

OMB's Uniform Guidance Do-Over: A Status Update

October 1, 2026

A Full Court Press

- Spending Rescissions
- Grant Interruptions
 - Suspension (aka “Pause”)
 - Termination
- Award Reductions
 - Indirect Cost Restrictions
- Revisions to 2 CFR 200

- What Is Actually in Place?
- What’s Been Proposed?

Attempted Spending Recissions

- The Budget and Impoundment Control Act (PL 93-344)
 - Deferral Procedure
 - Rescission Procedure
 - “Pocket” Rescission
 - 8/28/25: \$9.4 B (Foreign Aid)
 - 9/25/26: \$810 M (Multiple Programs)
 - GAO Position on Legality

Grant Interruptions

- Lawsuit Filed by Research Grantees
 - DOGE and NIH Use of AI to Screen Existing Awards
- Awarding Agency Risk Assessment
 - Individual Awards
 - Individual Recipient or Subrecipient
 - High Risk “Program” Designation

Award Provisions and Reductions

- Revised USDA Terms and Conditions (Effective 12/31/25)
- Proposed Agency Regulations (EDGAR) and Guidance (NSF)
- Addition of Prior Approvals
- Inclusion of Proposed Termination Language
- Indirect Cost Restrictions
 - National Institutes of Health
 - Department of Energy

Federal Agency Pre-award Discretion

- Advisory Role of Merit Review
- High Level Agency Review and Approval
 - OMB Proposal for Award Selection Role
- Risk Assessment (2 CFR 200.206) and Special Conditioning (2 CFR 200.208)
 - Prior Approvals
 - Benchmarking
 - More Oversight

Grant Terminations

- Unilateral Action by Recipient or Subrecipient'
- Mutual Consent by Both Parties

- Unilateral Action by Awarding Agency
 - Noncompliance
 - Available Due Process
- Unilateral Action by Awarding Agency
 - No Longer Effectuates "Program Goals or Agency Priorities"
 - 2 CFR 200.340(a)(4)

- Federal District (Massachusetts) Court Ruling (7/17/26)

Other Signs of Ongoing Grant Actions

- End of Fiscal Year 9/30/26
- OMB Lack of Transparency
- OMB Apparent Reliance on Language in Current Version of 2 CFR 200 or in Executive Order 14332
- OMB Proposal for Involvement in Grant Award Selection
- Federal Agency Lack of Transparency in Award Decisionmaking
- Federal Agency Reliance on Earlier Termination Language
- Indirect Cost Cognizant Agency Review of Costs in Final Rates

2 CFR 200: “Guidance” ☾ “Regulation”

- Important “History Lessons”
 - 12/26/14 Grant Circular Consolidation: “The Uniform Guidance”
 - Promised Five Year Review Proposed 1/20/20
 - 11/12/20 Limited Scope Review Accomplished
 - Revised Termination Language
 - 2/9/23 “Two Step” Review Initiated
 - 4/22/24 Revised Uniform Guidance Issued (Effective 10/1/24)
 - 8/7/25 EO14332 “Improving Oversight of Federal Grantmaking”
 - Pre-award Award Approval by Political Appointees
 - Post Award Approval of Payments
 - Further Revision to Termination Provisions
 - A Full Scale Revision of 2 CFR 200 Ordered

The Federal Assistance Regulation

- 5/29/26 OMB Proposes Regulation as Instructed
- 7/13/26 Deadline for Comments
- Requests for More Time Ignored
- 500,000 (+/-) Comments (Most in Opposition)
- Research Grantees
- Nonprofit Organizations
- Associations
- Original Target Date for Completion (10/1/26)
- Continuing Resolution (PL 119-103) Restricts Revised 2 CFR 200 Issuance
- Language in Effect Through 12/11/26

Monitoring the Key Players

- Collins (R-ME): Chair of Senate Appropriations Committee
- Murray (D-WA): Ranking Minority Member of Senate Appropriations Committee
- Kennedy (R-LA): Parsed Statement on 9/25 Pocket Rescission
- Cole (R-OK): Chair of House Appropriations Committee
- Government Accountability Office (GAO)
- Vought: Director, Office of Management and Budget (OMB)

Current Reality Check

- This is a “Long Game”
 - OMB Will Continue to Press the Envelope
 - Losing Side(s) Will Continue to Appeal
- What Actions/Non-Actions Make Sense for Recipients and Subrecipients?
 - 10/1/26-11/3/26
 - 11/3/26- 12/11/26
 - Post 12/11/26

Policies to Be Addressed?

- Status of the Document: Guidance or Regulation?
- OMB's Role
- Termination for Convenience
- Indirect Cost Recovery Procedures
- Role of the Single Audit
 - Scope
 - Compliance Supplement
- Which Court(s) Will Hear Initial Grant Appeals?
- Who Has Standing?

Questions

- Now
- Later

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