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Federal Grant Compliance: Navigating the Significant Changes to the Uniform Guidance

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Session CPE Requirements

- You need to attend 50 minutes to receive the full 1 CPE credit.
- 4 Attendance Markers that read: “I’m Here,” will be launched during this session. You must respond to a minimum of 3 to receive the full 1 CPE credit.

Both requirements must be met to receive CPE credit

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Speaker



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LEARNING OBJECTIVES

At the end of the session, you will be able to:

- Discuss timing of when changes will be effective
- Recall the proposed changes to the Uniform Guidance
- Identify leading practices to incorporate changes into policies and procedures

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Proposed Changes to 2 CFR 200



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Significant Changes



Comprehensive updates to the OMB regulations governing federal awards: Part 176, 180, 182, and 200



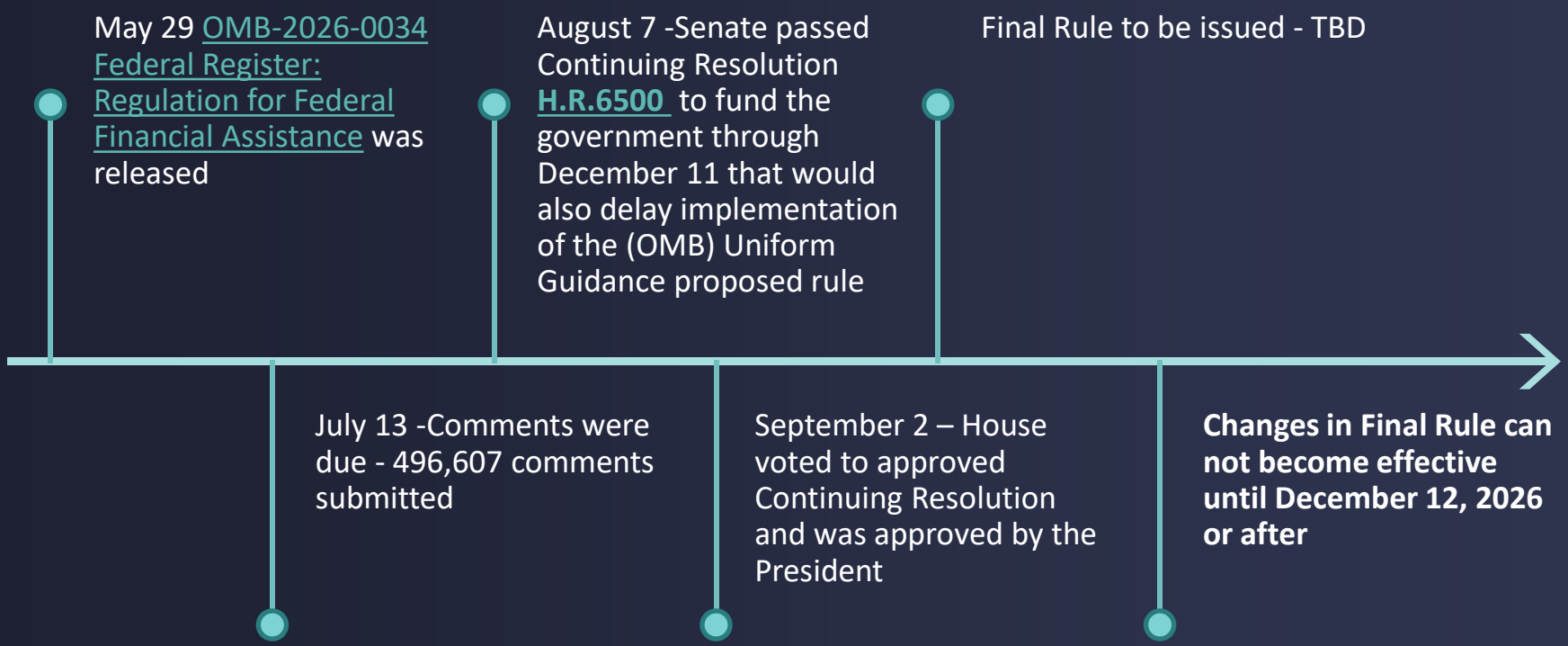
Emphasizing regulatory clarity and enhanced oversight.



