

2026 Proposed Updates to the Uniform Guidance

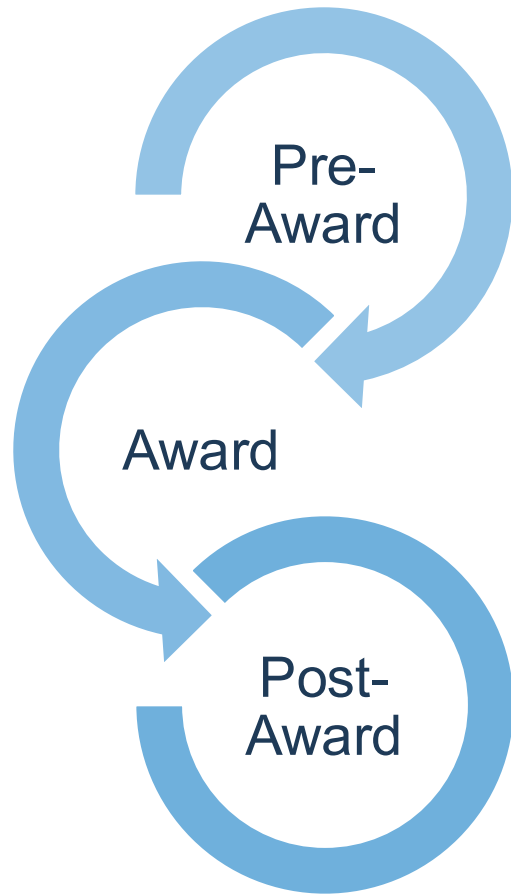
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The Uniform Guidance, 2 C.F.R. Part 200



Subpart A – Acronyms and Definitions

Subpart B – General Provisions

Subpart C – Pre-Award Requirements

Subpart D – Post-Award Requirements

Subpart E – Cost Principles

Subpart F – Audit Requirements

Appendices I - IX



2024 & 2025 Uniform Guidance Updates

- Single Audit threshold raised to \$1 million
- *De minimis* indirect cost rate raised to 15% of modified total direct costs
- Fixed amount subawards threshold increased to \$500,000
- Added new “whistleblower” protections
- Increased procurement thresholds (2025)



2026 OMB Proposed Updates: Timing ([91 Fed. Reg. 32,198](#))

- Implementation delayed
 - OMB targeted October 1, 2026, as the effective date
 - Continuing resolution signed September 2, 2026, bars OMB from finalizing this rule through December 11, 2026



2026 OMB Proposed Updates: Substance

(91 Fed. Reg. 32,198)

- Incorporates provisions from several executive orders into the Uniform Guidance
- Expands agency discretion, granted to "senior appointees," in awarding, monitoring, and terminating grants
- Includes relatively few changes to traditional post-award compliance requirements



Which Federal Awards Will Be Subject to the New Requirements?

- **Applicability:** OMB proposed that the revised Uniform Guidance apply to federal awards “made and amended” during FY 2027
- “Amended” is not defined in the proposed rule
- **Multi-Year Awards:** Existing multi-year awards may become subject to the revised Uniform Guidance if amended after the new requirements take effect



2026 Proposal: General Administrative Changes

- The Uniform Guidance reclassified as “Uniform Grants Regulation” (UGR) (2 C.F.R. 1.100)
- Required participation in Department of Homeland Security’s [E-Verify program](#) to confirm the employment eligibility of all employees and contractors performing work under a federal award (2 C.F.R. 200.303(f); *see also* G.S. 143-133.3)
- Eliminates fixed amount awards unless authorized by statute (2 C.F.R. 200.201)



Restrictions on Federally Funded Activities

2 C.F.R. 200.300

Federal awards shall not be used to “fund, promote, encourage, subsidize, or facilitate”:

- Diversity, equity, inclusion, and accessibility practices that violate federal anti-discrimination laws (e.g., using race as a hiring preference) or use of intentional proxies for race as selection criterion
- Gender ideology-theories that deny the sex binary or endorse the notion that sex is a chosen or mutable characteristic
- Pediatric gender transition procedures for individuals under 19 years of age



Pre-Award: Expanded Merit Review of Proposals

Senior agency appointees must review discretionary award proposals for consistency with applicable federal law, agency priorities, and the national interest

Discretionary awards must, where applicable, demonstrably advance the President's policy priorities

