Montgomery County Office of Grants Management

Building Award Resilience: Navigating County Contracts and Grants for Compliance & Risk

March 2, 2026

Who is OGM?

In coordination with the Office of Procurement, Office of Management and Budget, and Department of Finance, OGM develops countywide policies and procedures regarding grants management that are consistent with the County's racial equity and social justice goals.

OGM has two areas of focus:

Incoming Grants

We empower Montgomery County Government's executive branch by leveraging federal, State, and private grants.

Strategically using grants to supplement County tax dollars, enables the expansion of both new and existing programs and service. This enhances the County's ability to serve its residents more effectively and efficiently without raising taxes.

Outgoing Grants

We foster positive community impact through the administration of competitive grants programs and issuing grant agreements that align with County priorities and enrich the lives of County residents.

The Outgoing Grants team prioritizes the success of grant applicants and awardees by delivering guidance, applicant training resources, and thorough information on compliance requirements. Together, we strive to empower initiatives that drive meaningful change and enhance the well-being of our community.

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Impact of Bill 36-19 on the definition of grants....visually

All Types of Contracts
(includes grant agreements, MOUs and lease agreements, procurements, and more)

Procurements
(COMCOR)

Grants

All Types of Contracts
(includes grant agreements, MOUs and lease agreements, procurements, and more)

Procurements
(COMCOR)

Bill 36-19 → Grants

COMCOR Grant Definition: "11B.00.01.02 Definitions 2.4.49 Grant: An action by a public or private entity which directs funds on a non-competitive basis to a specific entity. A grant must be implemented by a contract."

County Code Grant Definition: **Section 11B-99** "Grant means an agreement in which a grantor transfers money or something of value to a grantee to support a public purpose. "

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How much <u>control</u> over the outcome/method of delivery does the County want or NEED with the final award?

Contracts are
RIGID

- **Procurement contracts** are written with the aim of **a very specific purpose for County government**.
- **The County defines how that is achieved** via the business requirements, RFP specifications and deliverable approvals.
- **Awards are inflexible intentionally** to hold awardee to these requirements.
- Payment is conditioned upon meeting these requirements.

→ Less Control → → → →

More control → → → →

- **Grant Agreements** tend to want to achieve **a broad goal with a public purpose**.
- **The Grantee defines how that is achieved** via the grant application, which the County can decide to fund or not.
- **Awards tend to be more flexible** with a **variety of payment structures**
- Grants intentionally give partners more **operational flexibility.**

Grants are
FLEXIBLE

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Federal Context

- OGM Continuing to focus on federal grant impacts to Montgomery County. See **OGM's testimony at the October 14, 2025 County Council Hearing** or **download the Council Staff packet**.

- Since January 2025, **changes in policy by the Federal administration** have drastically shifted the federal funding regime.

- These changes have delayed, disrupted, or reduced the flow of federal dollars that **drive essential programs and services throughout the** US.

- Also resulted in **increased scrutiny of nonprofit operations and policy alignment**, and addition of new rigorous compliance requirements.

- **The longest-ever Federal government shutdown from October 1 to November 12, 2025 stopped the flow of most Federal funds, further stressing the nonprofit sector.**

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Federal Context: Bad News

- In December reports alleged that billions of federal dollars in Minnesota had been used fraudulently.
- Federal agencies began pausing federal payments to Minnesota as fraud investigations continued.
- An audit of the Minnesota Department of Human Services found "widespread failures in oversight."
- In early January the Trump Administration announced that it was also pausing federal funds to New York, California, Illinois and Colorado in response to allegations of fraud (prompting lawsuits and an injunction).
- On January 8, 2026, President Trump announced the creation of a new DOJ Division for National Fraud Enforcement to pursue criminal and civil fraud.
- In terms of grants and federal funding, Grants experts are calling this a fundamental shift from "Audit Risk" to "Enforcement Risk" and noting that failure to prevent, detect, and act on fraud may itself be viewed as a violation.