Revisions affecting definitions, agency responsibilities, award conditions, and compliance standards with overall objective to improve federal funding management.

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Timing



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Uniform Grant Regulation vs. Guidance

- Under the proposed rule, OMB will issue the “Uniform Grants Regulation” as an OMB regulation with one government-wide effective date to provide government-wide grants management requirements.
- Replaces the term 'guidance' with ‘regulation' when referring to the regulatory text of 2 CFR.
- Replaces 'guidance' with 'policy' or other terms that fit within the context of the regulatory text.

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Section 200.1 — Definitions



Unobligated Balance — adds clarifying language by including meaning of “obligated”:

For purposes of this definition, “obligated” means funds that the recipient or subrecipient has legally committed through actions such as placing an order, awarding a contract or subaward, or otherwise incurring a liability for which payment will be due.

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Fixed Amount Awards and Subawards

Section 200.201 — Use of Grants, Cooperative Agreements, and Contracts (b): Removes provision allowing fixed amount awards and replaces it with a prohibition unless authorized by statute.

Section 200.333 Fixed Amounts Subawards Completely removes the provision allowing fixed amount subawards with prior approval and replaces it with a prohibition against them.

Section 200.407 — Prior Written Approval Removes reference to fixed amount awards.

Not intended to impact existing fixed amount awards or subawards issued prior to the effective date.

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Agency Implementation and Responsibilities and Effective Date



Adds new paragraph 200.106(b) clarifying that agencies are responsible for implementing OMB policies. Each federal agency to "adopt" chapters in subtitle B:

(b) Agency responsibilities. Through adoption of this part in codified regulations, unless different provisions are required by Federal statute or are approved by OMB, Federal agencies are **responsible for implementing the language in subparts A through F of 2 CFR 200** and other applicable requirements for Federal awards in chapter I of 2 CFR.



Adds to existing paragraph 200.110(a) — Government-wide standards:

"Thus, once Federal agencies have issued regulations in subtitle B of this title adopting the OMB regulations in this part, the process for future updates of regulations in subtitle B **will be complete each time OMB issues a final rule amending this part**.

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Section 200.202 — Program Planning and Design



- Clarifies Elements of Program Design Goals and Objectives:
  - Aim to achieve meaningful results
  - Are consistent with the public purpose of the federal authorizing legislation
  - Align with administration policies and priorities

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Section 200.204 — Notices of Funding Opportunities

New paragraph (c) on utilizing Statements of Interest (SOI) to reduce grant application burden and lighten the load on applicants and helps the agency find the most competitive projects early

When a federal agency expects many applications or long, complex proposals, it is strongly encouraged to require a short Statement of Interest (SOI) first and review

Federal agencies review and invite only the selected applicants to submit full proposals

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Section 200.205 — Federal Agency Review of Merit of Proposals – New Text



- (b) Pre-issuance review. As part of the merit review process, Federal agencies must perform pre-issuance reviews to ensure that Federal award proposals selected for funding are consistent with applicable law, Federal agency priorities, and the national interest.
- In doing so, **Federal agencies heads** must designate **one or more senior appointees** to conduct a pre-issuance review of all discretionary awards.

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Section 200.205 — Federal Agency Review of Merit of Proposals – Others Involvement

Award decisions require independent judgment

(c) Pre-Issuance Review

- Senior appointees (or their designees) must apply independent judgment when evaluating Federal award proposals
- No “rubber-stamping” — they may not ministerially ratify or routinely defer to others’ recommendations

(d) Use of Peer Review

- Peer review remains permitted for discretionary awards and to inform agency decisions
- Recommendations are advisory only — never ratified by default, routinely deferred to, or treated as binding

Bottom line: Peer review informs the decision — senior appointees make it.

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Section 200.205 — Federal Agency Review of Merit of Proposals

As part of this pre-issuance review for discretionary awards, senior appointees (or their designee) must, as relevant and to the extent consistent with applicable law, apply the following principles when reviewing Federal award proposals:

(1) Discretionary awards must, where applicable, demonstrably advance the President's policy priorities.

