## PARTS 3400–3473 [RESERVED]

### PART 3474—UNIFORM ADMINIS-TRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT RE-QUIREMENTS FOR FEDERAL AWARDS

Sec.

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AUTHORITY: 20 U.S.C. 1221e–3, 3474; 42 U.S.C. 2000bb  $et\ seq.;$  and 2 CFR part 200, unless otherwise noted.

SOURCE: 79 FR 76091, Dec. 19, 2014, unless otherwise noted.

#### §3474.1 Adoption of 2 CFR part 200.

(a) The Department of Education adopts the Office of Management and Budget (OMB) Guidance in 2 CFR part 200, except for 2 CFR 200.102(a) and 2 CFR 200.207(a). Thus, this part gives regulatory effect to the OMB guidance and supplements the guidance as needed for the Department.

(b) The authority for all of the provisions in 2 CFR part 200 as adopted in this part is listed as follows.

(Authority: 20 U.S.C. 1221e–3, 3474, and 2 CFR part 200.)  $\,$ 

#### §3474.5 How exceptions are made to 2 CFR part 200.<sup>1</sup>

(a) With the exception of Subpart F— Audit Requirements of 2 CFR part 200, the Secretary of Education, after consultation with OMB, may allow exceptions for classes of Federal awards or non-Federal entities subject to the requirements of this part when exceptions are not prohibited by statute. However, in the interest of maximum uniformity, exceptions from the requirements of this part will be permitted only in unusual circumstances.

(b) Exceptions for classes of Federal awards or non-Federal entities will be

published on the OMB Web site at *www.whitehouse.gov/omb*.

(Authority: 20 U.S.C. 1221e–3, 3474, and 2 CFR part 200)  $\,$ 

#### §3474.10 Clarification regarding 2 CFR 200.207.<sup>2</sup>

The Secretary or a pass-through entity may, in appropriate circumstances, designate the specific conditions established under 2 CFR 200.207 as "high-risk conditions" and designate a non-Federal entity subject to specific conditions established under §200.207 as "high-risk".

(Authority: 20 U.S.C. 1221e–3, 3474, and 2 CFR part 200)  $\,$ 

# §3474.15 Contracting with faith-based organizations and nondiscrimination.

(a) This section establishes responsibilities that grantees and subgrantees have in selecting contractors to provide direct Federal services under a program of the Department. Grantees and subgrantees must ensure compliance by their subgrantees with the provisions of this section and any implementing regulations or guidance.

(b)(1) A faith-based organization is eligible to contract with grantees and subgrantees, including States, on the same basis as any other private organization, with respect to contracts for which such organizations are eligible and considering any permissible accommodation.

(2) In selecting providers of goods and services, grantees and subgrantees, including States, must not discriminate for or against a private organization on the basis of the organization's religious character, affiliation, or exercise, as defined in 34 CFR 75.52(c)(3) and 76.52(c)(3), and must ensure that the award of contracts is free from political interference, or even the appearance of such interference, and is done on the basis of merit, not on the basis of religion or religious belief, or lack thereof. Notices or announcements of award opportunities and notices of award or contracts shall include language substantially similar to that in appendices A and B, respectively, to 34 CFR part 75.

<sup>&</sup>lt;sup>1</sup>C. Ref. 2 CFR 200.102.

<sup>&</sup>lt;sup>2</sup>C. Ref. 2 CFR 200.205, 200.207.