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# Preparing a Response to OMB NPRM: “Regulation for Federal Financial Assistance”

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June 17, 2026

**YVETTE R. SEGER, PHD**

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# Why We're Here

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- On May 29, the White House Office of Management and Budget (OMB) issued a Notice of Proposed Rulemaking (NPRM) outlining proposed changes to 2 CFR 200, Uniform Guidance for Grants and Agreements (“Uniform Guidance”)
- Proposed changes would significantly alter federal grantmaking processes across sectors, codifying multiple Executive Orders issued in 2025 and altering the tenor from “guidance” to “regulation”

# RFI vs. NPRM

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- **Request for Information (RFI):**
  - Agency seeking input on a concept for a new funding opportunity or policy
  - Intended to be a forum for idea exchange
  - Frequently used to test the viability of a new policy/funding opportunity
- **Notice of Proposed Rulemaking (NPRM):**
  - Agency putting forth changes that reflect internal review
  - More “go/no-go” than idea exchange

# Why is this NPRM Unique?

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- Breadth of changes
- Timeline for comment period (45 days)
- Timeline for implementation (by October 1, 2026)

# Why Comment?

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- Comments are necessary for documenting implications of the proposed regulations, particularly given the short comment period and desired accelerated timeline for implementation
- Going “on the record” activates other pathways for combatting the proposed changes (i.e., legislative advocacy)

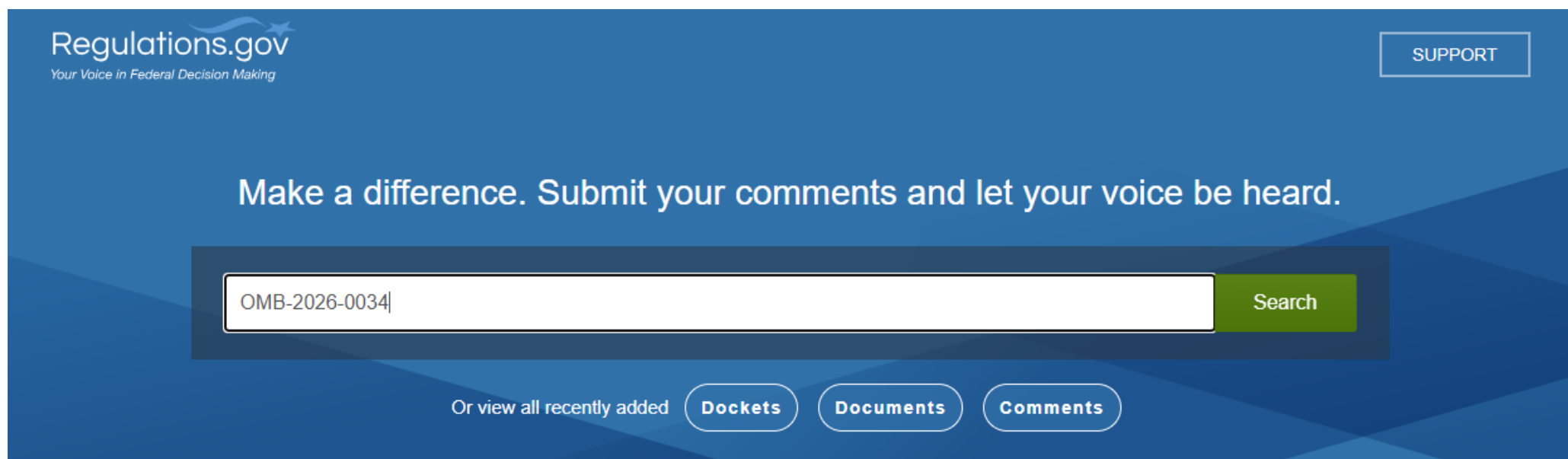
# Things to Consider When Developing Individual Comments

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- **Coordinate with your institution**
  - Connect with institutional leadership to understand what efforts are underway for an institutional response
  - Understand whether there are limitations on your use of institutional affiliation as part of your comments (or even the corresponding email)
- **Tell YOUR story**
  - Comment on the elements of the NPRM for which you have greatest concern and/or can provide clear examples of potential negative outcomes
- **Avoid using a copy-paste form letter**
  - Obvious form language is frequently counted as a single perspective during comment review