(2) Discretionary awards must not be used to fund, promote, encourage, subsidize, or facilitate:

- (i) Racial preferences or other forms of racial discrimination by the recipient, including activities where race or intentional proxies for race will be used as a selection criterion for employment or program participation;
- (ii) Denial by the recipient of the sex binary in humans or the notion that sex is a chosen or mutable characteristic;
- (iii) Illegal immigration; or
- (iv) Any other initiatives that compromise public safety or promote anti-American values.

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Section 200.205 — Federal Agency Review of Merit of Proposals – (b)(3) – (7)

Lower indirect costs win ties: All else being equal, institutions with lower indirect cost rates should get preference.

Broad, balanced portfolio: Awards should go to a wide range of recipients, mixing projects likely to show quick results with longer-term, potentially breakthrough research.

Gold Standard Science: Applicants should commit to following administration policy on Gold Standard Science. For science grants, institutions that have a track record of applying it should get priority.

Measurable benchmarks: Awards should include benchmarks for tracking success and progress toward goals.

Rigor over reputation: If institutional affiliation is considered, agencies should weigh commitment to rigorous, reproducible scholarship over prestige or historical reputation.

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Section 200.208(b) and (f) Specific Conditions–New

Program-wide conditions: If an agency decides a whole federal program carries elevated risk in how it's administered, overseen, or monitored, it can attach specific conditions to every award under that program.

Award Level - Federal agency can add specific conditions when it makes an award, or at any time during period of performance.

Removal: The agency can remove the conditions once it decides the program no longer carries elevated risk.

Award Level - It can remove them at any point during the period of performance.

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Section 200.211 — Information Contained in the Federal Award



- Clarifies and includes the requirement to include termination provisions:
  - Federal agencies must always include termination provisions under §200.340 in each Federal award or expressly incorporate them by reference.
  - Agencies must inform recipients of any additional termination provisions that apply.

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Section 200.218 — Prohibition on Promoting Disparate-Impact Liability –NEW!



- **Definition:** A legal theory where a neutral policy or practice, such as merit-based hiring, creates an automatic or near-insurmountable presumption of unlawful discrimination whenever outcomes differ among races, sexes, or similar groups.
- **Intent doesn't matter:** The presumption applies even if the policy isn't discriminatory on its face, there's no discriminatory intent, and everyone gets equal opportunity.
- Includes phrases “Disparate-impact liability imperils the effectiveness of civil rights laws by mandating, rather than proscribing, discrimination.” and “Disparate-impact liability effectively mandates consideration of federally protected characteristics, such as race or sex, and incentivizes racial balancing, contrary to principles of equal treatment and merit-based opportunity”.

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Section 200.218 - Agency and PTE Responsibility

To the maximum extent permitted by law, to avoid violating the Constitution and Federal civil rights laws, the Federal agency or pass-through entity must:

- stop using disparate-impact liability in anything related to federal awards
- run federal awards in a way that doesn't promote or support disparate-impact liability

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Section 200.218 —Recipient and Subrecipient Responsibility

To the maximum extent permitted by law, to avoid violating the Constitution and Federal civil rights laws, recipients and subrecipients must:

Not adopt, issue, or enforce disparate-impact liability standards in administering programs or activities supported by a Federal award

Review their policies and procedures related to Federal financial assistance to ensure alignment

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Section 200.300 — Statutory and National Policy Requirements



- Adds language regarding unlawful discrimination: "Consistent with Federal law, this includes managing and administering the Federal award to ensure that no person otherwise eligible will be unlawfully excluded from participation in, unlawfully denied the benefits of, or otherwise subjected to unlawful discrimination in the administration of Federal programs, activities, projects, assistance, and services”
- Adds prohibitions against using award funds to promote:
  - unlawful DEI/DEIA policies, principles or practices
  - gender ideology
  - transition for minors.
- Adds language prohibiting discrimination against faith-based organizations.

