



OFFICE OF SPONSORED PROGRAMS

Charles R. Drew University of Medicine and Science

Guidance on Exchange Rates

This guidance has been affected by the OMB Uniform Guidance (UG), [PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS](#), which supersedes requirements from OMB Circulars including A-21, A-110 and A-133 and will be applied consistently to all federal sponsored projects.

The cost of fluctuations in exchange rates is allowable as long as there is funding available on the award and prior approval has been received from the federal awarding agency. The institution must review local currency gains to determine the need for additional federal funding before the expiration date of the federal award.

Prior approval is not required every time the exchange rate changes and a federal award is charged. Approval of exchange rate fluctuations is required only when the change results in the need for additional federal funding, or the increased costs results in the need to significantly reduce the scope of the project.