



Key Issues within OMB Uniform Guidance Revision Proposal [Docket OMB-2026-0034]

June 1, 2026

On May 29th, the Office for Management and Budget (OMB) released a [proposed rule to update the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards or Uniform Guidance \(found at 2 C.F.R. § 200\)](#). This proposed rule would establish baseline requirements for federal programs including research grants. These requirements will govern how awards are issued, approved, managed, monitored, or canceled. Comments are due by Monday, July 13 at 11:59 PM EDT. OMB indicated it would like to issue a final rule that would put the proposal into effect at the beginning of the next fiscal year on October 1, 2026.

APLU will work with member institutions to continue to assess the proposal and provide comments to OMB in response. We also urge APLU members to also plan to send their own individual comments.

APLU has summarized some major issues that could impact member institutions. As APLU considers focus points for its comments please reach out to [Debbie Altenburg](#), Vice President, Research Policy and Advocacy and [Craig Lindwarm](#), Senior Vice President, Governmental Affairs with issues, questions, and feedback that may arise in your own institution's analysis.

Indirect Cost Reimbursement (IDCs)/ Facilities and Administrative (F&A) Reimbursements

There are no changes to the negotiation or calculation of indirect cost reimbursement rates in the proposal. In Section **IX. Indirect Cost Rates**, on page 121: *"In consideration of this legislative and report language, OMB is not proposing updates to the indirect cost rate negotiation system through this document."* However, OMB indicates that it may consider issuing a request for information on this topic in the future.

Additionally, on page 209 under "**§ 200.205 Federal agency merit review of proposals**", the proposal instructs federal agencies when awarding funds *"All else being equal, preference for discretionary awards should be given to institutions with lower indirect cost rates."* This language is consistent with prior language included in [Executive Order 14332](#)—Improving Oversight of Federal Grantmaking from August 7, 2025.

Allowable and Unallowable Costs on Grants

The proposed rule, pages 253-260, outline several changes to allowable costs under grants. The list below is not exhaustive but highlights several with potential implications for public and land-grant universities:

Page 253 **§ 200.421 Advertising and Public Relations** - The proposed rule makes advertising and public relations costs broadly unallowable, with a few exceptions. Previously, allowable costs including advertising for personnel recruitment and communicating with the public about award accomplishments. These costs are no longer allowable.

Page 254 **§ 200.429 Commencement and Convocation Costs** - *“Costs incurred for commencements and convocations are unallowable.”*

Page 255 **§ 200.432 Conferences** - *“The costs for attending conferences are allowable only if participation in the conference is expressly approved by the Federal agency and included in the terms and conditions of the Federal award.”*

Page 257 **§ 200.450 Lobbying** - Lobbying was already an unallowable charge but the definition is expanded to include among other activities including “(iii) Establishing, administering, contributing to, or paying the expenses of a voter registration campaign, voter registration drive, or any similar activity, or paying the expenses of another entity engaged in such activities;”

Page 275 **§ 200.454 Memberships, Subscriptions, and Professional Activity Costs** - *“(a) Costs of the recipient’s or subrecipient’s membership in professional, civic, business, and technical organizations are allowable if necessary to fulfill the award requirements. Such costs must receive prior written approval of the Federal agency. (b) Costs of the recipient’s or subrecipient’s subscriptions to business, professional, academic, and technical periodicals are unallowable.”*

Page 258 in **§ 200.461 Publication and Printing Costs** - *“Except as provided in paragraph (b) of this section, publication costs (including page charges, article processing charges (APCs), or similar fees such as open access fees for professional journal publications and other peer-reviewed publications) are unallowable under Federal awards.”* On page 259, these exceptions for allowable publishing costs under Federal awards are described as, *“for publication costs that are specifically required by Federal statute or approved in advance by the Federal agency on a case-by-case basis. A general requirement to make results publicly available must not be construed as authorizing publication costs.”*

Merit Review and General Proposal Procedures

The proposed rule makes numerous changes to the review processes federal agencies use to evaluate grant proposals. Peer review will still be considered but it will be only one factor in agency review of proposals for consistency with “law, agency priorities, and national interest.” Highlights of new procedures and processes include:

On page 200 **§ 200.201 Use of grants, cooperative agreements, and contracts** – Fixed amount awards are prohibited.

On page 201 **§ 200.202 Program planning and design** – outlines factors agencies should incorporate when designing new grant programs:

- Subsection *e) Eligibility of entities for research and development awards* -requires agencies to apply “a domestic-first framework,” under which national interests of the U.S. must be justified for international partnerships.
- Subsection *f) Multi-year awards*- encourages agencies to use multi-year funding
- Subsection *g) Awards for scientific research*- federal research agencies must categorize awards for scientific research as basic research, applied research, and/or experimental development consistent with the definitions in OMB Circular A-11, and communicate that categorization to the recipient in the terms and conditions of the Federal award. Section 200.329(e) also requires recipients to include this categorization in every scientific research performance report.