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Sensitive Information

Section **200.303(e)** Removes “Protected” from “Personally Identifiable Information (PII)” that needs to be safeguarded. Now indicates PII instead of PPII and clarifies confidential business information as a type of information recipients/subrecipients must safeguard

Section 200.338 — Restrictions on Public Access to Records Adds that confidential business information is included as a type of information recipients/subrecipients may limit public access to

Section 200.507 — Program-Specific Audits & Section 200.512 — Report Submission Auditees and auditors must ensure that their respective parts of the reporting package do not include personally identifiable information (PII) **and other information subject to protections against disclosure**

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Section 200.303 — Internal Controls



- Removes language providing that internal controls should align with GAO or COSO standards. (Also removed in **Section 200.514 — Standards and Scope of Audit)**
- Requires recipients/subrecipients to participate in E-Verify to confirm employment eligibility of all employees and contractors performing work under the Federal award.

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Section 200.305 — Federal Payment



- **Do Not Pay check:** Before disbursing funds, federal agencies must review the data sources available in Treasury's Do Not Pay (DNP) system.
- **Justification-capable systems:** Each agency must use a payment information system that can record a brief written justification for every payment request and require receipts to provide the justification.
  - **What a request must say:** Each payment request must explain the purpose of the payment and say whether it's an advance or a reimbursement.

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Section 200.320 — Procurement Methods



- Strongly discourages issuing cost-reimbursement contracts.
  - When using cost-reimbursement contracts, the recipient must notify the awarding Federal agency and maintain written justification in records.
  - The Federal agency may require prior approval at its discretion, including review of the recipient's written justification.

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Section 200.321 — Contracting with Small Businesses



- Simplifies requirement that direct recipients/subrecipients consider small businesses (including statutory subcategories) for contracting opportunities.
- Removes references to minority businesses, women's business enterprises, veteran-owned businesses, and labor-surplus area firms and related considerations.

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Section 200.323 — Procurement of Recovered Materials



- Removes paragraph (b): “The recipient or subrecipient should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; purchasing reusable, refurbished, or recycled products, biobased products, and sustainable items.”
  - This was part of the 2024 Revisions

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FFATA (Federal Funding Accountability and Transparency Act) Reporting

Adds language in 200.329 Program Performance Reporting:

- (b) Recipients must confirm in performance reports that all subawards issued during the reporting period have been reported to SAM.gov.
- (h) Federal agencies are responsible for oversight of subrecipient reporting (reviewing/monitoring SAM.gov), taking corrective actions

And 200.332 Subrecipient Requirements:

- (g) Comply with applicable requirements in 2 CFR part 170 to report subawards on SAM.gov no later than the end of the month following the month in which the subaward was issued.

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Section 200.331 — Subrecipient and Contractor Determinations



- Adds: (c) Transfers to related entities.
  - Pass-through entities may not circumvent the requirements of this section by treating payments of Federal funds to affiliates, subsidiaries, or other related entities that are separate legal persons as internal transfers not requiring a determination under this section.
  - Such transfers of Federal funds must be evaluated under this section and treated as either subawards or contracts, as appropriate.

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Section 200.332 — Requirements for Pass-Through Entities – New Section



(i) Ensure that each subrecipient is in compliance with the terms and conditions of the subaward and does not take actions that could significantly damage the reputation of the pass-through entity, the Federal agency making the award, or the Federal Government.

If a pass-through entity determines that a subrecipient has taken such actions, it must consult with the Federal agency to determine whether the subaward should be terminated under § 200.340.

If the Federal agency determines that such significant reputational harm has occurred, it may either direct the pass-through entity to terminate the subaward or terminate the Federal award to the pass-through entity.

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Section 200.339 — Remedies for Noncompliance



Adds new paragraph clarifying that a Federal agency may, at its discretion and consistent with law, cooperate with individuals or organizations pursuing their own private cause of action or remedies, so long as it is in the interest of the United States.

