

Navigating the Uniform Grants Regulation

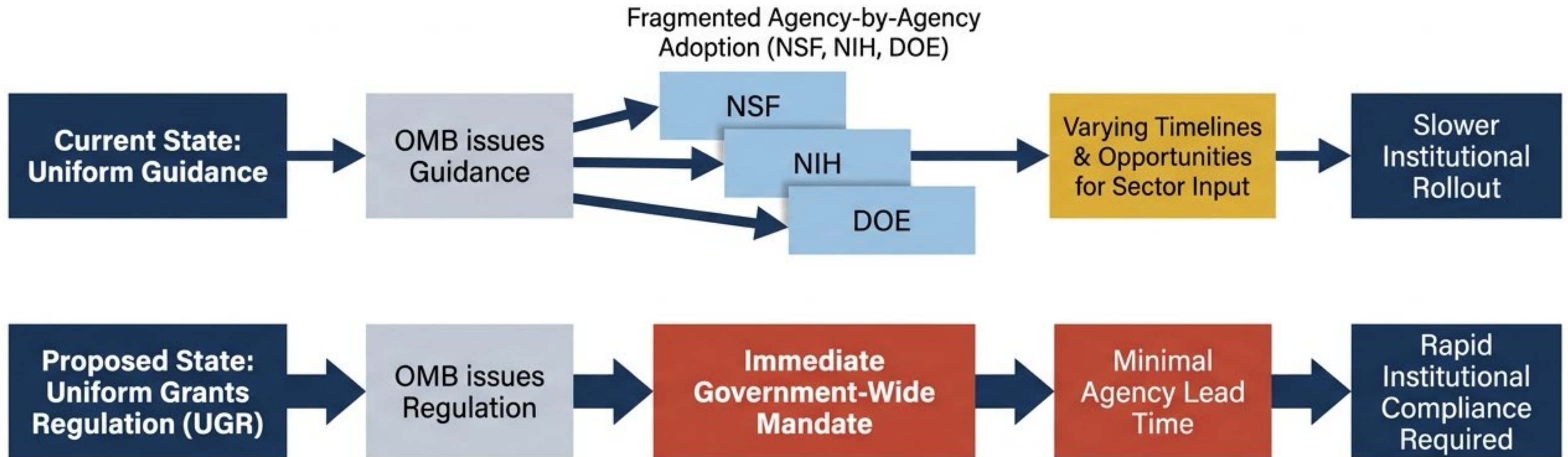
A Practical Guide to the Proposed 2 CFR Part 200 Overhaul

The largest proposed overhaul since 2013, shifting the landscape from agency guidance to centralized regulation.

What Research Administrators, PIs, and DGAs need to know.



The Structural Shift: From Guidance to Regulation



Once classified as a regulation, future OMB changes take effect simultaneously across all federal agencies on a single date. We will have less lead time and fewer chances for agency-specific input.

First, The Good News: What Is NOT Changing



No 15% F&A Cap

The much-feared 15% indirect cost rate cap is explicitly not in this proposal. FY26 appropriations language has blocked changes to negotiated rates for now.



New Awards Only

The UGR will apply only to new awards and funding amendments issued after the effective date. It is not a retroactive sweep of your existing portfolio.

Pre-Award Terrain: Increased Scrutiny and Standardization

Senior Pre-Issuance Review (§ 200.205)

Rule: A senior agency appointee reviews selected proposals for alignment with law, priorities, and “national interest.”

Practical Effect: Technical peer review becomes advisory. Increased risk of non-scientific political vetoes before an award is issued.

NOFO Standardization (§ 200.204)

Rule: Standardized notices and optional short “pre-screens.”

Practical Effect: Fewer Letters of Intent (LOIs) and concept papers, but expect shorter, highly structured posting windows.

