The part reference covers applicable: Acronyms and Definitions (subpart A), General Provisions (subpart B), Post Federal Award Requirements (subpart D), Cost Principles (subpart E), and Audit Requirements (subpart F). (NOTE: Pre-Federal Award Requirements and Contents of Federal Awards (subpart C) does not apply to the National School Lunch Program).

\* \* \* \* \*

*USDA implementing regulations* include the following: 2 CFR part 400, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR part 415, General Program Administrative Regulations; 2 CFR part 416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments; and 2 CFR part 418, New Restrictions on Lobbying.

\* \* \* \* \*

- 33. Revise § 246.3(f) to read as follows:

**§ 246.3 Administration.**

\* \* \* \* \*

(f) *Delegation to local agency.* The local agency shall provide Program benefits to participants in the most effective and efficient manner, and shall comply with this part, the Department's regulations governing nondiscrimination (7 CFR parts 15, 15a, 15b), the regulations governing the administration of grants (2 CFR part 200, subpart A–F and USDA implementing regulations 2 CFR part 400 and part 415), Office of Management and Budget Circular A–130, and State agency and FNS guidelines and instructions.

- 34. Revise § 246.6(b)(1) to read as follows:

**§ 246.6 Agreements with local agencies.**

\* \* \* \* \*

(b) \* \* \*

(1) Complies with all the fiscal and operational requirements prescribed by the State agency pursuant to debarment and suspension requirements and if applicable, the lobbying restrictions of 2 CFR part 200, subpart E, and USDA implementing regulations 2 CFR part 400, part 415, and part 417, and FNS guidelines and instructions, and provides on a timely basis to the State agency all required information regarding fiscal and Program information;

\* \* \* \* \*

- 35. Revise § 246.24(a) to read as follows:

**§ 246.24 Procurement and property management.**

(a) *Requirements.* State and local agencies shall ensure that subgrantees comply with the requirements for the

nonprocurement debarment/suspension requirements and, if applicable, the lobbying restrictions as required in 2 CFR part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension, 2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400, part 415, and part 417 concerning the procurement and allowability of food in bulk lots, supplies, equipment and other services with Program funds. These requirements are adopted to ensure that such materials and services are obtained for the Program in an effective manner and in compliance with the provisions of applicable law and executive orders.

\* \* \* \* \*

**PART 247—COMMODITY SUPPLEMENTAL FOOD PROGRAM**

- 36. The authority citation for 7 CFR part 247 continues to read as follows:

**Authority:** Sec. 5, Pub. L. 93–86, 87 Stat. 249, as added by Sec. 1304(b)(2), Pub. L. 95–113, 91 Stat. 980 (7 U.S.C. 612c note); sec. 1335, Pub. L. 97–98, 95 Stat. 1293 (7 U.S.C. 612c note); sec. 209, Pub. L. 98–8, 97 Stat. 35 (7 U.S.C. 612c note); sec. 2(8), Pub. L. 98–92, 97 Stat. 611 (7 U.S.C. 612c note); sec. 1562, Pub. L. 99–198, 99 Stat. 1590 (7 U.S.C. 612c note); sec. 101(k), Pub. L. 100–202; sec. 1771(a), Pub. L. 101–624, 101 Stat. 3806 (7 U.S.C. 612c note); sec. 402(a), Pub. L. 104–127, 110 Stat. 1028 (7 U.S.C. 612c note); sec. 4201, Pub. L. 107–171, 116 Stat. 134 (7 U.S.C. 7901 note); sec. 4221, Pub. L. 110–246, 122 Stat. 1886 (7 U.S.C. 612c note); sec. 4221, Pub. L. 113–79, 7 U.S.C. 612c note).

- 37. In § 247.1:

- a. Remove the definitions for 7 CFR part 3016, 7 CFR part 3019, and 7 CFR part 3052;
- b. Add a definition, in alphabetical order, for 2 CFR part 200; and

■ c. Add a definition, in alphabetical order, for *USDA implementing regulations*.