Preference may be given to applicants with lower indirect cost rates

Agencies may consider an applicant's commitment to administration policies and guidance on Gold Standard Science



Pre-Award: Expanded Risk Assessment

2 C.F.R. 200.206

Current Review Factors:

- Financial stability
- Quality of financial and management systems
- History of performance
- Prior audits

Proposed *Additional* Review Factors:

- Financial capacity for high-dollar awards
- Prior performance evaluated solely on outcomes, both negative and positive
- History of “questionable practices” (plagiarism, discredited or non-replicable studies, civil rights violations)
- Membership/affiliation with organizations that violate the law or undermine national security



Pre-Award Process: Potential Impacts for Applicants

- Prior performance and compliance will impact future awards more broadly
- Document research rigor proactively—maintain clear protocols, data provenance, and methodology justification for studies (especially health-equity or hard-to-replicate designs)
- Build measurable outcomes into project design from the start, not as an afterthought during reporting
- Review internal control processes and procedures



Payment Justification

2 C.F.R. 200.305

- Must provide “**brief, written justification**” for each payment request describing the activities or aspects of the federal award that correspond to the payment request

Example: Reimbursement for personnel, contractual, and supply costs incurred in providing maternal and child health services during the April–June reporting period.



Changes to Allowable Costs

- **General Costs of Government (§ 200.444):** Proposal eliminates the special rule allowing COGs to include up to 50% of chief executive and staff salaries and expenses attributable to managing federal programs in the indirect cost calculation without documentation
- **Advertising/Public Relations (§ 200.421):** Advertising costs are generally unallowable, unless required by statute or necessary for program outreach. Public relations allowable only when required by statute.
- **Conferences (§ 200.432):** Attendance must be expressly approved by the agency and included in award terms
- **Memberships/Subscriptions (§ 200.454):** Must be necessary to the award and approved by the agency in advance



Prohibition on Disparate-Impact Liability

2 C.F.R. 200.218

- Disparate impact: A facially neutral policy or practice results in different outcomes for protected groups, without intentional discrimination
- Proposal prohibits use of federal award funds to support or enforce disparate-impact liability
- Recipients could not modify federally funded programs based on disparate-impact liability
- Exception: Certain internal statistical/demographic analysis may continue using non-federal funds

Takeaway: If adopted, consult legal counsel before changing a federally funded program in response to demographic disparities

Contracting with Small and Diverse Businesses

2 C.F.R. 200.321

Current Requirement:

- Must *consider* minority-owned, women-owned, and veteran-owned businesses on solicitation lists, solicit them whenever eligible, divide procurements to permit maximum participation.

Proposed Update:

- Consider small businesses, ***including subcategories of small businesses enumerated in Federal statute***, when issuing contracts.



Cost Reimbursement Contracts

2 C.F.R. 200.320

- Cost-reimbursement contracts are strongly discouraged
- Applies to procurement contracts with contractors
- Agencies may require written justification and prior approval for cost reimbursement contracts
- Fixed-price contracts are preferred where a contractor is paid an agreed upon price



Termination and Suspension

2 C.F.R. 200.340

- **Discretionary termination:** The agency or pass-through entity may terminate an award in part or its entirety if a termination is in the interest of the Federal agency or pass-through entity, including if a Federal award does not effectuate
 - program goals,
 - Federal agency priorities, or
 - the national interest as they exist at the time of the termination.
- Exception: Entitlement grants (such as block grants, formula-based awards, and disaster recovery grants) would not be subject to the discretionary termination provisions; see an example of grant distinctions on [this NCDHHS webpage](#)



Subrecipient Monitoring and Management

- **Subaward Reporting:** Report subawards on SAM.gov no later than the end of the month following the month in which the subaward was issued
- **Written Subrecipient/Contractor Determinations:** Required for all downstream entities receiving payments from the pass-through entity, including affiliates, subsidiaries, or other related organizations
- **Increased Monitoring:** Ensure that each subrecipient is following the terms and conditions of the subaward and does not take actions that could significantly damage the reputation of the pass-through entity or federal government
- **Fixed amount subawards prohibited**

Next Steps

- Inventory current federal awards and funding sources
- Evaluate how grant-funded employees and contractors are currently tracked
- Review payment requests and supporting documentation procedures
- Review subrecipient and contractor relationships and ensure there are written determinations for each
- Plan for staff training and policy updates once requirements are final





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