Take Away: Administration will aggressively pursue perceived fraud, waste, and abuse of any public funds; not just federal. "Minnesota Is the Test Case — Not the Exception"

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Federal Context: Good News

- Courts have **largely upheld Grantees** in cases where the Federal government has violated the terms of agreements
- This has resulted in **reinstatement of grants and releases of eligible reimbursements** held up by the Administration.
  - For example, Montgomery County Government received the green light to move forward on a climate change related grant issued during the Biden administration (FY25 Low and Middle Income (LMI) Electrification Grant Program)
- Attempts to **cut grant programs through the budget process have largely failed** with Senate and some House Republicans pushing back against cuts to valued programs.
- OGM, our consultants, and the broader grants community

Take Away: If you follow the terms of your grant agreement and fundamental grants management best practices federal grants will continue. Compliance is your shield!

MCG will be focused aggressively on compliance for all grants.

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Understanding the processes you will be going through: Contracting process

- Tips for a smooth contracting process
  - Registration in CVRS (address, point of contact, etc.) is accurate/updated
  - Insurance policies
  - Copies of business forms are readily available (Proof of tax-exempt status, Articles of Incorporation, W-9)
  - Must be registered and in good standing with the Maryland State Department of Assessments and Taxation (SDAT)
  - Must be registered and in good standing with the Maryland Secretary of State's Office as a Maryland non-profit.
  - Become familiar with the various County's programs through the Office of Business Relations and Compliance (MFD and Prevailing Wage Law)

Contract Compliance

- County General Fund Contracts
  - Allowable costs
  - Invoice backup documentation
  - Outcome and performance measures
  - Budget Mods
- Funding pass through from Federal, State, or Philanthropic Grant
  - Your contract should have the grant requirements listed as expectations in the scope of the contract.
  - Subvendor 440's - the reconciliation required annually by any sub-vendor paid with Maryland Department of Health funds. DHHS is the vendor and our contractors are the sub vendor (16 in FY26). Audits are done for contracts over $100k
  - Outcome and performance measures
  - Allowable costs

Audits and Compliance

- DHHS Audits and Compliance Team
  - Financials
  - Determine Indirect and Fringe costs
  - Large contract audits
  - Organizations with multiple contracts
  - Budget mods
  - Allowable cost policy
  - Compliance with outside grant requirements
  - Internal compliance and audits

## Set Yourself Up for Compliance Success at the Proposal Stage

- **Develop a Realistic Scope –** Applicants get to write their own scope for grants (a key difference from Procurement Contracts). Don't overpromise (or have an AI draft you a proposal), you will be held accountable for what you said you could do with the funds available.
- **Budget for Compliance –** Include the cost in your proposal of collecting data, drafting reports, managing finances, and all other compliance requirements listed in the NOFO. This takes staff time and other resources, budget for it.
- **Be Careful What You Accept –** Don't be afraid to turn down an award that sets you up for failure. If your budget request is cut, make sure you negotiate reduced performance requirements.
- **Be in Compliance on your other MCG awards –** If you have other grants/contracts with MCG, please ensure you are current with reporting and in good standing with your Grant Monitor. OGM will check this!

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Legal Compliancee is Inflexible

- **SDAT, SDAT, SDAT!!! –** Good Standing with the Maryland State Department of Assessment and Taxation (SDAT) is an absolute requirement. We will immediately disqualify you or terminate your grant. Stay on top of SDAT compliance.
- **Maryland Secretary of State (SoS) Charity Registration –** This is a State requirement and OGM will be checking your status going forward. Check if you are in compliance, if not then get in compliance ASAP.
- **Read Your Grant Agreement –** Know your responsibilities. Know your **rights**. Ensure you are following all of the processes and other legal requirements. If you signed it, you agreed to it.

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Financial Compliance Will Only Get More Important
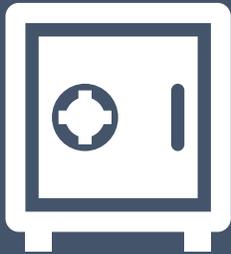
- **Follow SGAP –** Expenditures need to be tracked using Standard General Accounting Principles (SGAP). Collect, save, and hold all receipts, invoices, and time-sheets paid for by the grant. The County can **audit you at will** and **up to three (3) years AFTER the grant is closed out**. Any unaccounted for or unauthorized expenses will need to be reimbursed to the County.
- **Ensure Any Expenses Fall Under the Authorized Budget –** The Authorized Budget included in grant agreement is the framework for how you are legally allowed to spend the grant funds. You will have written this budget. Seek guidance from your Grant Monitor *before* any questionable expenses.
- **Seek Amendments, If Needed –** The budget can be changed but only by a formal amendment signed by *all* parties. Funds can only be spent in the new budget AFTER it is signed.