The additions read as follows:

**§ 247.1 Definitions.**

\* \* \* \* \*

2 CFR part 200, means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by OMB. The part reference covers applicable: Acronyms and Definitions (subpart A), General Provisions (subpart B), Post Federal Award Requirements (subpart D), Cost Principles (subpart E), and Audit Requirements (subpart F). (NOTE: Pre-Federal Award Requirements and Contents of Federal Awards (subpart C) does not apply to the National School Lunch Program).

\* \* \* \* \*

*USDA implementing regulations* include the following: 2 CFR part 400,

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 2 CFR part 415, General Program Administrative Regulations; 2 CFR part 416, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments; and 2 CFR part 418, New Restrictions on Lobbying.

\* \* \* \* \*

■ 38. Revise § 247.25(a) introductory text to read as follows:

**§ 247.25 Allowable uses of administrative funds and other funds.**

(a) *What are allowable uses of administrative funds provided to State and local agencies?* Administrative funds may be used for costs that are necessary to ensure the efficient and effective administration of the program, in accordance with 2 CFR part 200,

subpart E and USDA implementing regulations 2 CFR part 400 and part 415, which set out the principles for determining whether specific costs are allowable. Some examples of allowable costs in CSFP include:

\* \* \* \* \*

**PART 248—WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP)**

■ 39. The authority citation for 7 CFR part 248 continues to read as follows:

Authority: 42 U.S.C. 1786.

**§§ 248.10, 248.11, 248.12, 248.13, 248.14, 248.15, 248.18, 248.21, 248.23 [Amended]**

■ 40. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
248.10 .....	7 CFR part 3016, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.	2 CFR part 200, subpart D and Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards and USDA implementing regulations 2 CFR part 400 and 415.
248.11 .....	7 CFR part 3016 .....	2 CFR part 200, subparts D and E and USDA implementing regulations 2 CFR part 400 and part 415.
248.12 .....	7 CFR 3016.22 .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
248.12 .....	7 CFR part 3016 .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
248.13 .....	7 CFR 3016.25(g)(2) .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
248.14 .....	7 CFR 3016.24 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
248.15 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
248.18 .....	7 CFR part 3015, § 3016.26 or part 3051 .....	2 CFR part 200, subpart F and Appendix XI Compliance Supplement and USDA implementing regulations 2 CFR part 400 and part 415.
248.21(a) .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
248.21(b) .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards and USDA implementing regulations 2 CFR part 400 and part 415.
248.21(c) .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards and USDA implementing regulations 2 CFR part 400 and part 415.
248.21(d) .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
248.23 .....	7 CFR part 3016 .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.

■ 41. Revise § 248.3(b) to read as follows:

**§ 248.3 Administration.**

\* \* \* \* \*

(b) *Delegation to State agency.* The State agency is responsible for the effective and efficient administration of the FMNP in accordance with the requirements of this part; the

requirements of the Department's regulations governing nondiscrimination (7 CFR parts 15, 15a and 15b), administration of grants (2 CFR part 200, subparts A, B, D, E and F and USDA implementing regulations 2 CFR part 400 and part 415), nonprocurement debarment/suspension (2 CFR part 180, OMB Guidelines to

Agencies on Government-wide Debarment and Suspension and USDA implementing regulations 2 CFR part 417), drug-free workplace (2 CFR part 182, Government-wide Requirements for Drug-Free Workplace), and lobbying (2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400, part 415 and part 418); and, Office

of Management and Budget Circular A-130, FNS guidelines, and Instructions issued under the FNS Directives Management System. The State agency shall provide guidance to cooperating WIC State and local agencies on all aspects of FMNP operations. Pursuant to section 17(m)(2) of the CNA, State agencies may operate the FMNP locally through nonprofit organizations or local government entities and must ensure coordination among the appropriate agencies and organizations.