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Section 200.340 — Termination and Suspension



- Restructures 200.340(a) Termination provisions to clarify separate grounds for termination:
  - (1) For noncompliance by the recipient or subrecipient
  - (2) At the discretion of the Federal agency of pass-through entity (new section) The Federal agency or pass-through entity, to the extent permitted by law, may terminate a Federal award in part or its entirety if the Federal agency or pass-through entity determines that 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**.
  - (3) By mutual agreement of the parties
  - (4) Upon notification by the recipient or subrecipient
  - (5) Pursuant to additional terms and conditions – added in "to the extent permitted by law" and "pursuant to any additional termination provisions included in the terms and conditions"

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Section 200.340 — Termination and Suspension

Adds 200.340(e) Temporary suspension

- **Suspension authority:** Where the law allows, a federal agency or pass-through entity can issue a written order at any time to temporarily suspend all or part of an award, if it decides the suspension is in its own interest or noncompliance.
- **90-day limit:** A suspension can't last longer than 90 days unless both parties agree to extend it. The clock starts when the recipient or subrecipient receives the written order.
- **What the order must include:**
  - A direction to stop all or part of the award activities
  - The effective date, scope, and expected duration of the suspension
  - A direction to take all reasonable steps to keep costs down for the suspended activities, consistent with paragraph (e)(2)
- **Must be in the award terms:** The agency or pass-through entity must state the suspension provision clearly and unambiguously in the award's terms and conditions.
- **Which awards it covers:** The provision generally applies to discretionary awards.

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Section 200.341(b) — Notification of Termination Requirement – **Noncompliance**



- If the Federal award (portion or entirety) is terminated for the recipient's material failure to comply with a Federal award, the notification must:
  - instruct the recipient or subrecipient to stop work
  - make no additional financial obligations, and, to the extent authorized by law
  - terminate all subawards and contracts related to the terminated portion of the Federal award.
- Consistent with § 200.342, the notification for a termination for noncompliance must also provide the recipient with an opportunity to object and provide information challenging the action

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Section 200.341 — Notification of Termination Requirement – **Agency Discretion**

Adds(c) Notification of discretionary termination must include:

(1) Reason for Termination
(2) Stop-Work Instructions
(3) Opportunity to Submit Termination Costs
(4) Written Statement on Allowability of Costs Requirements

Does not allow for appeal (clarified in 200.342)

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Section 200.421 — Advertising and Public Relations



- Clarifies advertising and public relations costs are not allowable, with limited exceptions.
  - Allowable if required by statute; for procurement of goods/services for the award; for disposal of scrap/surplus materials; or for program outreach and specific purposes necessary to meet award requirements.

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Section 200.432 — Conferences



- Costs for attending conferences are allowable only if expressly approved by the Federal agency and included in the terms and conditions of the award.
- Recipients are not authorized to attend conferences using Federal funds that do not serve to advance program outcomes.

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Section 200.450 — Lobbying



- Adds (clarified) that costs associated with the following activities are unallowable:
  - **Voter registration:** Running, funding, contributing to, or paying expenses for voter registration campaigns, drives, or similar activities, including paying another organization to do them.
  - **Unrelated advocacy:** Issue advocacy or public messaging that promotes or opposes social, political, or policy positions unrelated to the award's statutory objectives or performance requirements. This includes messaging meant to shape public opinion on matters the award doesn't need to accomplish its purpose.
  - **State executive lobbying:** Trying to influence a state's executive branch, such as state agency policymaking, rulemaking, or administrative actions, on matters unrelated to the award's objectives.

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Section 200.454 — Memberships, Subscriptions, and Professional Activity Costs



- Clarifies only costs necessary to fulfill award requirements are allowed.
- Adds requirement for prior approval from the Federal agency for costs.

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Other Updates to Selected Items of Cost

Section 200.461 — Publication and Printing Costs Revises policy — publication costs are now generally unallowable, with limited exceptions.

Section 200.467 — Selling and Marketing Costs Revises policy to clarify that allowed costs must be expressly included in the Federal award.

Section 200.477 — Abortion New subsection that reads: “Costs associated with elective abortions are unallowable, except as expressly authorized by Federal law.”

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Polling Question

I would like a CLA professional to contact me about:

- Grant administration and compliance services
- Assurance services
- Tax services
- Outsourced accounting and consulting
- Digital services
- Wealth Advisory
- Nothing, at this time

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What Should Grantees Be Doing Now?



