Montgomery County Office of Grants Management

Complying, surviving, and thriving in this new world of funding fluxes
Update for local nonprofits in Montgomery County

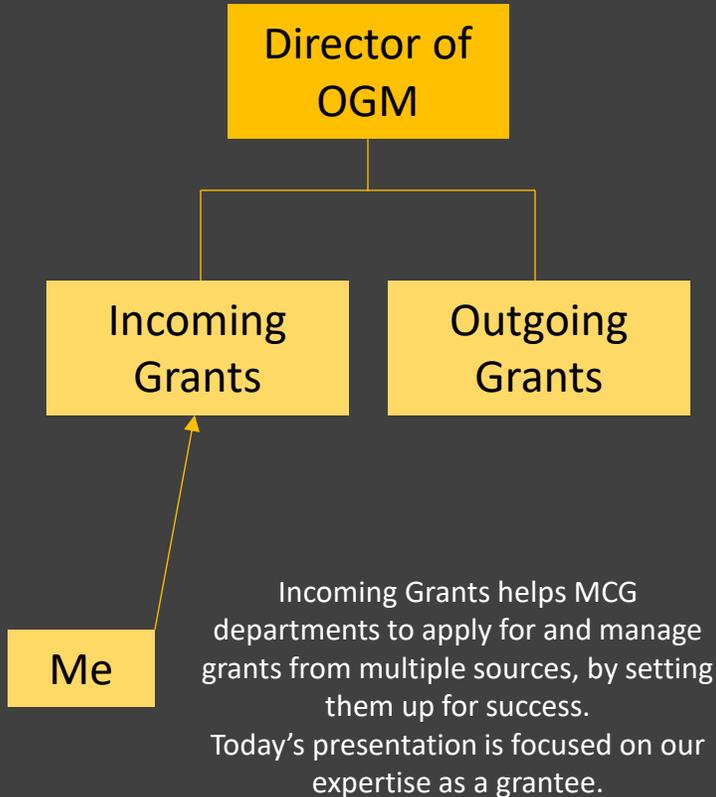Office of Grants Management (OGM)

Incoming Grants

March 2, 2026

https://montgomerycountymd.gov/ogm/

Federal "Grants" = A type of Federal Financial Assistance (FFA); including Discretionary Grants, Formula Funding, Cooperative Agreements, and Congressionally Directed Spending (CDS/Earmarks), including State pass-through grants

Office of Grants Management (OGM)

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Director of OGM
   ├── Incoming Grants
   └── Outgoing Grants
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Me → Incoming Grants

Incoming Grants helps MCG departments to apply for and manage grants from multiple sources, by setting them up for success.
Today's presentation is focused on our expertise as a grantee.

Agenda

- Introduction to Office of Grants Management (OGM), Montgomery County Government (MCG)
- What we are seeing
- Compliance is your best bet
- SOPs and Best Practices

https://montgomerycountymd.gov/ogm/

**DISCLAIMER: This presentation is NOT legal advice.
The advice and recommendations included here are for information purposes only and do not replace consulting an attorney.**

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Federal Impact on MCG Outgoing Grants

- Close to **Zero**

- **Almost ALL** signed County Outgoing Grants are from **non-federal sources**
  - General Funds (County tax revenues)
  - Current Revenue (County tax revenue for Capital Improvement Program)
  - Enterprise Funds (Revenue from permits, fines, or other govt. fees)
  - State Settlement Funds (Transfers from the State for legal settlements)

- **ALL** currently open grant programs **AND ALL** grant programs **currently** on the Grant Program Forecast are from **non-federal sources**

- **Exception:** FY25 Low & Middle Income Electrification grant program (DEP) and the FY25 Edible Food Recovery Pilot (also DEP) are both federally funded **earmarks**. Both programs have been awarded and are moving forward with oversight from **Federal Grantors.**
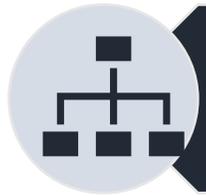
What we are seeing

Recent changes in the federal funding landscape
(Late 2025 to Early 2026)

Categories of federal action

EXECUTIVE ORDERS (EOs) & DIRECTIVES: The President directs agencies to achieve policy outcomes.