# How to Submit Comments

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Docket ID: OMB-2026-0034

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R RULEMAKING DOCKET

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## Regulation for Federal Financial Assistance

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Open for Comments

Docket Details

Docket Documents 3

All Comments on Docket 18.17K

Docket ID  
OMB-2026-0034

Number of Comments Posted to this Docket  
18,179  
More Details

Number of Comments Received  
25,945  
More Details

Docket Details

RIN  
0348-AB88

Summary

The Office of Management and Budget (OMB) proposes to revise the Guidance for Federal Financial Assistance to improve government-wide policies and requirements related to the management of grants, cooperative agreements, and other forms of assistance. OMB is proposing revisions that would improve transparency, accountability, and oversight for Federal awards across the Federal Government. This includes ensuring that American tax dollars are not wasted or misused, activities performed under Federal awards are consistent with law and policy, and recipients are held accountable when they fail to meet relevant standards. The revisions also aim to ensure that basic American principles of equality and equal opportunity are upheld throughout all stages of the award making process and that unlawful discrimination is no longer permitted. Proposed changes also include providing further clarification on the regulatory status of the OMB requirements and on the process for future updates to the government-wide requirements. Finally, OMB also proposes changes to reduce recipient burden. The listed Federal grant-making agencies propose conforming changes to their respective adopting regulations, or, in the case of some agencies and other entities, establishing new adopting regulations or policies. The proposed changes reflect the administration's commitment to transparency, accountability, and proper oversight for the Federal grantmaking process. The proposed regulations seek to ensure that American tax dollars are ultimately used to serve the needs of the American public.

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# Regulation for Federal Financial Assistance

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PROPOSED RULE

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## Regulation for Federal Financial Assistance

Posted by the Office of Management and Budget on May 29, 2026

Comment

Comment Period Ends: Jul 13, 2026 at 11:59 PM EDT

Document Type

Supporting & Related Ma  
Proposed Rule (1)

Document Details Document Comments 18.68K

Posted

Last 30 Days (3)  
Last 90 Days (3)  
Custom Dates

Docket (OMB-2026-0034) / Document

Document ID  
OMB-2026-0034-0001

Content

Comments Received  
25,945  
More Details

ACTION:

Proposed rule.

SUMMARY:

The Office of Management and Budget (OMB) proposes to revise the Guidance for Federal Financial Assistance to improve government-wide policies and requirements related to the management of grants, cooperative agreements, and other forms of assistance. OMB is proposing revisions that would improve transparency, accountability, and oversight for Federal awards across the Federal Government. This includes ensuring that American tax dollars are not wasted or misused, activities performed under Federal awards are consistent with law and policy, and recipients are held accountable when they fail to meet relevant standards. The revisions also aim to ensure that basic American principles of equality and equal opportunity are upheld throughout all stages of the award making process and that unlawful discrimination is no longer permitted. Proposed changes also include providing further clarification on the regulatory status of the OMB requirements and on the process for future updates to the government-wide requirements. Finally, OMB also proposes changes to reduce recipient burden. The listed Federal grant-making agencies propose conforming changes to their respective adopting regulations, or, in the case of some agencies and other entities, establishing new adopting regulations or policies. The proposed changes reflect the administration's commitment to transparency, accountability, and proper oversight for the Federal grantmaking process. The proposed

Document Details

Comment Due Date  
Jul 13, 2026

Federal Register Number  
2026-10817



You are commenting on a Proposed Rule by the **Office of Management and Budget**

🕒 Comment Period Ends: **28 Days**

## Regulation for Federal Financial Assistance

### Write a Comment

[Commenter's Checklist](#)

[Public Comments on Federal Regulations](#) ↗

#### Comment\*

This space provides 5,000 characters that you can use for either direct submission of your comments or to provide an executive summary of more extensive comments submitted via attachment (below)



4806

#### Attach Files

You can attach up to 20 files, but each file cannot exceed 10MB. Valid file types include: bmp, docx, gif, jpg, jpeg, pdf, png, pptx, rtf, sgml, tif, tiff, txt, wpd, xlsx, xml.