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1. Monitor the Final Rule and Plan the Transition

1. **Track the final rule and agency adoptions**
   Watch for the final rule and each agency's adoption in 2 CFR subtitle B. Changes can not take effect until December 12, 2026 or after.

2. **Map changes to your policies**
   Compare the final text to the proposed rule. Update policy references from "Uniform Guidance" to "Uniform Grants Regulation."

3. **Inventory fixed amount awards and subawards**
   Existing agreements are not intended to be affected, but plan to use cost-reimbursement structures for new subawards unless a statute authorizes otherwise.

4. **Align how you count obligations**
   Update budget and closeout tracking so unobligated balances reflect only legally committed funds: orders placed, contracts or subawards awarded, or liabilities incurred.

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2. Prepare Compliant, Competitive Applications

Eligibility and disclosures

- Submit applications and reports in English unless the NOFO states otherwise
- Track staff on proposals or awards who worked for the awarding agency in the past two years; this must be disclosed
- Confirm your IRS designation (e.g., 501(c)(3)) matches the NOFO's eligible organization types
- Keep Grants.gov and SAM.gov registrations active; most applications must go through Grants.gov

Proposal content

- Tie goals and objectives to meaningful results, the program's statutory purpose, and administration priorities
- Keep executive summaries to 500 words or less
- Build short Statement of Interest (SOI) templates; full proposals are reviewed only if invited
- Watch for 30-day posting windows and multi-year award opportunities
- Research applicants: be ready to classify work as basic, applied, or experimental development

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3. Position for Merit and Risk Review

Align to priorities

Show how the project advances the program purpose and current federal priorities, and steer clear of activities the review principles exclude.

Monitor indirect costs

When all else is equal, lower indirect cost rates get preference. Revisit your rate and cost pool structure.

Build in benchmarks

Include measurable performance benchmarks and milestones that show progress toward program goals.

Show rigor (research)

Commit to Gold Standard Science and document rigorous, reproducible practices. Track record matters more than prestige.

Be risk-review ready

Keep audited financials, capacity to manage high-dollar awards, and prior performance results current. Risk review can occur within 30 days of the award decision.

Watch the public record

Agencies may weigh publicly available information on questionable practices, affiliations, and Section 117 foreign gift disclosures (higher ed).

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4. Track Award Terms and Specific Conditions

15

calendar days

for agencies to add or remove risk-based specific conditions after deciding to adjust them

1. **Read every award agreement**
   Confirm termination (§ 200.340) and suspension provisions, specific conditions, and any program-level conditions.
2. **Assign an owner for mid-award changes**
   Monitor agency notices and be ready to implement new conditions quickly.
3. **Know when agreement is required**
   Conditions not based on § 200.208(c) risk factors need your agreement during the period of performance.
4. **Keep a terms and conditions tracker**
   Log conditions, prior approvals, and reporting by award, and flow them down to subrecipients.

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5. Review Civil Rights and Program Policies

1 Remove disparate-impact standards

Review policies and procedures tied to federal awards. Do not adopt, issue, or enforce disparate-impact liability standards.

2 Review program content

Confirm award funds do not support prohibited activities (unlawful DEI/DEIA practices, gender ideology, transition for minors).

3 Document nondiscrimination

Make sure eligible people are not unlawfully excluded or denied benefits, and do not discriminate against faith-based organizations.

4 Public entities: event services

Apply viewpoint-neutral standards to security, crowd management, and facility access. For non-public entities, this applies to award activities only.

Engage legal counsel: Have counsel review policy changes and document the review, as these requirements apply "to the maximum extent permitted by law."

Based on the proposed rule; confirm against the final rule and agency adoptions when issued.