FEDERAL AGENCY CHANGES: Agencies interpret and implement the EOs in varying ways; they also respond to Court Orders following different timetables and processes.

COURT ORDERS: Courts are ruling on the legality, constitutionality, or jurisdiction of actual or planned actions, with lots of back-and-forth.

CONGRESSIONAL ACTIONS: Congress changes the budget and other laws to achieve or modify policy outcomes.

These have the most direct impact on daily work.

There are also State actions.

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Impacts throughout the grants process

Completing an application under shortened NOFO

Decisions over whether to sign an assurance

Fewer communications before/during negotiations

Expiry and uncertainty of next steps and obligations

Terminations, Changing Terms & Conditions

Stop-work orders amid ongoing policy review

Pre-Award: Funding opportunities and Applications

Award Phase: Decisions, Notice of Award, Negotiations

Post-Award Phase: Implementing, Reporting, Auditing. Closeout

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White House: President's Management Agenda

The [President's Management Agenda](#) (December 2025) lays out clear priorities and non-priorities that impact grants and federal funds:

- End funding of discrimination (including DEI, gender, K-12 indoctrination)
- Cut federal funding to fraudsters and those who waste
- Contracts and grants only go to high-performing recipients who advance America First priorities
- Political Appointees in charge of grants
- Contractors and grantees held accountable
- Downsize (cutting more jobs, services, duplicative data, and websites)
- Include the President's priorities in employee performance metrics
- Shrink the federal real estate portfolio

Ensure Accountability

Deliver Results, Buy American

Shrink the government & Eliminate waste

ONE YEAR OF PROGRESS

US Agencies rapidly changing definitions and requirements

Recent examples of US Agency actions:

1. DOJ: Amended [Regulations Implementing Title VI of the Civil Rights Act](#) to only enforce intentional discrimination (not disparate impact).

2. DOJ: VAWA/VOCA required written policies for assumed policies (e.g. proration and victim confidentiality).

3. HHS & ED: Attempted grant cuts for political reasons; continued efforts to cut grants for other reasons.

4. HHS: Changed SAMHSA priorities.

5. HUD: Employed a Stop-Go-Wait-Pivot model and required assurances before they would score applications.

6. HUD: Changed interpretation of "Federal Public Benefit"

7. DOT: Awarded grants – per the letter of Congress's appropriations and court orders – for [their priorities](#).

8. DOT: Changed DBE "goals" and definitions.

9. DOT, EPA, Treasury: Increased entries to the Federal Register for proposed regulatory and rule changes.
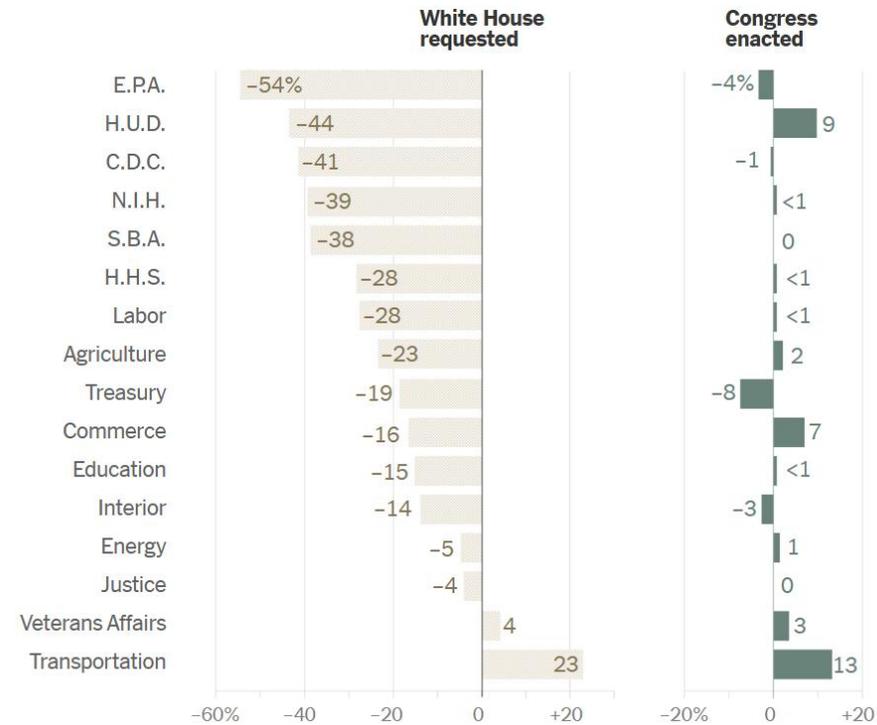
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Congress passed a budget, but....