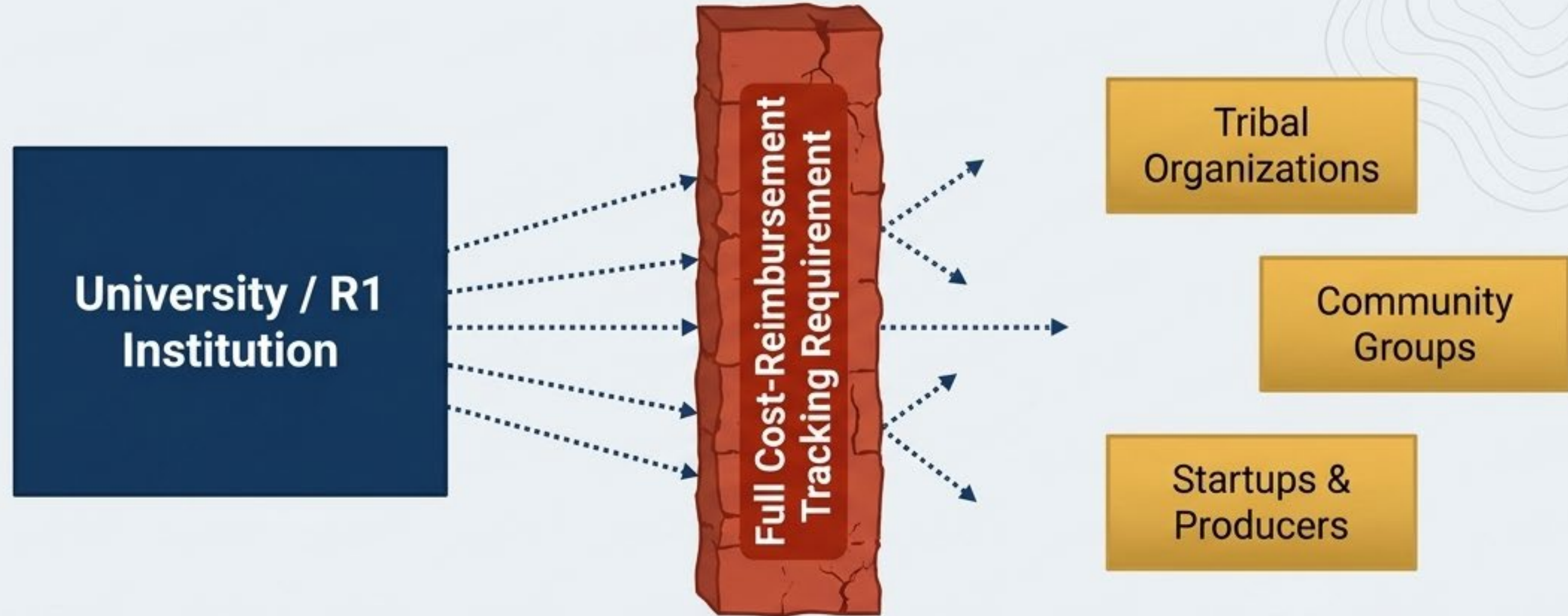
Foreign Collaboration (§§ 200.202e, 220)

Rule: New provisions regarding “covered foreign entities.”

Practical Effect: Heightened scrutiny for international work. Vague definitions currently create compliance ambiguity.

The End of Fixed-Amount Subawards (§§ 200.201, 200.333)

The proposal prohibits milestone-based, lump-sum instruments (fixed-amount awards).



Impact: While standard federal funding won't be heavily disrupted, small or non-traditional subrecipients lacking complex accounting infrastructure will face severe barriers to participation, contradicting goals of broader participation.

Post-Award Operations: Elevated Friction & Uncertainty

Termination & Suspension (§§ 200.340–343)

The Rule: Agencies can terminate if awards no longer fit “national interest” (a termination for convenience standard) and use new suspension authority up to ~90 days.

The Reality

Massive monetary risk exposure for multi-year commitments. Fully compliant graduate student appointments, post-docs, and equipment leases are suddenly vulnerable to sudden funding pauses.

Subaward Reporting (§ 200.329)

The Rule: Must confirm subawards are reported on SAM.gov; failure to do so becomes basis for termination.

The Reality

Elevates a single-project reporting non-compliance into a concrete threat to the entire award.