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6. Strengthen Controls, Payments, and Reporting

Internal controls and data

- Enroll in E-Verify for all employees and contractors working on federal awards
- Keep a documented control framework; COSO and GAO Green Book remain good practice
- Safeguard PII and confidential business information
- Keep PII out of the single audit reporting package

Payments

- Prepare a brief written justification for each payment request
- State the purpose and whether it is an advance or reimbursement
- Resolve any issues in Treasury's Do Not Pay data sources (e.g., SAM.gov exclusions) before drawdowns

Subaward reporting

- Report subawards in SAM.gov by the end of the month after issuance
- Confirm in each performance report that all subawards for the period were reported
- Reconcile subaward logs with SAM.gov regularly

Based on the proposed rule; confirm against the final rule and agency adoptions when issued.

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7. Update Procurement Policies

Employment practices	Remove hiring preferences for specific groups, base practices on merit, and use PLAs only when they advance the federal interest.
Cost-reimbursement contracts	Avoid where possible. If used, notify the awarding agency and keep a written justification on file; prior approval may be required.
Small businesses	Consider small businesses, including statutory subcategories. Remove the MBE, WBE, veteran-owned, and labor-surplus steps.
Domestic preferences	Watch for award terms that enhance U.S.-produced goods and build them into purchasing procedures.
Recovered materials	The 2024 sustainable purchasing provision is removed. Update policy language to match.

Based on the proposed rule; confirm against the final rule and agency adoptions when issued.

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8. Tighten Subrecipient Oversight

1. Determine	2. Agree	3. Report	4. Monitor
Treat payments to affiliates, subsidiaries, and related entities as subawards or contracts, and document each determination.	Update subaward templates. Flow down termination, suspension, E-Verify, reporting, and cost restrictions. No new fixed amount subawards.	Report each subaward in SAM.gov by the end of the following month and confirm it in performance reports.	Watch for subrecipient actions that could cause significant reputational harm, and consult the federal agency before terminating.

Why it matters: If the agency finds significant reputational harm, it may direct you to terminate the subaward or terminate your own federal award.

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9. Prepare for Termination and Suspension

Before it happens

- Build a stop-work and wind-down playbook
- Flow termination and suspension clauses into subawards and contracts so you can act quickly
- Track costs by award and activity so termination costs are supportable
- Keep compliance documentation current; agencies may cooperate with private parties pursuing remedies

If you receive a notice

- Stop affected work and make no new obligations
- During a suspension (up to 90 days unless extended), minimize costs
- Terminate related subawards and contracts as directed
- Submit a complete termination cost statement within the stated timeframe (e.g., 30–60 days)
- Noncompliance terminations allow an objection; discretionary terminations have no appeal

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10. Update Cost Allowability Policies

Cost area	What changes	Grantee action
Advertising and PR	Unallowable except limited exceptions	Code separately and document the exception
Conferences	Allowable only if expressly approved in award terms	Get approval before registering or traveling
Lobbying	Voter registration, unrelated advocacy, and state executive lobbying unallowable	Charge these activities to non-federal funds
Memberships and subscriptions	Must be necessary for the award; prior approval required	Request approval in the budget or in writing
Publication and printing	Generally unallowable, with limited exceptions	Budget only where an exception applies
Selling and marketing	Allowable only if expressly included in the award	Confirm the award language before charging
Elective abortion	Unallowable unless expressly authorized by federal law	Confirm cost coding and program restrictions

Also update your budget templates, chart of accounts, and staff training to reflect these changes.

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Prioritized Action Timeline

1

Now

- Form a cross-functional team (grants, finance, HR, procurement, legal)
- Inventory active awards, subawards, and fixed amount agreements
- Review indirect cost rate, SAM.gov, and Grants.gov status

2

Before Effective Date

- Update procurement, cost, civil rights, and internal control policies
- Enroll in E-Verify
- Update subaward templates and flow-downs
- Set up payment justification and FFATA processes
- Train staff

3

Ongoing

- Monitor the final rule and agency terms
- Respond to new specific conditions
- Stay ready for termination or suspension
- Review budgets and charges for allowability

Based on the proposed rule; confirm against the final rule and agency adoptions when issued.

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Thank you!

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Appendix: Other Proposed Changes



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Section 200.111 — English Language



- Streamlines policy regarding use of English language in NOFA, applications, and information.
- Removes language allowing submission of applications and reports in other languages unless specified.

