

CFR part 315, 359, or 752. Where conduct covered by this part may also form the basis for an action under 5 CFR part 315, 359, or 752, an agency may take the action under 5 CFR part 315, 359, or 752, as appropriate, instead of under this part. An agency must notify OPM to the extent required in § 731.103(f) if it wants to take, or has taken, action under these authorities. OPM reserves the right to also take an action under this part.

(h) An agency does not need approval from OPM before taking an unfavorable suitability action. However, it is required to report to the Central Verification System or its successor, each unfavorable suitability action taken under this part within 30 days after it takes the action. Also, each suitability determination based on an investigation must be reported to the Central Verification System or its successor as soon as possible and in no event later than 90 days after receipt of the final report of investigation.

§ 731.204 Debarment by OPM in cases involving the competitive service and career Senior Executive Service.

(a) When OPM finds an individual unsuitable for any reason listed in § 731.202, OPM, in its discretion, may, for a period of not more than 3 calendar years from the date of the unfavorable suitability determination, deny that individual examination for, and appointment to, the competitive service and career appointment in the Senior Executive Service.

(b) OPM may impose an additional period of debarment following the expiration of a period of OPM or agency debarment or when new conduct arises while under debarment, but only after the individual again becomes an applicant, appointee, or employee subject to OPM's suitability jurisdiction, and the individual's suitability is determined in accordance with the procedures of this part. An additional debarment period may be based in whole or in part on the same conduct on which the previous suitability action was based, when warranted, or new conduct.

(c) OPM, in its sole discretion, determines the duration of any period of debarment imposed under this section.

§ 731.205 Debarment by agencies in cases involving the competitive service and career Senior Executive Service.

(a) Subject to the provisions of § 731.103, when an agency finds an applicant or appointee unsuitable based upon reasons listed in § 731.202, the agency may, for a period of not more than 3 years from the date of the

unfavorable suitability determination, deny that individual examination for, and appointment to, either all, or specific competitive service positions and career appointment to all, or specific Senior Executive Service positions within that agency.

(b) The agency may impose an additional period of debarment following the expiration of a period of OPM or agency debarment, but only after the individual again becomes an applicant or appointee subject to the agency's suitability jurisdiction, and his or her suitability is determined in accordance with the procedures of this part. An additional debarment period may be based in whole or in part on the same conduct on which the previous suitability action was based, when warranted, or new conduct.

(c) The agency, in its sole discretion, determines the duration of any period of debarment imposed under this section.

(d) The agency is responsible for enforcing the period of debarment and taking appropriate action if an individual applies for a position at that agency during the debarment period or is examined for or appointed to a position at that agency during the debarment period. This responsibility does not limit OPM's authority to exercise jurisdiction itself and take any action OPM deems appropriate.

§ 731.206 Reporting requirements for investigations and suitability and fitness determinations.

An agency must report to the Central Verification System or its successor the level or nature, result, and completion date of each background investigation, reinvestigation, or enrollment in Continuous Vetting; each agency decision based on such investigation, reinvestigation, or Continuous Vetting; and any personnel action taken based on such investigation or reinvestigation, as required in supplemental guidance.

■ 9. Revise the heading of subpart C to read as follows:

Subpart C—OPM Suitability Action Procedures for the Competitive Service or Senior Executive Service

■ 10. Amend § 731.302 by revising paragraph (c) to read as follows:

§ 731.302 Notice of proposed action.

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(c) OPM will serve the notice of proposed action upon the respondent by mail, secure email, or hand delivery no less than 30 days prior to the effective date of the proposed action to the

respondent's last known residence or duty station.

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■ 11. Revise the heading of subpart D to read as follows:

Subpart D—Agency Suitability Action Procedures for the Competitive Service or Career Senior Executive Service

■ 12. Amend § 731.402 by revising paragraph (c) to read as follows:

§ 731.402 Notice of proposed action.

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(c) The agency must serve the notice of proposed action upon the respondent by mail, secure email, or hand delivery no less than 30 days prior to the effective date of the proposed action to the respondent's last known residence or duty station.

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■ 13. Revise the heading of subpart E to read as follows:

Subpart E—Appeal to the Merit Systems Protection Board of Suitability actions in cases involving the Competitive Service or Career Senior Executive Service

Subpart F—[Removed]

■ 14. Remove subpart F, consisting of § 731.601.

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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 950

Combined Federal Campaign: Authorization of Short-Term Regulatory Variation

AGENCY: Office of Personnel Management.

ACTION: Notification.

SUMMARY: The Office of Personnel Management (OPM) is providing notice that the Acting Director is authorizing a variation from the regulatory public accountability standards to relieve practical difficulties and unnecessary hardships in complying with the strict letter of the regulation. The Acting Director has found that such a variation is within the spirit of the regulations and will ensure the achievement of campaign objectives. Specifically, for an 18-month period, OPM is modifying certain revenue thresholds for the various public accountability standards

for charities participating in the Combined Federal Campaign (CFC).

DATES: The authorization of short-term regulatory variation standards are effective on December 18, 2024.

FOR FURTHER INFORMATION CONTACT: Keith Willingham, Director, Office of the CFC, keith.willingham@opm.gov, 202-606-2564.