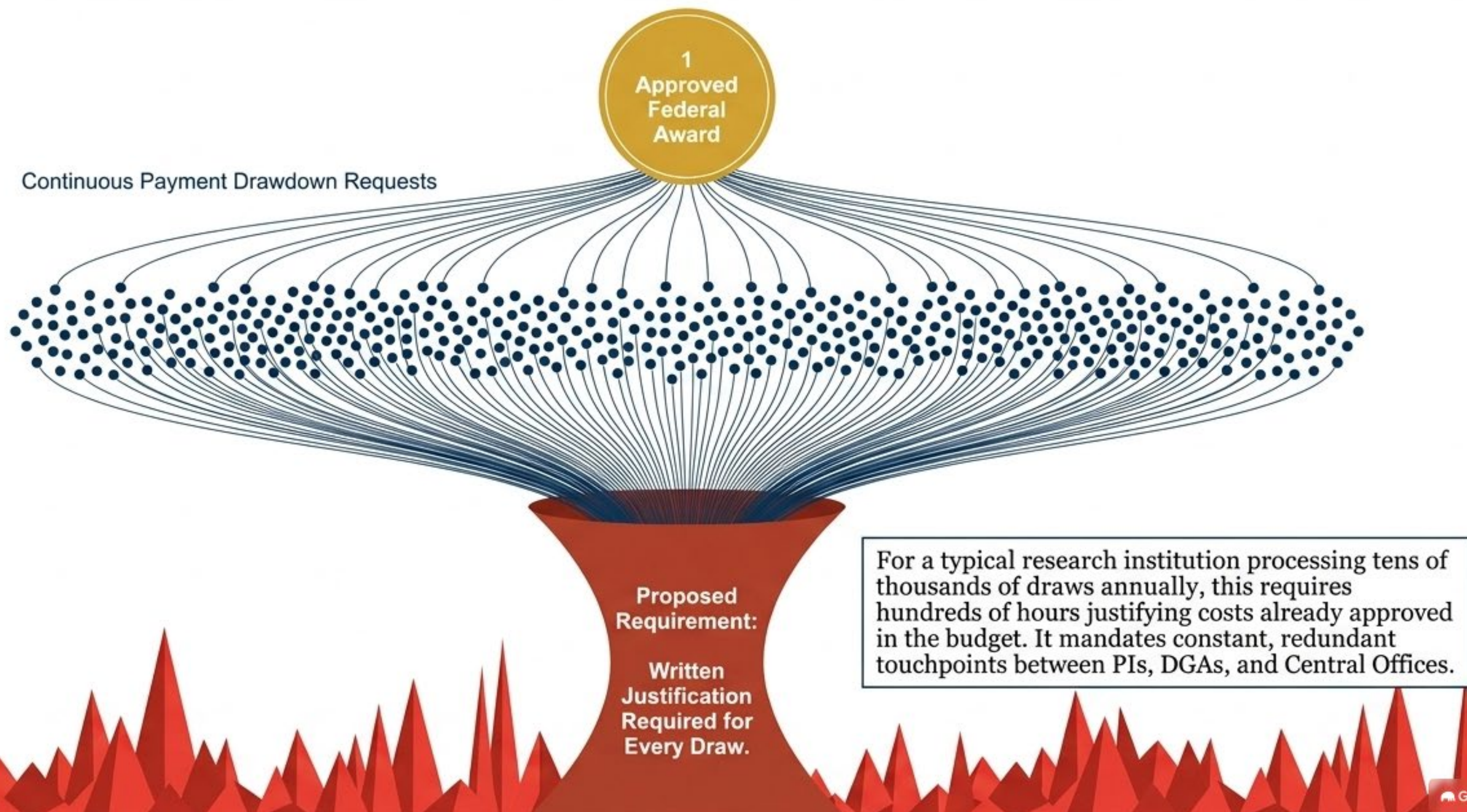
E-Verify Expansion (§ 200.303)

The Rule: E-Verify extends from federal contractors to grant recipients and subrecipients.

