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## Uniform Guidance for Federal Grants: An Overview

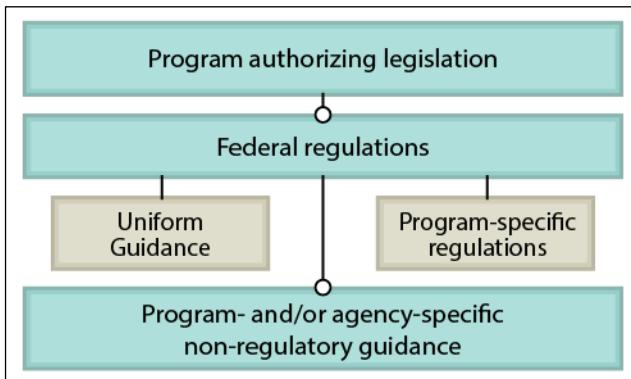
A range of federal agencies administer grants to nonfederal entities (such as state, local, and tribal governments) to advance federal policy goals. To help implement these grants in a similar manner for all agencies, the Office of Management and Budget (OMB) issues guidance for federal grant management. This guidance is contained in the Code of Federal Regulations (C.F.R.) at 2 C.F.R. Part 200. 2 C.F.R. Part 200 is formally known as the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” and informally referred to, including in this In Focus, as the “Uniform Guidance.”

The Uniform Guidance covers a range of issues pertaining to federal financial assistance (such as grants, but also including other forms of assistance such as cooperative agreements, direct appropriations, and loans), including definitions, methods for determining allowable costs under federal grant awards, and procedures for procurement using federal grant awards. Given the scope of federal grants—in FY2024, the federal government administered over 1,100 funded federal grant programs—the Uniform Guidance is sometimes associated with federal grants in particular.

### Authorities Governing Federal Grants

There is a hierarchy to the provisions governing federal grants (**Figure 1**). First, Congress has, in many cases, provided authorizing legislation for specific grant programs. Such legislation establishes the general contours of a grant program, such as which federal agency will administer the program and who may be an eligible grant recipient. Second, federal agencies are authorized to issue regulations containing rules implementing the grant program. (See “Applicability of the Uniform Guidance”.) These rules may have details not included in the authorizing legislation. (OMB’s Uniform Guidance, as codified regulations, has the same authority as any program-specific regulations.) Third, federal agencies may issue program-specific guidance not codified in regulation.

**Figure 1. Authorities Governing Federal Grants**



Source: CRS analysis.

While grant programs may have specific programmatic regulations issued by the federal administering agency, the Uniform Guidance describes more general policies than those in program-specific rules. Further, unlike federal agency grant regulations, the Uniform Guidance does not apply to non-federal entities. Rather, the Uniform Guidance applies to federal grantmaking entities, who under processes established at 2 C.F.R. §200.105, make the Uniform Guidance binding on non-federal entities.

In addition, at least 35 federal departments or agencies have accepted the Uniform Guidance. These agencies have done so either without making modifications to the Uniform Guidance or with some amendments to accommodate specific legal requirements of either the agency or particular grant programs. Agencies are permitted to make such adoptions or interpretations of the Uniform Guidance in ways that apply only to that agency. For example, the National Science Foundation’s (NSF’s) adoption of the Uniform Guidance is at 2 C.F.R. Part 2500. However, as stated at 2 C.F.R. §2500.100, NSF’s adoption deviates from the Uniform Guidance in that NSF uses an approved alternate software for tracking grant financial information other than that specified in the Uniform Guidance. Agency-specific versions of the Uniform Guidance mostly appear at 2 C.F.R. Subtitle B.

### Applicability of the Uniform Guidance

As established at 2 C.F.R. §200.101(a), all subparts of the Uniform Guidance apply to all federal agencies that make grants to non-federal entities, unless another part of the Uniform Guidance or federal statute specifies otherwise. (See “Subparts of the Uniform Guidance”.) While most grant recipients are also subject to all subparts of the Uniform Guidance, certain grant recipients (such as those that are not state or local governments or nonprofit organizations) may be exempt from some audit requirements. (See 2 C.F.R. §200.101(a)(2).)

While agencies’ adoption of the Uniform Guidance applies to grant management and administration procedures generally at that agency, an agency may also maintain separate regulations pertaining to a specific grant program or office within the agency. For example, the Department of Justice (DOJ) has adopted the Uniform Guidance at 2 C.F.R. Part 2800. But DOJ’s Office of Juvenile Justice and Delinquency Prevention (OJJDP) maintains its own regulations for its grant programs at 28 C.F.R. Part 31. These regulations add detail to OJJDP’s administration of grant programs that are not addressed in DOJ’s adoption of the Uniform Guidance, such as a requirement that states receiving OJJDP grants set aside a portion of that grant funding for local government use.