The Cuts Trump Did and Didn't Get

While the White House requested sizable spending reductions for U.S. agencies, Congress in most cases enacted slight cuts or increases to the 2026 budget.

The federal budget is only part of the story.

"[Trump's] aides have signaled that they intend to continue trying to revoke spending it opposes, with or without Congress."

Graphic from: Trump Sought Vast Budget Cuts. Congress Granted Few. - The New York Times

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What are the Courts doing?

Often ruling in favor of grantees on constitutional issues:

- Generally [not allowing](#) changes to grant terms and conditions
- Blocked implementation of a [new Federal Benefit Definition under PRWORA](#)
- Blocked [new requirements to re-certify population](#)
- Stopped limits on Indirect Costs (IDC)
- Stopped explicitly-politically-motivated terminations
- Blocked cancellations of grants that Congress explicitly authorized
- Several agencies were directed to reinstate grants: [museums](#), [mental health](#), [education](#), [energy](#), [climate](#), [humanities](#), [health research](#)

Ruling against grantees on contractual issues:

- Contract disagreements cannot be argued in District Court but must be in Court of Federal Claims

Trump Administration dropping/withdrawing from many cases, but efforts continue using other means
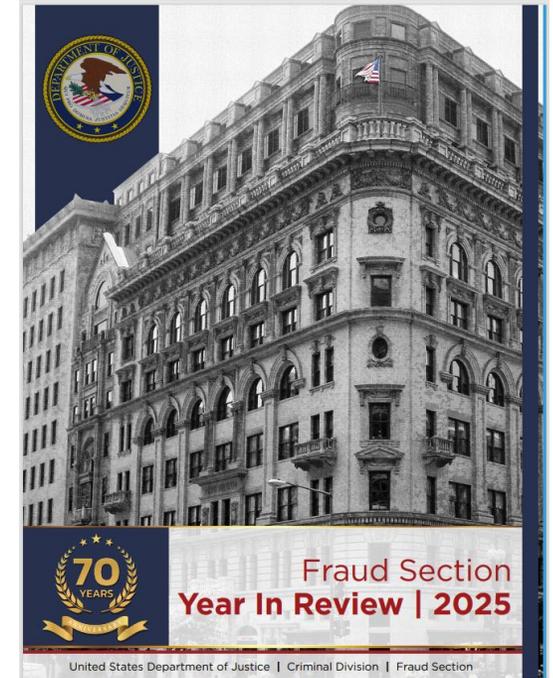
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Fraud and False Claims Act lawsuits

Increased Focus on Fraud:

- New DOJ Division for National Fraud Enforcement (Criminal and Civil)
- Freezing funds because of fraud concerns (CA, CO, IL, MN, NY)
- White House: False Claims Act as a "powerful weapon"
- Leading types of fraud cases prosecuted via False Claims Act lawsuits in 2025:
    - Healthcare
    - Fraud in procurement
    - Cybersecurity violations
    - Tariffs and trade

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** *(Matt Hanson, January 8, 2026).*

Fraud Section Year In Review | 2025
United States Department of Justice | Criminal Division | Fraud Section