The Reality

“Contractor” is undefined, potentially sweeping in ordinary vendors who lack E-Verify capacity.

The Sleeper Burden: Per-Payment Documentation (§ 200.305)



Cost Principles Diagnostic Matrix

Current State

Proposed State

Publication

Publication Costs (§ 200.461)

Article-processing and open-access fees are standard allowable direct costs.

Presumptively unallowable on the award.

Conferences

Conference Costs (§ 200.432)

General professional development and information sharing are standard practices.

Prior approval strictly required. Creates a rigid, difficult-to-enforce distinction between presenting required project results vs. general professional development.

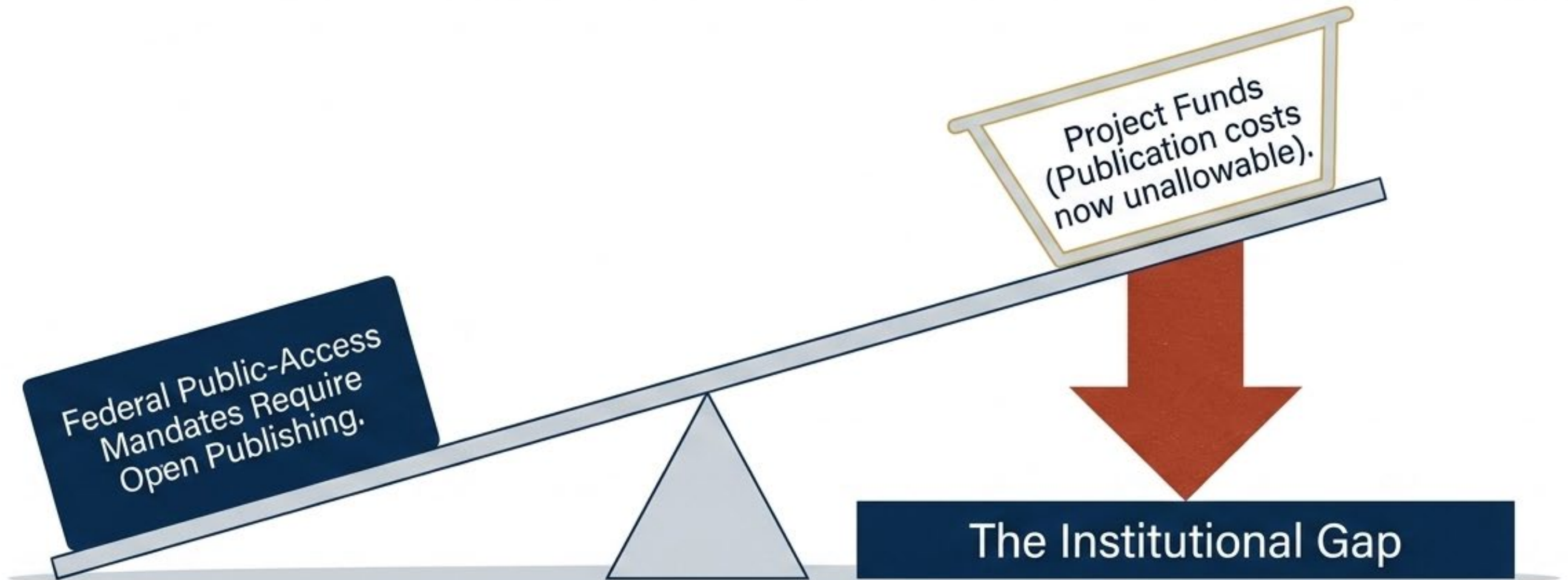
Policy

National Policy Prohibitions

Standard federal compliance.

Implements 2025-2026 executive orders restricting costs tied to DEI activities and viewpoint-neutrality (definitions remain unclear).

The Hidden Cost Transfer: The Publication Paradox



If federal mandates require open-access publishing of research, but the proposed UGR prevents charging those publication fees to the award that produced the work, the cost burden does not disappear—it is forcefully shifted onto the unit or department's internal operational budget.