## Subparts of the Uniform Guidance

The Uniform Guidance is divided into six subparts, as well as 12 appendices. The subparts are:

- **Subpart A.** This subpart contains acronyms and definitions used throughout the Uniform Guidance.
- **Subpart B.** This subpart contains general provisions, including the Uniform Guidance's purpose and applicability.
- **Subpart C.** This subpart contains pre-grant award requirements and the required contents of federal grant awards, such as performance goals and tracking of the amount of federal funds obligated to a grant award.
- **Subpart D.** This subpart contains post-grant award requirements such as monitoring provisions for federal awarding agencies.
- **Subpart E.** This subpart contains cost principles for federal grants. Cost principles detail matters such as allowable costs of work performed by a grant recipient.
- **Subpart F.** This subpart contains audit requirements for grant awards.

The 12 appendices include supplemental guidance on subjects such as notice of funding opportunity (NOFO) requirements and how indirect costs can be identified and calculated.

## History of the Uniform Guidance

Prior to the establishment of the Uniform Guidance, federal grant administration procedures were dictated by a series of policy directives issued by OMB and known as "circulars." The Uniform Guidance ultimately combined the policies contained in eight OMB circulars pertaining to grant administration.

The process of developing the Uniform Guidance began during the Obama Administration. In 2012, OMB issued an advance notice of proposed guidance, which cited an effort to "strengthen the oversight of Federal grant dollars by aligning existing administrative requirements to better address ongoing and emerging risks to program outcomes and integrity." The advance notice of proposed guidance mentioned that OMB was considering consolidating various grant-related guidelines into Title 2 of the C.F.R.

A few months later, OMB issued a related proposed guidance document. Stating that "[f]ederal grant-making must be streamlined to make the most of taxpayer dollars and ensure financial integrity while delivering the right program outcomes", the proposed guidance identified eight OMB circulars that would be superseded by any forthcoming final guidance. OMB wrote in the proposed guidance that "consolidation is aimed at eliminating duplicative or almost duplicative language in order to clarify where policy is substantively different across types of entities, and where it is not."

In December 2013, OMB issued final guidance superseding the requirements of the eight previously-identified OMB circulars and set "standard requirements for financial management of Federal awards across the entire Federal government." OMB confirmed that the final guidance would be codified in Title 2 of the C.F.R. These measures began to be put in place in December 2014, when OMB and 41 other federal agencies issued an interim final rule implementing the December 2013 final guidance.

## Revisions to the Uniform Guidance

The Uniform Guidance authorizes OMB to periodically review the Uniform Guidance make updates or changes (2 C.F.R. §200.109). OMB has exercised this authority and periodically reviews the Uniform Guidance. In 2020, OMB completed its first such review. The review led to various revisions, including emphasizing federal administering agency focus on grant program performance metrics and adding a provision that required that procurements under federal awards should provide a preference for items produced in the United States to the greatest extent practicable.

OMB completed a second review of the Uniform Guidance in 2024. This review also led to revisions, including changes related to indirect costs under federal grants and clarifying that federal agencies may translate NOFOs for federal grants into languages other than English.

## Congress and the Uniform Guidance

Although OMB and federal agencies have direct control over revising and implementing the Uniform Guidance, Congress can prompt OMB to revise or otherwise address aspects of the Uniform Guidance as it sees fit. For example, in the 119<sup>th</sup> Congress, the Financial Services and General Government Appropriations Act, 2026 (S. 3290), as introduced in the Senate, would prohibit any funds appropriated by the bill from being used to develop or implement "any policy, guidance, or rule that would alter the manner in which the Office of Management and Budget, in administering Federal financial assistance, applies the negotiated indirect cost rates for institutions of higher education under section 200.414 of title 2, Code of Federal Regulations." Congress has periodically taken other similar measures in relation to the Uniform Guidance.

The formal public notice-and-comment period used in federal rulemaking (including for the Uniform Guidance) could give Members of Congress a more complete sense of advocate and opponent arguments for any potential revisions to the Uniform Guidance. Members may weigh any benefits or drawbacks of such a notice-and-comment period for informing Uniform Guidance development and revision, as opposed to revising the Uniform Guidance through the legislative process.

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