US DOJ Press Release: False Claims Act Settlements and Judgments Exceed $6.8B in Fiscal Year 2025

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Maryland is getting attention

It's foolish to get complacent, better to prepare for shifts in funding:

- Accusations of "not being a good steward" over Francis Scott Key Bridge rebuilding process
- FEMA denial of benefits for Western Maryland
- Accusations by Trump of mismanagement over sewage spill
- Medicare and Medicaid Services trying to cancel the Maryland Public Health Abortion Grant Program *(the Trump Administration used similar programs as justification to withhold federal funds elsewhere)*
- Being in a Politically-Blue-Leaning State
- New MD legislation to prohibit State and local jurisdictions from deputizing officers for federal civil immigration enforcement activity (SB 245/HB 444)

FoxNews: an "escalating Trump-Moore feud"

CBS
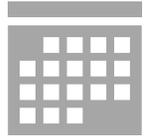Feb. 18. 2026
E WHIT
WASH
"neglected by Governor Moore in Maryland"

https://www.instagram.com/reel/DU6swf3ES39/

Incoming Grants

Compliance is your best bet

A "Squeaky-clean" Culture of Compliance goes across the board

Programmatic

- Following an agreed Statement of Work, etc.
- Achieving agreed milestones and outcomes
- Implementing activities in the agreed timeframe

Legal

- Following federal, state, and local laws & procedures
- Following the grant's Authorizing law
- Following other applicable laws (e.g. BABA)
- Following the grant Agreement and its Terms & Conditions

Financial

- Following regulations for allowability, allocability, reasonableness
- Spending and tracking funds and cost-share on the agreed schedule
- On-time reimbursement requests
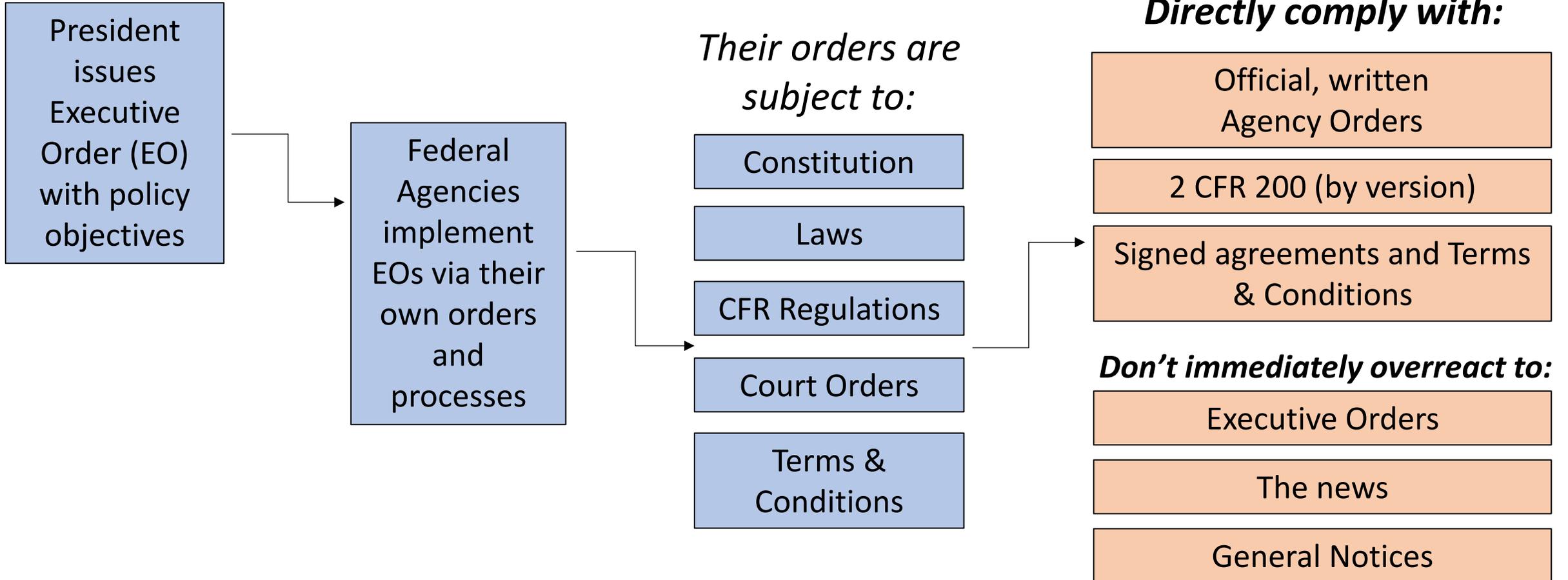- Being audit-ready