SUPPLEMENTARY INFORMATION: The CFC is the world's largest and most successful annual workplace charity campaign, with 35 CFC campaign zones throughout the country and overseas and raising millions of dollars each year. Pledges made by Federal civilian, retiree, postal, and military donors during the campaign season support non-profit organizations that meet CFC regulations and provide health and human welfare benefits throughout the world.

To provide public accountability, OPM generally requires participating charities to undergo a third-party audit of their finances. In a 1995 rulemaking, OPM exempted local charities from the audit requirement if they had annual revenue of less than \$100,000. In 2014, OPM eliminated the distinction between "local" and "national" charities and expanded the exemption to all charities with revenue of less than \$100,000. *See* 5 CFR 950.203(a)(2)(i). In that rulemaking, OPM also added a second tier, allowing charities with revenue of \$100,000 to under \$250,000 to participate without an audit but with a review by an independent certified public accountant instead. *See* 5 CFR 950.203(a)(2)(ii).

Participation by charities in the CFC dropped precipitously over the last decade, however. Charities have explained that the audit requirement serves as a barrier to participation. Revenue reported by charities has increased, and more than 75 percent of charities now exceed the current audit threshold of \$250,000 in reported revenue. At the same time, costs of audits have risen dramatically and now often exceed the value of donations collected through the CFC. Audit services can now range from \$15,000–\$30,000. Accordingly, a charity cannot justify the expense of the audit, which yield a net loss to the charity.

The mission of the CFC is to promote and support philanthropy through a program that is employee-focused, cost-efficient, and effective in providing all Federal employees the opportunity to donate. The CFC provides employees with an easy way to contribute to their charities of choice; so, when employees no longer find their favorite charity on the CFC list, they may not give as much

or as often. Therefore, to attract more donors to the CFC and to retain and attract a more diverse group of charities, OPM is adjusting the audit requirements in an 18-month pilot program.

OPM's CFC regulations authorize the Director of OPM to "waive any of these [public accountability] standards and certifications upon a showing of extenuating circumstances." 5 CFR 950.203(e). In addition, the Director may "exercise general supervision over all operations of the CFC and take all necessary steps to ensure the achievement of campaign objectives." 5 CFR 950.102(c). Recognizing that the financial thresholds have not been adjusted in over ten years (and that the \$100,000 threshold is almost 20 years old), OPM finds that immediate steps are warranted to facilitate participation by charities in the CFC.

Based on the feedback OPM has received from charities, the Acting Director has found that the current financial thresholds present extenuating circumstances that impair the achievement of campaign objectives as the thresholds have not been adjusted for inflation in over 10 years. Furthermore, the thresholds are inconsistent with the standards applied by other areas of the government. For example, the Office of Management and Budget currently requires audits for organizations that expend \$750,000 or more in Federal funds. *See* 2 CFR part 200, subpart F. Similarly, many similar state programs have raised their audit thresholds to \$1,000,000. Because the existing regulatory thresholds are having a negative impact on the effectiveness of the CFC and revised thresholds would provide some necessary financial relief, the Acting Director finds that a limited waiver is appropriate. Specifically, waiving the audit requirement for charities with annual revenue of \$1 million or less, and waiving the requirement for an independent review of financial statements for charities with annual revenue above \$1 million but that receive less than \$750,000 in CFC pledges will help address the extenuating circumstances of the increased revenues received by charities combined with the increased costs of financial auditing and review services without commensurate inflationary adjustments to the regulatory thresholds.

Accordingly, OPM provides notice that, for the 18-month period after December 18, 2024, OPM will waive the regulatory thresholds for audits and/or reviews of financial statements for organizations with annual reported revenue of \$1,000,000 or less on its IRS

Form 990 or pro forma IRS Form 990 and will waive the regulatory thresholds for audits of financial statements for organizations with annual reported revenue above \$1,000,000 and with less than \$750,000 coming from CFC. Details are available at <https://cfcharities.opm.gov/app/#!/home>.

All other organizations (e.g., an organization with annual reported revenue above \$1,000,000 and with \$750,000 or more coming from CFC) continue to be required to undergo an annual financial statement audit for CFC purposes. The organization must account for its funds based on generally accepted accounting principles. A copy of the audited financial statements and auditors report must be included with the application. *See* 5 CFR 950.203(a)(2)).

Next Steps

OPM plans to update its regulations governing the CFC (RIN 3206-AO66). OPM will assess the effectiveness of this waiver in terms of encouraging charity participation in CFC and whether there is a resultant increase in employee participation. OPM will also assess the extent to which these pilot programs affect the number of charities participating in CFC and which charities meet these proposed thresholds. OPM charity application reviewers at the local national, and international levels will study the audits and financial reviews submitted with applications to ensure that these thresholds are providing appropriate levels of accountability.

Office of Personnel Management.

Kayyonne Marston,

Federal Register Liaison.

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SMALL BUSINESS ADMINISTRATION

13 CFR Part 120

RIN 3245-AI21

ALP Express Pilot to Permanent Status

AGENCY: U.S. Small Business Administration.

ACTION: Final rule.

SUMMARY: The U.S. Small Business Administration ("SBA" or Agency) is making permanent the increased delegated authorities made available under the ALP Express Pilot for Certified Development Companies ("CDCs") approved for the Accredited Lenders Program ("ALP"). These increased delegated authorities for 504