Drop files here or

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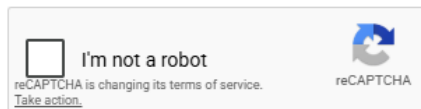


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First Name

**Last Name \***

Last Name

**City**

City

**State**

Select a State

**Zip**

Zip

**Country**

United States

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Phone

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**Note:** If choosing to submit your comments anonymously, care should be taken to not include identifying information in your feedback on the proposed rule

# Closing Thoughts

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- If you are concerned about the potential implications of the NPRM, you should comment!
  - **Connect with your institution** regarding its strategy and to determine whether you will need to submit comments without institutional identifiers/affiliation
- Comments should focus on the implications of the NPRM on federal grantmaking processes, NOT the perceived intentions of administration officials
- Finalize and submit comments by July 13 deadline

# Overview of OMB's Proposed Revisions to the Uniform Guidance

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June 17, 2026

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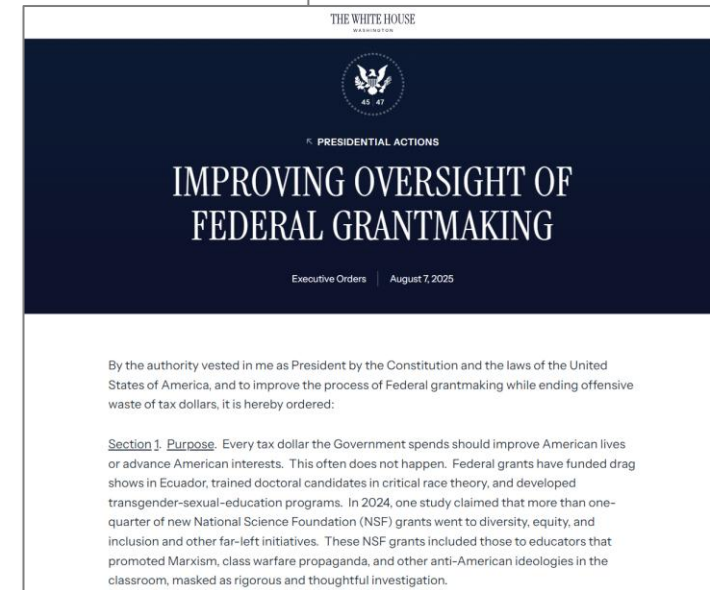
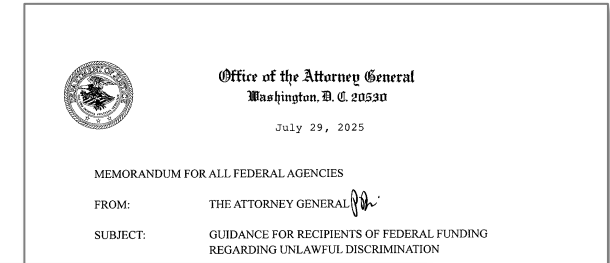
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# Objectives and Priorities

- OMB provides **three main objectives** for proposed revisions:
  - Improving **transparency, accountability, and oversight**;
  - Clarifying the **regulatory status** of the Part 200 text; and
  - Reducing **burden** on award recipients.
- The proposed rule incorporates certain Trump administration **policy priorities set forth in executive orders and memoranda**, including those focused on:
  - Diversity, equity, and inclusion (“DEI”) programs;
  - Gender ideology;
  - Disparate-impact theories and merit-based opportunity;
  - Pediatric gender transition procedures; and
  - **Federal awardmaking oversight.**



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# Key Themes of OMB's Proposed Revisions

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- **Shifting from “guidance” to government-wide “regulation”**
  - Centralizing award requirements within the federal government
  - Impact on *future* rulemaking
- **Aligning awards with current administration’s priorities, e.g.,**
  - Political appointee participation in award process
  - Non-scientific factors in award decisions
- **Making grants/cooperative agreements more contract-like, e.g.,**
  - Termination for convenience strengthened
  - New suspension authority
- **Adding non-scientific policy restrictions, e.g.,**
  - DEI and gender ideology
  - “Discriminatory event services”
  - “Wolf Amendment” restrictions on foreign collaborations