Page 204 **§ 200.204 Notices of funding opportunities** – all agencies are instructed to post all funding opportunities on Grants.gov. This section also lays out common elements for all agencies to use when posting funding opportunities. In addition, section 3 strongly encourages Statements of Interest (SOI); “*When a Federal agency anticipates receiving a large volume of applications, or where proposals are expected to be long and complex, the agency is strongly encouraged to request a Statement of Interest (SOI) as part of the notice of funding opportunity.*”

If an SOI is used, the following is required: “*Following submission of SOIs, the Federal agency must review SOI proposals in accordance with § 200.205 to determine which applicants will be invited to submit full proposals. When utilizing a SOI process, Federal agencies must not compare any SOI submission against a full proposal, and may only review full proposals from applicants that are invited to submit a full proposal based on their SOI.*”

Page 204 **§ 200.204(a)(3) Notices of Funding Opportunities** - “*A NOFO should be drafted to reasonably allow for all applicants to compete and succeed against institutions that have historically received consecutive awards in prior years*”

Page 207 **§ 200.205 Federal agency review of merit of proposals** - Agencies must ensure that proposals selected for review are consistent with law, agency priorities, and national interest. These pre-issuance reviews must be conducted by senior agency appointees or their designees.

Section (b) Pre-issuance review – Senior appointees (or their designee) will use the following criteria for pre issuance reviews:

“(1) Discretionary awards must, where applicable, demonstrably advance the President's policy priorities.

(2) Discretionary awards must not be used to fund, promote, encourage, subsidize, or facilitate:

(i) Racial preferences or other forms of racial discrimination by the recipient, including activities where race or intentional proxies for race will be used as a selection criterion for employment or program participation;

- (ii) Denial by the recipient of the sex binary in humans or the notion that sex is a chosen or mutable characteristic
- (iii) Illegal immigration; or
- (iv) Any other initiatives that compromise public safety or promote anti American values.

(3) All else being equal, preference for discretionary awards should be given to institutions with lower indirect cost rates.

(4) Discretionary awards should be given to a broad range of recipients. Research grants should be awarded to a mix of recipients likely to produce immediately demonstrable results and recipients with the potential for potentially longer-term, breakthrough results, in a manner consistent with the notice of funding opportunity.

(5) In performing activities under Federal awards, applicants should commit to complying with administration policies, procedures, and guidance respecting Gold Standard Science.

(6) Discretionary awards should include benchmarks for measuring success and progress towards relevant goals and, as relevant for awards pertaining to scientific research, a commitment to achieving Gold Standard Science. See also § 200.202(a).

(7) To the extent institutional affiliation is considered in making discretionary awards, agencies should prioritize an institution's commitment to rigorous, reproducible scholarship over its historical reputation or perceived prestige. For science grants, agencies should prioritize institutions that have demonstrated success in implementing Gold Standard Science”.

Section (d) Use of peer review – “Nothing in this part must be construed to discourage or prevent the use of peer review methods to evaluate proposals for discretionary awards or otherwise inform agency decision making, provided that peer review recommendations remain advisory and are not ministerially ratified, routinely deferred to, or otherwise treated as de facto binding by senior appointees or their designees. Further, nothing in this part must be construed to create any rights to any particular level of review or consideration for any funding applicant except as consistent with applicable law”.

Page 210 § 200.206 Federal agency review of risk posed by applicants - Federal agencies are instructed to establish and maintain policies and procedures for conducting a risk assessment of applicants before making award. Facts to consider in assessing applicant risk include: financial stability and capacity, management systems and standard, history of performance, audit reports, ability to effectively implement requirements, history of questionable practices (see below), membership and affiliations (see below), and compliance with foreign gift and contract disclosure requirements under section 117 of the Higher Education Act.

Section 2 (vii) History of questionable practices - Based on publicly available and verifiable information, the applicant’s record of:

- (A) Plagiarism in studies or papers published by the applicant or its staff;
- (B) Discredited or non-replicable studies published by the applicant or its staff;

(C) Engaging in activities or initiatives that are inconsistent with Federal civil rights laws, laws, including the equal protection principles of the U.S. Constitution and prohibitions against unlawful discrimination; or

(D) Engaging in activities or initiatives that are inconsistent with religious liberty laws.