\* \* \* \* \*

- 42. Revise § 248.22 to read as follows:

**§ 248.22 Nonprocurement debarment/suspension, drug-free workplace, and lobbying restrictions.**

The State agency shall ensure compliance with the requirements of the Department's regulations governing nonprocurement debarment/suspension (2 CFR part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension and USDA implementing regulations 2 CFR part 417), drug-free workplace (2 CFR part 182, Government-wide Requirements for Drug-Free Workplace), and the Department's regulations governing restrictions on lobbying (2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400, part 415 and part 418), where applicable.

**PART 249—SENIOR FARMERS' MARKET NUTRITION PROGRAM (SFMNP)**

- 43. The authority citation for 7 CFR part 249 continues to read as follows:

Authority: 7 U.S.C. 3007.

**§§ 249.2, 249.3, 249.10, 249.11, 249.12, 249.13, 249.15, 249.18, 249.21, 249.23 [Amended]**

- 44. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
249.2 .....	§ 3016.3 of this chapter .....	2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, subpart A, Acronyms and Definitions and USDA implementing regulations 2 CFR part 400 and part 415.
249.3 .....	part 3016 of this title .....	2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and USDA implementing regulations 2 CFR part 400 and part 415.
249.3 .....	part 3017 of this title .....	2 CFR part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension and USDA implementing regulations 2 CFR part 417.
249.3 .....	part 3021 of this title .....	2 CFR part 182, Government-wide Requirements for Drug-Free Workplace.
249.3 .....	part 3018 of this title .....	2 CFR part 200, subpart E, Cost Principles; and USDA implementing regulations 2 CFR part 400, part 415, and part 418.
249.10 .....	part 3016 of this title .....	2 CFR part 200 and USDA implementing regulations 2 CFR part 400 and part 415.
249.11 .....	part 3016 of this title, a claim .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415, a claim.
249.12 .....	part 3016.22 of this title .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
249.12 .....	part 3016 of this title .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
249.12 .....	part 3016 of this title or this Part .....	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
249.13 .....	part 3016.25(g)(2) of this title .....	2 CFR part 200, subpart D, Post Federal Award Requirements and USDA implementing regulations 2 CFR part 400 and part 415.
249.15 .....	part 3016 of this title .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
249.18 .....	parts 3015, 3016 (§ 3016.26 of this title), or 3051 of this title.	2 CFR part 200, subpart F, Audit Requirements and USDA implementing regulations 2 CFR part 400 and part 415.
249.21(a) .....	part 3016 of this title .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
249.21(b) .....	part 3016 of this title .....	2 CFR part 200, subpart D; Appendix II Contract Provisions for Non-Federal Entity Contracts Under Federal Awards; and USDA implementing regulations 2 CFR part 400 and part 415.
249.21(d) .....	part 3016 of this title .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
249.23 .....	part 3016 of this title .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.

- 45. Revise § 249.22 to read as follows:

**§ 249.22 Nonprocurement debarment/suspension, drug-free workplace, and lobbying restrictions.**

The State agency must ensure compliance with the requirements of FNS' regulations governing nonprocurement debarment/suspension (2 CFR part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension and USDA

implementing regulations 2 CFR part 417) and drug-free workplace (2 CFR part 182, Government-wide Requirements for Drug-Free Workplace), as well as FNS' regulations governing restrictions on lobbying (2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400, part 415, and part 418), where applicable.

**PART 253—ADMINISTRATION OF THE FOOD DISTRIBUTION PROGRAM FOR HOUSEHOLDS ON INDIAN RESERVATIONS**

**§§ 253.5 and 253.11 [Amended]**

- 46. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
253.5 .....	SF-269 .....	SF-425.
253.11 .....	7 CFR part 3015, Subpart V .....	2 CFR part 200, subpart D, and USDA implementing regulations 2 CFR part 400 and part 415.
253.11 .....	OMB Circular No. A-102, Attachment K .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
253.11 .....	SF-269 .....	SF-425.