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Project Manage Your Grant for Compliance Success

- **Create a Project Plan –** As soon as you receive your executed grant agreement, outline the various grant agreement requirements in a timeline, note tasks and due dates, the standards that need to be met (i.e. metrics) and work backwards on what will need to be done to meet these deadlines.
- **Set Roles and Responsibilities for your Team –** Outlining tasks and timelines is not effective if you do not set clear responsibilities of who is responsible and accountable for accomplishing the task by the deadline. Make it clear to your team who does what and by when.
- **Get Quality Reports In On Time –** The impact of your award is primarily determined through reporting. Late or absent reporting will likely trigger a full audit of both program and financial activities; if not termination or non-renewal.

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Document, Document, Document, Your Compliance

- **Track Your Compliance –** Record when and how you submitted reports and other compliance requirements. Seek confirmation from your Grant Monitor that items have been received and are sufficient. Save emails, screen shots, and other proof of compliance if audited.
- **Record Feedback from Grant Monitor –** Get feedback, guidance, and decisions from your Grant Monitor in writing; especially for questionable costs or grace on reporting deadlines. Note that the Grant Monitor is not legally able to change the terms of the grant agreement; question this guidance if they say otherwise. Be able to demonstrate that you have followed the guidance of your Grant Monitor.

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The RFP Process

- The first step is to check the County Procurement website for currently posted solicitations - Solicitations and Contracts Homepage, Montgomery County Office of Procurement, Montgomery County, MD

- Familiarize yourself with Procurement's vendor resources - Vendor Resources, Montgomery County Office of Procurement, Montgomery County, MD

- Pay close attention to the deadline and all required documents needed for submission.

- Make sure your proposal captures information related to the contract's scope.

RFP # 1189274	Planning, Design, and Policy Development Services for Transit Operations and Transit Facilities **This solicitation is hosted on BidNet*** [Amendments #1 and #2 have been issued] **Pre-Submission Conference:**(Jan 7 2026 11:00AM) Microsoft Teams Meeting (See Solicitation for Details)	View Scope	Feb 11 2026 3:00PM
IFB # 1188866	Used Cooking Oil Recycling & Disposal **This solicitation is hosted on BidNet***	View Scope	Feb 12 2026 3:00PM
RFP # 1190827	Housing First Program **This solicitation is hosted on BidNet*** **Pre-Submission Conference:**(Jan 9 2026 10:30AM) Virtual Meeting - See Solicitation for Details	View Scope	Feb 13 2026 3:00PM
RFP # 1191294	First Episode Psychosis (FEP) **This solicitation is hosted on BidNet*** [Amendment #1 has been issued] **Pre-Submission Conference:**(Jan 6 2026 1:00AM) Microsoft Teams Meeting (See Solicitation for Details)	View Scope	Feb 13 2026 3:00PM

Rebuilt OGM Homepage

- **Euna Grants program listing embedded in homepage**
- **Buttons for Key Resources**
- **Tabs for additional resources at the top**

https://montgomerycountymd.gov/ogm/

Outgoing Grants

Montgomery County Grant Opportunities Newsletter

- Goal is to give partners a **clear, reliable, and consistent view of County opportunities**
- **Short-term, actionable, and FIRM** County Competitive Grant Programs (CGPs)
- **Updated and sent weekly** on Tuesday or Wednesdays with special bulletins
- Highlights **each new opportunity**
- Includes **other updates** on closed (but not awarded) grant programs, grant related events, and non-County grant opportunities

Solicitation Name	Application Start Date
FY26 Nonprofit Federal Resilience (NFR) Grant Program	11/30/2025
FY26 Nonprofit Strategic Planning Grant Program	12/03/2025

* Euna Grants is not responsible or liable for user-generated content.

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Further Questions?

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