Section 2 (viii) Memberships and affiliations - Based on publicly available and verifiable information, the applicant's membership in or affiliation with organizations engaged in activities that violate Federal law, undermine public safety or national security, or advocate for the overthrow of the United States Government.

Research Security

As described above in section **§ 200.206 Federal agency review of risk posed by applicants** – agencies can use compliance with section 117 of the Higher Education act as a factor in evaluating an applicant for funding.

Page 216 **§200.215 Never contract with the enemy** - Previous guidance converted to regulation. Federal agencies, recipients, and subrecipients are prohibited from using funding in any covered contract, grant or cooperative agreement outside the United States and its territories in countries where members of the Armed Forces are actively engaged in hostilities.

Page 216 **§ 200.216 Prohibition of certain equipment, services, and system** – Codifies and expands a variety of prohibitions on the use of certain foreign made telecommunications and unmanned aircraft systems.

Page 223 **§ 200.220 Prohibition of using Federal funds for covered foreign collaborations**- The proposed rule would expand the “Wolf Amendment” prohibiting NASA funds from use in support of a bilateral or multilateral collaboration, agreement, program, or activity with a covered foreign country or covered foreign entity to all federal agencies.

(1) Covered foreign country means any country designated by statute, Executive order, or other Federal law as:

(i) A foreign adversary;

(ii) A country of particular concern; or

(iii) A country subject to sanctions or restrictions relating to national security, defense, or intelligence activities.

(2) Covered foreign entity means:

(i) An entity owned or controlled by, or acting on behalf of, a covered foreign country;

(ii) An entity identified as an “entity of particular concern” on a list maintained by a Federal agency pursuant to statute (including lists maintained under a National Defense Authorization Act or the International Emergency Economic Powers Act);

Page 225 **§ 200.303 Internal controls** – The proposed rule adds a requirement that recipients and subrecipients participate in the Department of Homeland Security's E-Verify

program to confirm employment eligibility of all employees and contractors hired in or performing work in the United States under a Federal award, and must report any Final Nonconfirmation notices to the Federal agency. *"Failure to provide notice or take appropriate action may result in the termination of the Federal award."*

Other Prohibitions

Page 220 **§ 200.218 Prohibition of using Federal awards to promote or support theories of disparate impact liability** – *"To the maximum extent permitted by law, Federal agencies must eliminate the use of disparate-impact liability in all contexts relevant to Federal awards. Disparate-impact liability imperils the effectiveness of civil rights laws by mandating, rather than proscribing, discrimination."*

Page 222 **§200.219 Prohibition of discriminatory event services** – Section (a) *Public entities "must not discriminate on the basis of the viewpoint, content, or subject matter of speech—including on the basis of political, ideological, or religious affiliation or perspective—in providing services for events, meetings, or other expressive activities. This paragraph (a) includes ensuring that, on the basis of the viewpoint, content, or subject matter of speech, the recipient or subrecipient does not:*

- (1) Deny, reduce, or otherwise modify services for events, meetings, or other expressive activities in a manner that is inconsistent with the level services or access ordinarily provided for events, meetings, or expressive activities of a similar type and size;*
- (2) Impose additional, inconsistent, or unreasonable fees, security costs, insurance requirements, related charges, or other administrative burdens; or*
- (3) Otherwise apply event or facility-use policies in a manner that has the purpose or effect of suppressing lawful expression of speech protected by the First Amendment."*

Page 224 **§ 200.300 Statutory and national policy requirements** - Federal agencies are instructed to ensure federal awards and subawards are not used to fund, promote, encourage, subsidize, or facilitate:

- (1) Diversity, equity, and inclusion" (DEI) or "diversity, equity, inclusion, and accessibility" (DEIA) policies, principles, or practices that violate any applicable Federal antidiscrimination laws...*
- (2) Gender ideology as defined in [Executive Order 14168](#).*
- (3) The so-called "transition" of a child under 19 years of age from one sex to another, including the chemical and surgical mutilation of children...*

Terminations and Temporary Suspensions

Page 242 **§ 200.340 Termination and suspension** – throughout the proposed rule are provisions that would make it easier for federal agencies terminate awards at any time for "convenience" which is similar to federal procurement contracts.

- *Subsection a) Termination provisions - Federal agencies may terminate an award in part or entirely if the recipient fails to comply with the terms and conditions. Additionally, the Federal agency may at its discretion terminate an award if they determine a termination “is in the interest of the Federal agency,” including if the award “does not effectuate program goals, Federal agency priorities, or the national interest as they exist at the time of the termination.”*
- *Subsection e) Temporary suspension - The proposal rule includes an option for Federal agencies to issue a temporary suspension, on the same grounds as for terminations, which may not exceed 90 days without mutual agreement.*