**PART 272—REQUIREMENTS FOR PARTICIPATING STATE AGENCIES**

**§§ 272.1 and 272.2 [Amended]**

- 47. In the table below, for each section indicated in the left column, remove the

words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
272.1 .....	OMB Circular A-87 (2 CFR Part 225) .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
272.2 .....	OMB Circular A-87 (available on OMB's Web site at <a href="http://www.whitehouse.gov/omb/circulars_default">http://www.whitehouse.gov/omb/circulars_default</a> ).	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.

**PART 273—CERTIFICATION OF ELIGIBLE HOUSEHOLDS**

Authority: 7 U.S.C. 2011–2036.

**§ 273.7 [Amended]**

- 48. The authority citation for 7 CFR part 273 continues to read as follows:

- 49. In the table below, for each section indicated in the left column, remove the

words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
273.7(d)(7) .....	SF-269 .....	SF-425 using FNS-778/FNS-778A worksheet.

- 50. Revise § 273.7(l)(4) to read as follows:

**§ 273.7 Work provisions.**

\* \* \* \* \*

(l) \* \* \*

(4) *Reporting.* State agencies operating work supplementation and support programs are required to comply with all FNS reporting requirements, including reporting the amount of benefits contributed to employers as a wage subsidy on the FNS-388, State Issuance and Participation Estimates; FNS-388A, Participation and Issuance

by Project Area; FNS-46, Issuance Reconciliation Report; and SF-425, using FNS-778 worksheet, Addendum Financial Status Report. State agencies are also required to report administrative costs associated with work supplementation programs on the FNS-366A, Budget Projection and SF-425 using FNS-778/FNS-778A worksheet, Financial Status Report. Special codes for work supplementation programs will be assigned for reporting purposes.

\* \* \* \* \*

**PART 274—ISSUANCE AND USE OF PROGRAM BENEFITS**

- 51. The authority citation for 7 CFR part 274 continues to read as follows:

Authority: 7 U.S.C. 2011–2036.

**§ 274.1 [Amended]**

- 52. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
274.1 .....	the Office of Management and Budget (OMB) Circular A–133 Compliance Supplement.	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement, and USDA implementing regulations 2 CFR part 400 and part 415.
274.1 .....	General Accountability Office .....	Government Accountability Office.
274.1 .....	OMB Circular A–133 .....	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement and USDA implementing regulations 2 CFR part 400 and part 415.
274.1 .....	OMB Circular A–87 (available on OMB's Web site at <a href="http://www.whitehouse.gov/omb/circulars_default/">http://www.whitehouse.gov/omb/circulars_default/</a> ) in determining and claiming allowable costs for the EBT system.	2 CFR part 200, subparts D and E and USDA implementing regulations 2 CFR part 400 and part 415, as applicable.

**§ 274.1 [Amended]**

■ 53. Amend § 274.1(i)(2)(i), by removing the last sentence.

**PART 276—STATE AGENCY LIABILITIES AND FEDERAL SANCTIONS**

■ 54. The authority citation for 7 CFR part 276 continues to read as follows:

**Authority:** 7 U.S.C. 2011–2036.

**§ 276.4 [Amended]**

■ 55. In § 276.4(d), remove the words “OMB Circular A–87 (available on OMB's Web site at [http://www.whitehouse.gov/omb/circulars\\_default/](http://www.whitehouse.gov/omb/circulars_default/))” and add, in their place, the words “2 CFR part 200, subparts D and E and USDA implementing regulations 2 CFR part 400 and part 415”.

**PART 277—PAYMENTS OF CERTAIN ADMINISTRATIVE COSTS OF STATE AGENCIES**

**§§ 277.5, 277.6, 277.9, 277.11, 277.13, 277.16, 277.17, 277.18 [Amended]**

■ 56. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add the words indicated in the right column:

Section	Remove	Add
277.5 .....	OMB Circular A–102, Attachment J .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
277.6 .....	OMB Circular A–87 (available on OMB's Web site at <a href="http://www.whitehouse.gov/omb/circulars_default/">http://www.whitehouse.gov/omb/circulars_default/</a> ).	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
277.9 .....	OMB Circular A–87 (available on OMB's Web site at <a href="http://www.whitehouse.gov/omb/circulars_default/">http://www.whitehouse.gov/omb/circulars_default/</a> ).	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.
277.11 .....	7 CFR part 3015 .....	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement and USDA implementing regulations 2 CFR part 400 and part 415.
277.11 .....	Form SF–269 .....	SF–425, using FNS–778/FNS–778A worksheet.
277.11(d)(1) .....	SF–269 report, .....	SF–425 report, using FNS–778/FNS–778A worksheet.
277.11(d)(5) .....	SF–269 .....	SF–425, using FNS–778/FNS–778A worksheet.
277.13 .....	OMB Circular A–87 (available on OMB's Web site at <a href="http://www.whitehouse.gov/omb/circulars_default/">http://www.whitehouse.gov/omb/circulars_default/</a> ).	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
277.16 .....	OMB Circular A–87 (available on OMB's Web site at <a href="http://www.whitehouse.gov/omb/circulars_default/">http://www.whitehouse.gov/omb/circulars_default/</a> ).	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
277.17 .....	OMB Circular A–102, Attachment P .....	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement and USDA implementing regulations 2 CFR part 400 and part 415.
277.17 .....	Attachment H of OMB Circular A–102 .....	2 CFR part 200, subpart F and Appendix XI, Compliance Supplement and USDA implementing regulations 2 CFR part 400 and part 415.
277.17 .....	OMB Circular A–102, Attachment O .....	2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415.
277.18 .....	OMB Circular A–87 (available on OMB's Web site at <a href="http://www.whitehouse.gov/omb/circulars_default/">http://www.whitehouse.gov/omb/circulars_default/</a> ).	2 CFR part 200, subpart E and USDA implementing regulations 2 CFR part 400 and part 415.

Dated: August 17, 2016.

**Audrey Rowe,**

*Administrator, Food and Nutrition Service.*

[FR Doc. 2016–21760 Filed 9–27–16; 8:45 am]

**BILLING CODE 3410–30–P**

**DEPARTMENT OF AGRICULTURE****Rural Housing Service****Rural Business-Cooperative Service****Rural Utilities Service****Farm Service Agency****7 CFR Part 1940**

RIN 0570-AA30

**Methodology and Formulas for Allocation of Loan and Grant Program Funds; Correction**

**AGENCY:** Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, and Farm Service Agency, USDA.

**ACTION:** Correcting amendment.

**SUMMARY:** This document contains a correction to 7 CFR part 1940, subpart L, "Methodology and Formulas for Allocation of Loan and Grant Program Funds" to provide reference to the Rural Business Development Program, which replaced the Rural Business Enterprise Grant program and the Rural Business Opportunity Grant program.

**DATES:** Effective on September 28, 2016.

**FOR FURTHER INFORMATION CONTACT:** Kristi Kubista-Hovis, Rural Development, Business Programs, U.S. Department of Agriculture, 1400 Independence Avenue SW., STOP 3226, Washington, DC 20250-3225; telephone (202) 720-0424; email [kristi.kubista-hovis@wdc.usda.gov](mailto:kristi.kubista-hovis@wdc.usda.gov).

**SUPPLEMENTARY INFORMATION:****Background**

The Agricultural Act of 2014 (2014 Farm Bill) directed the Agency to combine the Rural Business Enterprise Grant (RBEG) program and the Rural Business Opportunity Grant (RBOG) program into a single new program entitled the Rural Business Development Grant (RBDG) program. The Agency issued an interim rule with request for comment on March 25, 2015 (80 FR 15665) establishing the RBDG program and removing the applicable provisions associated with the RBEG and RBOG programs. In the interim rule, the Agency inadvertently did not update the title to 7 CFR 1940.588 to reflect the replacement of the RBEG and RBOG programs with the new RBDG program. To correct this oversight, the Agency is revising the title to 7 CFR 1940.588. This correction has no substantive effect on how State allocations are made for the RBDG program.