# UG as Regulation; Specific Conditions

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- **Elevation from “Guidance” to “Regulation”** – Future OMB amendments would take effect government-wide on a single date; agencies to remain “partners” with OMB during any future amendments process.
- **Specific Conditions Authority (§ 200.208)** – Proposed rule would provide express authorization for agencies to **add or remove specific conditions throughout the period of performance** of an award, based on consideration of certain enumerated factors (e.g., recipient’s risk assessment, history of compliance).
  - Conditions would need to be implemented within 15 calendar days of agency determination.
  - New examples of conditions that may be imposed include finance reporting on payments to contractors/vendors, and financial integrity-related site visits.

# Pre-Issuance Review; Evaluation Factors

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- **Pre-Issuance Review (§ 200.205)** – Agency-designated **senior political appointees** would conduct pre-issuance review of all discretionary awards.
  - Awards must: “**demonstrably advance the President’s policy priorities**”; not be used for discriminatory purposes; not promote “**anti-American values**”
  - **Peer review** recommendations would “**remain advisory**” and are not to be “**ministerially ratified [or] routinely deferred to**” by senior appointees.
  - “[A]ll else being equal, **preference for discretionary awards** should be given to institutions with **lower indirect cost rates.**”
- **Expanded List Items for Consideration (§ 200.206(b))** – Would add factors for evaluation of applicant institutions, including **financial capacity**, **history of “questionable practices,”** and **memberships/affiliations** with organizations that violate federal law, undermine public safety/national security, or advocate for the overthrow of the U.S. government.

# Process “Streamlining”; COI Reporting

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- **Streamlining the Award Process (§§ 200.202, 200.204)** – Proposes several measures that OMB asserts would streamline the award process, including:
  - Encouraging use of **multi-year awards** to reduce the frequency of applications;
  - Promoting use of **pre-application Statements of Interest to pre-screen applicants**; spare less competitive applicants from preparing resource-intensive proposals; and
  - Requiring that all federal funding opportunities be posted on **Grants.gov** to reduce duplicative processes.
- **Conflicts of Interest (§ 200.112)** – Would require disclosure of whether any employees who (i) worked on the application or proposal or (ii) who are anticipated to work on activities under the resulting federal award were **employed by the awarding federal agency** during the preceding **two years** prior to application submission.

# Expanded Discretionary Termination Authority

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- Would permit agencies and pass-through entities to **terminate awards, in whole or in part**, when termination is **in its interest**, including if an award does not effectuate “program goals, Federal agency priorities, or **the national interest**,” **“as they exist at the time of the termination”** (§ 200.340(a)(2)).
- Would generally **apply to discretionary awards**, subject to certain exceptions (§ 200.340(b)).
- Notifications of discretionary termination would be required to include only a **“brief summary”** of the reason(s) for termination; the reason(s) may apply to an **individual award or a class of awards** (§ 200.341(c)).
- Recipients could submit termination cost information and documentation, but agencies **would not be required to allow for objections, hearings, or appeals** related to any reasons for termination **except termination for noncompliance** (§§ 200.341(c); 200.342).

# New Temporary Suspension Authority

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- Would authorize **suspension of an award for up to 90 days** (or longer by mutual agreement) if the agency or pass-through entity determines a **suspension is in its interest** (§ 200.340(e)(1)).
  - Modeled on **FAR** stop-work orders for procurement contracts.
  - Suspension would **begin after a written order is delivered** to the recipient or subrecipient.
- During suspension, the recipient must “**take reasonable steps to minimize the incurrence of costs**” allocable to suspended activities and document those efforts (§ 200.340(e)(2)).
- Agency could **cancel the suspension or proceed to termination** (§ 200.340(e)(2)).
- If suspension lifted and project resumed, the agency or pass-through entity “**should [not must]** consider and seek to resolve any budgetary or schedule impacts,” including through adjustments to the project schedule, project budget, or both (§200.340(e)(3)).