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Section 200.112 — Conflict of Interest



- Requires recipients or subrecipients to disclose whether any employees who worked on the proposal or will support the award were employed by the awarding Federal agency within the preceding two years prior to application submission.
- Clarifies this information is for informational purposes and does not by itself represent a conflict of interest.

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Section 200.202 — Program Planning and Design

Added:

- (d) eligibility of nonprofit organizations. To the extent permitted by law, when a federal agency determines it is necessary to restrict eligibility among different types of nonprofit organizations, **the notice of funding opportunity must specify the applicable internal revenue code designation for eligible nonprofit organizations** (for example, 501(c)(3) organizations) and expressly state that other types of nonprofit organizations not specifically identified are ineligible (for example, 501(c)(4) organizations).
- (e) eligibility of entities for research and development awards criteria.

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Section 200.202 — Program Planning and Design

Added:

- (f) multi-year awards. When consistent with program objectives, and subject to restrictions in law, federal agencies are **encouraged** to design federal programs to allow for multi-year awards with budget periods longer than one year, rather than issuing separate notices of funding opportunities on an annual basis
- (g) awards for scientific research. Federal agencies that issue federal financial assistance for scientific research must categorize those awards as basic research, applied research, and experimental development

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Section 200.204 — Notices of Funding Opportunities



- Clarifies funding opportunities may allow open, limited, or non-competitive selection consistent with authorizing law.
- Requires public announcement of all discretionary awards via Grants.gov unless a program-specific exception is authorized.
- Requires applicants apply via Grants.gov unless expressly excepted.
- Executive summaries should not exceed 500 words, but agency heads may authorize exceptions.
- Opportunities must be posted for no less than 30 days 'unless exigent circumstances exist.'
- Requires NOFOs be accessible to a broad range of applicants, including those that have not previously received Federal awards.
- Federal agencies may be required to submit reports to OMB detailing recipients or types of recipients receiving awards over a specific time period.

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Section 200.206 — Federal Agency Review of Risk Posed by Applicants



- (b)(2) Adds that applicant risk assessment should be performed no earlier than 30 days before award decision.
- Expands and clarifies list of risk factors agencies may consider:
  - May assess applicant's financial capacity to manage high-dollar awards, in addition to overall financial stability.
  - Prior performance must be evaluated against goals of the funding opportunity; positive and negative outcomes given equal weight.
  - May consider history of questionable practices based on publicly available information (e.g., plagiarism, activities inconsistent with civil rights or religious liberty laws).
  - May consider affiliations with organizations engaged in illegal or subversive activities.
  - May consider compliance with foreign gift and contract disclosure requirements under section 117 of the Higher Education Act of 1965.

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Section 200.207 — Standard Application Requirements



Adds requirement for agencies to periodically review programmatic and administrative requirements specific to the agency, program, or award(s) to determine whether such requirements are unnecessary and not required by this part or applicable law.

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Section 200.219 — Prohibition of Discriminatory Event Services – NEW!



- **Viewpoint neutrality for public entities:** Public entities that receive federal funds, directly or as subrecipients, can't discriminate based on the viewpoint, content, or subject matter of speech. That includes political, ideological, or religious views when they provide services for events, meetings, or other expressive activities.
- **Where it applies:** Events the recipient or subrecipient sponsors, hosts, or permits on property or facilities it owns, leases, or controls.
- **What "services" means:** Security, crowd management, access to facilities, and other logistical or safety support.
- **Non-public entities:** The requirement covers only activities under the award.

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Section 200.318 — General Procurement Standards (l) Employment Practices



- Clarifies Part 200 does not prohibit recipients/subrecipients from communicating a requirement that individuals be authorized to work in the U.S. under applicable law.
- Removes the detailed list of permitted labor and employment practices, including hiring preferences for specific groups.
- Recipients/subrecipients may use project labor agreements or pre-hire collective bargaining agreements only if they advance the interest of the Federal Government (including practicability and cost effectiveness).
- Recipients/subrecipients are responsible for consistency with law; employment practices should recognize merit and employee ability to fulfill contract requirements.

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