**Need for Correction**

As found in the Code of Federal Regulations, the title to 7 CFR 1940.588 contains reference to two programs (*i.e.*, RBEG and RBOG) that no longer exist as stand-alone programs and does not reference their replacement program (*i.e.*, the RBDG program). This technical change is necessary to clarify how the Agency allocates funds for the RBDG program and to remove reference to programs that no longer exist.

**List of Subjects in 7 CFR Part 1940**

Administrative practice and procedure, Agriculture, Allocations, Grant programs—Housing and community development, Loan programs—Agriculture, Rural areas.

Accordingly, 7 CFR part 1940 is corrected by making the following correcting amendment:

**PART 1940—GENERAL**

- 1. The authority citation for part 1940 continues to read as follows:

**Authority:** 5 U.S.C. 301; 7 U.S.C. 1989; 42 U.S.C. 1480.

- 2. Revise the heading for § 1940.588 to read as follows:

**§ 1940.588 Business and Industry Guaranteed and Direct Loans, Rural Business Development Grants, and Intermediary Relending Program.**

\* \* \* \* \*

Dated: September 9, 2016.

**Lisa Mensah,**

*Under Secretary, Rural Development.*

Dated: September 16, 2016.

**Alexis M. Taylor,**

*Deputy Under Secretary, Farm and Foreign Agricultural Services.*

[FR Doc. 2016-23228 Filed 9-27-16; 8:45 am]

**BILLING CODE 3410-XY-P**

**DEPARTMENT OF ENERGY****10 CFR Part 900**

RIN 1901-AB36

**Coordination of Federal Authorizations for Electric Transmission Facilities**

**AGENCY:** Office of Electricity Delivery and Energy Reliability, Department of Energy.

**ACTION:** Final rule.

**SUMMARY:** The Department of Energy (DOE) is amending its regulations for the timely coordination of Federal authorizations for proposed interstate electric transmission facilities pursuant

to the Federal Power Act (FPA). The amendments are intended to improve the pre-application procedures and result in more efficient processing of applications.

**DATES:** This final rule will become effective November 28, 2016. This rule contains a collection of information requirement subject to OMB approval under the Paperwork Reduction Act. DOE has submitted the collection to OMB for approval and will provide separate notice in the **Federal Register** of OMB approval and the OMB control number.

**FOR FURTHER INFORMATION CONTACT:** Julie A. Smith, Ph.D., U.S. Department of Energy, Office of Electricity Delivery and Energy Reliability, Mailstop OE-20, Room 8G-017, 1000 Independence Avenue SW., Washington, DC 20585; 202-586-7668; or [oeregs@hq.doe.gov](mailto:oeregs@hq.doe.gov).

**SUPPLEMENTARY INFORMATION:**

*Acronyms and Abbreviations.* A number of acronyms and abbreviations are used in this preamble. While this may not be an exhaustive list, to ease the reading of this preamble and for reference purposes, the following terms, acronyms, and abbreviations are defined as follows:

CEQ Council on Environmental Quality  
CFR Code of Federal Regulations  
DOE Department of Energy  
EIS Environmental Impact Statement  
E.O. Executive Order  
EPAct Energy Policy Act of 2005  
FERC Federal Energy Regulatory Commission  
FPA Federal Power Act  
FR Federal Register  
IIP Integrated Interagency Pre-Application  
MOU Memorandum of Understanding  
NEPA National Environmental Policy Act  
OMB Office of Management and Budget  
PM Presidential Memorandum  
PMA Federal Power Marketing Administration  
RFI Request for Information  
RRTT Rapid Response Team for Transmission  
RTO Regional Transmission Operators

- I. Background
- II. Discussion of Final Rule and Responses to Comment
  - A. General
  - B. Applicability
  - C. Definitions
  - D. Integrated Interagency Pre-Application (IIP) Process
  - E. Selection of NEPA Lead Agency
  - F. IIP Process Administrative File
- III. Regulatory Review
  - A. Executive Orders 12866 and 13563
  - B. National Environmental Policy Act