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## FACT SHEET

# UNIFORM GUIDANCE (2 CFR 200)

### THE OFFICE OF MANAGEMENT AND BUDGET (OMB), TOGETHER WITH FEDERAL AWARDING AGENCIES, ISSUED

2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) in December 2014. The Uniform Guidance is Located at 2 CFR 200. Development of the Uniform Guidance began in 2011, led by the Council on Financial Assistance Reform (COFAR), which is a panel of experts from the eight largest federal grant-making agencies.

### NAME CHANGE

While in development, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards was referred to as the Super Circular or the Omni-Circular. Once the final rule was issued, OMB gave it the short name: Uniform Guidance.

### KEY POINTS

- The Uniform Guidance became effective December 26, 2014.
- The goal of the Uniform Guidance is to streamline guidance for Federal awards to ease administrative burden and strengthen oversight over Federal funds to reduce risks of waste, fraud, and abuse.
- The Uniform Guidance improves performance, transparency, and oversight for Federal awards, and focuses on risk assessment and audit and monitoring of high risk grantees.
- Provides a government-wide framework for grants management which will be complemented by additional efforts to strengthen program outcomes through innovative and effective use of grant making models, performance metrics, and evaluation.
- USDA adopted the Uniform Guidance with exceptions through 2 CFR 200. USDA-specific items are also included in 2 CFR 415, 416, 418, and 422. The 2 CFR 400 series supersedes 7 CFR 3000 series.
- The COFAR has issued Frequently Asked Questions (FAQs) that have the same weight as the Uniform Guidance regulation. The FAQs, as well as training and resources, are available at <http://cfo.gov/cofar/>.

### BEFORE THE UNIFORM GUIDANCE

Federal agencies had to use eight Separate OMB Circulars. The Uniform Guidance updated and consolidated the eight circulars into one single document with three distinct sections: Administrative Requirements, Cost Principles, and Audit Requirements and includes acronyms and definitions.

### MAJOR CHANGES

- **New definitions were added** — for example: conflict of interest, contractor, internal controls, computing devices, and improper payments.
- **Audits** — Raises the threshold for single or program-specific audits from \$500,000 to \$750,000.
- **Equipment** — the definition is tangible property having a useful life of more than one year or costing more than \$5,000. Includes General purpose equipment, Special purpose equipment, and Information technology systems. Unless waived in the grant terms and conditions, prior approval is required for equipment.
- **Indirect Costs** — Allows nonprofits, institutions of higher education, and other organizations that have never received a federal negotiated indirect cost rate to select a 10% de minimis rate to recover indirect costs that support the fundamental operations of the organization, removing a key barrier to entry and opening up competition for Federal awards.
- **Internal Controls** — moves guidance previously only discussed in the A-133 audit requirements into the Uniform Guidance to strengthen requirements and encourage grantees to better structure their internal controls thereby reducing improper payments.