Sector Pushback: What the Research Community Asked For

Four-Pillar Architecture

Phase It In

Apply low-lift provisions first; defer heavy burdens (per-payment documentation, E-Verify) to no earlier than October 1, 2027.

Make It Risk-Based

Treat expenditures already in an approved budget as allowable without re-justification; limit per-draw scrutiny to genuinely high-risk awards.

Protect Multi-Year Work

Demand written notice (≥ 90 days) for terminations, a chance to cure, and recovery of properly incurred close-out costs (payroll, grad students).

Fix F&A Logic

Ensure cost recovery logic looks at actual projected federal costs, not just nominal negotiated rates (which yield pennies on the dollar after exclusions).

Behind the Scenes: How Central Offices are Preparing



Coordinating

Working cross-functionally and engaging with groups like COGR to prepare plain-language guidance (“what changed / what you do differently”) for when the rule is finalized.

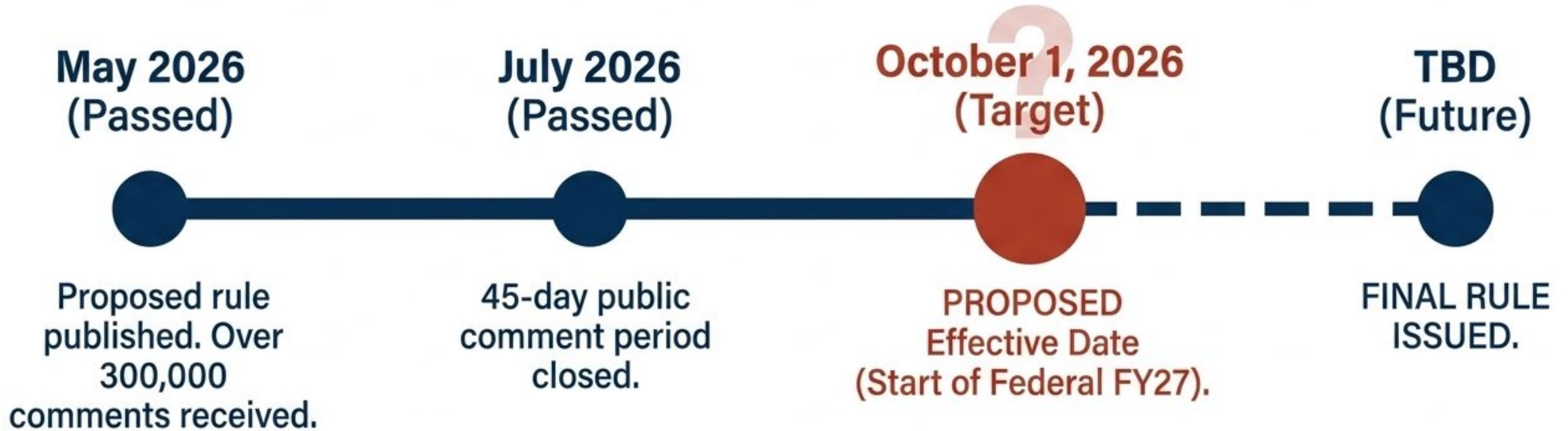
Mapping Impact

Auditing existing internal processes, subaward templates, and financial systems to identify exactly where the UGR will break current workflows.

Monitoring

Tracking the official docket, the final-rule timeline, and observing early agency-level NOFO adoptions (e.g., NSF, NIH) and potential rescissions.

The Implementation Horizon



Do not rewrite your internal unit processes yet. We are operating under proposed rules. Central offices will issue clear operational guidance once a final rule is published.

The Bottom Line for PIs & Administrators

The Threat

This is a massive proposed rewrite carrying real potential for increased administrative friction and departmental financial burden.

The Relief

The most feared financial cut—the 15% F&A indirect rate cap—is NOT in this proposal.

The Action Plan

Nothing is final. You do not need to alter your grant management behavior today. Maintain awareness and await finalized institutional guidance.

When a final rule issues, your Central Sponsored Programs office will release localized, step-by-step guidance.

Questions about this Presentation?

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Have a topic you want to see presented or discussed?

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