

OMB Proposes Major Uniform Guidance Changes: What Federal Award Recipients Need to Know

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The Office of Management and Budget (OMB) has proposed extensive revisions to 2 CFR 200 of the Uniform Guidance in an attempt to move from a guidance framework to that of formal regulation. If finalized, the proposed rule would be the most significant modification since the original 2013 Uniform Guidance. Below we share some important highlights of the proposal to date, with the comment period closing July 13, 2026.

Key Proposed Changes to the Uniform Guidance

- **Establishment of a New Uniform Grants Regulation Framework.**
- **Any Future OMB Amendments Would Become Government-Wide Requirements.** This would eliminate each agency having to reissue regulations.
- **Increased Transparency, Accountability and Oversight.** Specifically, this would require greater oversight as well as documentation requirements for federal awards and subawards. Recipients would be required to certify the completeness and accuracy of any subaward reporting in SAM.gov, as well as adhere to increased pass-through monitoring responsibilities.

As part of this oversight process, agencies would have expanded authority to suspend awards temporarily or terminate for discretionary reasons. Discretionary terminations would require the agency to provide explanations in writing along with notice procedures. Terminations would be allowed when the awards no longer advance the priorities set forth by the agency, no longer serve the program goals or no longer serve the national or public interest.

- **Clarification of Regulatory Structure.** It would clarify and improve uniformity across all agencies and agency implementation responsibilities.
- **Reduce Recipient Burden.** The proposed changes would encourage applications to apply for multi-year awards and avoid duplicate application processes.
- **New Policy-Based Funding Restrictions.** Some of the more significant substantive policy changes would be as follows:
 - **New §200.218 – Prohibition on Funding "Disparate Impact Liability" Theories.** This would prohibit funding where there would be an unintentional discriminatory effect on protected groups.
 - **New §200.219 – Prohibition on Discriminatory Event Services.** This would prohibit use of federal funds that would constrain speech based on political, religious or ideological viewpoints.
 - **New §200.220 – Foreign Collaborations.** This would restrict the use of federal funds which could be used as support for certain foreign countries.

- **Revised §200.300 – National Policy Requirements.** This intention would be to prohibit federal funding from supporting unlawful discrimination, DEI policies deemed unlawful under federal law, the use of race-based preferences and activities that are not consistent with any executive orders of the administration.
- **Procurement and Cost Principle Changes.** The recommended changes would require better documentation and price support along with the removal of those vendors who are inconsistent with merit-based procurement. Agencies would also be given discretion to impose domestic sourcing preferences. Cost principle changes would involve adding explicit prohibitions on certain costs and adding agency approval on others. More details can be located in Document Number 2026-10817 of the Federal Register.
- **Internal Control and Cybersecurity.** The new framework would require reasonable cybersecurity safeguards to be implemented. It would also expand confidential business information as protected information.
- **Audit Changes.** The framework would limit the expansion of Single Audit audit requirements beyond those already in place. Furthermore, agencies, Inspector Generals and the Government Accountability Office may only impose additional audits and audit requirements where authorized to do so by law.

What Federal Award Recipients Should Do Now

Federal award recipients and subrecipients should review their current grant compliance policies, subrecipient monitoring procedures, procurement documentation, cybersecurity safeguards and Single Audit readiness. Organizations may also want to assess whether submitting comments before the July 13, 2026, deadline is appropriate.

We Can Help

As the comment period remains open and further developments become known, we will continue to provide updates. In the meantime, our team can assist with audit and advisory services designed to help ensure continued compliance with current guidelines.

Contact Us

If you have any questions, please contact your PKF O'Connor Davies client service team or:

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