# Agency Cooperation with Private Actions

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- Under proposed § 200.339(b), agencies could cooperate with third parties pursuing **private causes of action** against recipients for noncompliance.
  - Would give agency leadership the ability to support (overtly, publicly) the advocacy activities of external groups critical of the content and execution of specific awards and/or awardees.
  - Could cause reputational damage to the recipient institution, and the time/effort required to defend such actions would be another drain on already strained institutional budgets.
  - May deter individual researchers and research institutions from engaging in lawful but politically sensitive projects, even when those activities are consistent with award terms.

# DEI/Antidiscrimination

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- **DEI/DEIA and Gender Ideology Prohibitions (§ 200.300(b))** – Federal awards cannot be used to “fund, promote, encourage, subsidize, or facilitate” unlawful DEI/DEIA practices, “gender ideology,” or pediatric gender transition.
  - Recipients “**should not assume** that practices previously viewed as consistent with prior Executive Branch guidance will necessarily satisfy applicable Federal anti-discrimination requirements as applied to Federal awards.”
- **Disparate-Impact Theories (§ 200.218)** – Prohibits the use of federal financial assistance to promote or support the use of disparate-impact liability theories based on protected characteristics such as race, sex, or age.
  - Research, program evaluation, and similar activities that may be deemed to employ disparate-impact theories (e.g., health disparities work) permitted if those activities are not federally funded or used to in connection with or applied to federal award activities.

# International Elements

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- **Research & Development (R&D) Awards Eligibility (§ 200.202(e))** – R&D awards would need to be made to **entities organized under the laws of the U.S., a state, or a tribal government**, to the extent permitted by law. Federal agencies would apply a “**domestic-first framework**, under which **international elements** may be included **only if** the Federal agency determines that such elements are **justified**, consistent with **program objectives**, and in the **national interest** of the United States.”
- **Prohibition on Covered Foreign Collaborations (§ 200.220)** – Prohibits recipients and subrecipients from using federal funds to **support bilateral or multilateral collaborations**, agreements, programs, or activities with “**covered foreign countries**” or “**covered foreign entities**.”
  - Extension of Wolf Amendment to all agencies

# Subawards

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- **Enhanced Subaward Reporting (§§ 200.329(b), (h); 200.332(g); 200.340(a)(1))** – Recipients must confirm in **performance reports** that all subawards issued during the reporting period have been reported to *SAM.gov*.
  - Failure to report subawards could serve as a **basis for termination** of the federal award.
- **Transfers to Related Entities (§§ 200.331(c); 200.332(h))** – Pass-through entities could not treat payments to affiliates, subsidiaries, or related entities that are “**separate legal persons**” as internal transfers that are exempt from subrecipient/contractor determinations.
  - Federal fund transfers to such entities would **need to be classified** as subawards/contracts.
- **Subrecipient Damage to Reputation (§ 200.332(i))** – Pass-through entities would be required ensure subrecipients do not take actions that could “**significantly damage the reputation**” of the pass-through entity, funding agency, or U.S. government
- **No Fixed Amount Subawards (§ 200.333)** – Fixed amount subawards would be eliminated entirely.

# Unallowable Costs

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- **Publication** costs would be unallowable unless required by statute or approved in advance by the federal agency on a case-by-case basis (§ 200.461).
- **Conference attendance** costs would be unallowable unless participation is expressly approved by the agency and included in the award terms and conditions (§ 200.432(b)).
- **Advertising and public relations** costs would be unallowable, subject to narrow statutory or procurement-related exceptions (§ 200.421).
- **Commencement and convocation** costs would be unallowable for all entity types, not just institutions of higher education (§ 200.429).
- **Elective abortion-related** costs would be unallowable, consistent with the Hyde Amendment (§ 200.477).
- **Fundraising and investment management** costs would require prior agency approval (§ 200.442).

# Payment Justifications; Referral to US Attorney

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- **Payment Justifications (§ 200.305(c))** – Would require that any payment requests from recipients (other than states) must include **justifications** describing the purpose of the payment and the specific award-related work supported.
- **Disclosure of Fraud and Other Misconduct (§ 200.113)** – Would require agencies to transmit any reports of fraud, COI, bribery, or other violations to the **U.S. Attorney's Office for the District of Columbia** within ten days after receipt.



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