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**Bureau for Management
Office of Acquisition and Assistance**

Uniform Guidance – 2 CFR 200 & 2 CFR 700

The Office of Management and Budget (OMB) issued 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in December 2013. This new Uniform Guidance was adopted by all federal agencies in December 2014. This Uniform Guidance was issued to achieve a variety of goals:

- ◆ Eliminate duplicative and conflicting guidance
- ◆ Increase focus on performance over compliance
- ◆ Provide consistent and transparent treatment of costs
- ◆ Limit allowable costs to make the best use of Federal resources
- ◆ Set standard business processes across the Federal government
- ◆ Strengthen oversight
- ◆ Target audit requirements on waste, fraud and abuse

OMB's Uniform Guidance was adopted by USAID on December 26, 2014, in a new agency regulation, 2 CFR 700. 2 CFR 700 also contains agency-specific exceptions that were previously found in 22 CFR 226. Together 2 CFR 200 and 2 CFR 700 replace 22 CFR 226 for all new awards. Awards issued prior to December 26, 2014, continue to be administered under 22 CFR 226.

There is no need to revise existing assistance awards unless the Agreement Officer and the recipient agree to bilaterally amend the award.

USAID's Partners are encouraged to become familiar with the new and/or revised requirements. Highlights of the new regulation include:

- ◆ **DUNS Number and SAM Registration.** These two items are required at the application stage.
- ◆ **Merit Review of Applications.** A successful applicant is selected by a Selection Committee following a merit review focused on the programmatic and administrative elements of the application. The apparently successful applicant's budget is not used in the selection process but is reviewed for allowability, allocability, and reasonableness of costs.
- ◆ **Pre-Award Risk Assessment.** The Risk-Assessment replaces the Responsibility Determination and includes a review of the applicant's history of performance.
- ◆ **10% de minimis indirect rate.** This rate is available only to organizations that have never received a negotiated indirect cost rate.
- ◆ **Prior Written Approval.** Prior approval requirements are now consolidated in the Uniform Guidance. The prior approval requirement for international travel is no longer required. Some travel costs related to specific situations, however, still require prior approval.
- ◆ **Fixed Amount Awards.** Fixed Amount Awards replace the USAID-specific Fixed Obligation Grants. There is no ceiling for prime awards; however, fixed amount subawards made by U.S. recipients are limited to the Simplified Acquisition Threshold.

M/OAA's Policy Division has also revised ADS 303 and the Standard Provisions to conform to the new OMB Uniform Guidance.