



Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - 2 CFR Part 200

This quick guide provides a detailed explanation of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, often referred to as Uniform Guidance, codified at 2 CFR Part 200. The Uniform Guidance governs the administration of federal financial assistance and outlines the structure, key provisions, and implications for recipients receiving federal funds.

A Comprehensive Framework for Managing Federal Awards under 2 CFR Part 200

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Background

The Uniform Guidance was issued by the Office of Management and Budget (OMB) in 2014 and revised in 2020 and 2024. It consolidated and replaced eight legacy OMB circulars to create a single, streamlined set of rules for federal grants and cooperative agreements.

Why It Was Created:

- To standardize and simplify compliance across federal agencies and recipients.
- Promote fiscal integrity and accountability.
- Mitigate risk of noncompliance and audit findings.
- Encourage strong internal controls.
- Enhance transparency and performance management.

Key Components

- Support efficient grant administration.

Applies To:

- States, local governments, tribes
- Nonprofits
- Institutions of higher education

Other non-federal entities receiving federal awards

A. Structure of 2 CFR Part 200

The Uniform Guidance is divided into six (6) subparts:

Subpart A - Acronyms and Definitions ([2 CFR 200 Subpart A](#))

- Defines key terms such as “non-federal entity,” “subrecipient,” “contractor,” and “modified total direct cost (MTDC).”
- In the most recent Uniform Guidance updates (2024), the following general terms were updated: “Federal Awarding Agency” to “Federal Agency” and Non-Federal Entity (NFE) to “Recipient” or “Subrecipient” (as applicable).

Subpart B - General Provisions ([2 CFR 200 Subpart B](#))

- Outlines the scope, applicability, and exceptions.
- Clarifies the relationship between Uniform Guidance and other federal regulations.

Subpart C - Pre-Federal Award Requirements and Contents of Federal Awards ([2 CFR 200 Subpart C](#))

- Covers program planning, pre-award requirements, Notices of Funding Opportunities (NOFOs), merit review, and award terms.

Subpart D - Post Federal Award Requirements ([2 CFR 200 Subpart D](#))

- Standards for financial and program management.
- Procurement standards.
- Subrecipient monitoring and management.
- Property and equipment management.

Subpart E - Cost Principles ([2 CFR 200 Subpart E](#))

- Establishes criteria for allowable costs.
- Defines direct vs. indirect costs.

Understanding the Impact

Next Steps & Recommendations

- Lists specific cost items (e.g., travel, lobbying, depreciation).

Subpart F - Audit Requirements (2 CFR 200 Subpart F)

- Requires a Single Audit for entities expending \$1,000,000 or more in federal funds annually.
- Focuses on internal controls and compliance.

B. Key Reforms and 2024 Revisions (Guidance for Federal Financial Assistance)

- Plain Language and Clarity.
- Administrative Burden Reduction.
- Emphasis on performance.
- Clarified definitions and streamlined procurement thresholds.
- Enhanced risk-based approach to oversight.
- Updated indirect cost negotiation and de minimis rate guidance.
- Strengthened data standards and transparency.

The final guidance became effective on October 1, 2024, and applies to awards made on or after this date.

For grant recipients, Uniform Guidance represents both a compliance obligation and an opportunity to improve internal systems. It requires:

- Strong internal controls.
- Clear documentation.
- Regular training and monitoring of grant programs.

Failure to comply can result in audit findings, repayment of funds, or even loss of future funding.

- Conduct an internal Uniform Guidance compliance audit.
- Ongoing training of staff on topics like procurement, cost principles, financial reporting, and subrecipient monitoring.
- Review and update grant policies (and other policies e.g. procurement and financial) to align with the recent 2024 revisions.

Additional Resources

- [Grants.gov - OMB Uniform Guidance \(2014\)](#)
- [eCFR : 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [COFFA.gov | Uniform Guidance: Title 2 of the Code of Federal Regulations](#)

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