Administration

- Completing all required reports on time
- Communicating with the Grant Officer as required (even without receiving confirmation)

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Comply (with the right things)

President issues Executive Order (EO) with policy objectives → Federal Agencies implement EOs via their own orders and processes →

Their orders are subject to:

- Constitution
- Laws
- CFR Regulations
- Court Orders
- Terms & Conditions

Directly comply with:

- Official, written Agency Orders
- 2 CFR 200 (by version)
- Signed agreements and Terms & Conditions

Don't immediately overreact to:

- Executive Orders
- The news
- General Notices

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For existing grants: Compliance essential, Compliance is more complex

Non-Compliance on the part of a grantee gives funders an immediate and legal REASON to terminate for CAUSE. This is the equivalent of a debarment list for federal assistance and is listed on sam.gov for 5 years.

Told not to submit a report? Get everything in writing.
Ask for an official stop-work order.

Reading and education are essential
Grants association memberships useful and full of resources, templates, etc.

Self-advocate.
Contact CODEL, Use advocacy materials.

Review everything: NOFOs, grant applications, agreements, amendments, and changes.
Changes are everywhere.

Empower staff to get help quickly - Agency orders need immediate action.
Enable staff to get quick legal advice and contact subrecipients in the event of a stop-work order.
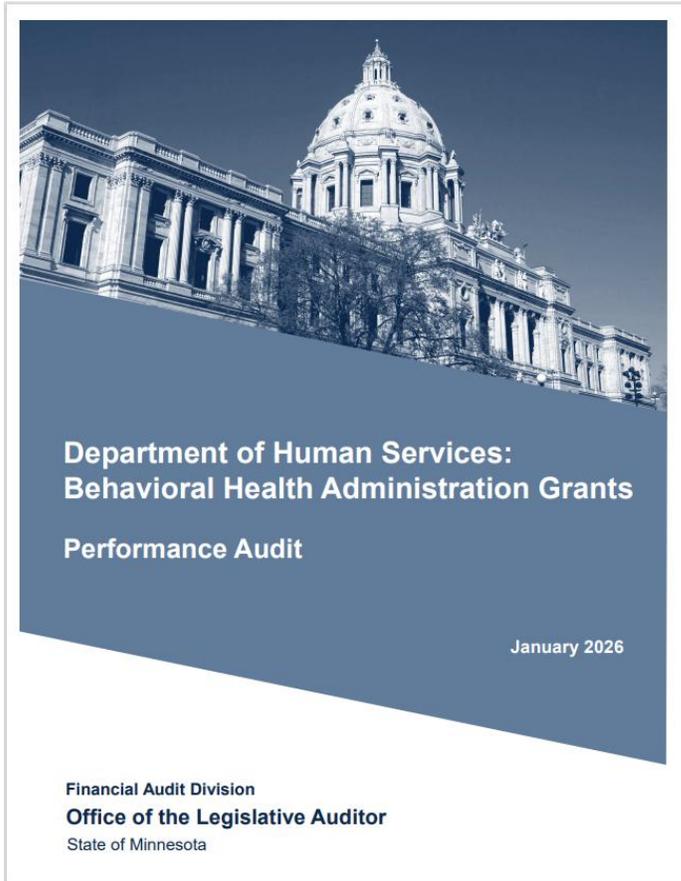
Be prepared for hard decisions.
Know in advance how to comply.

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Minnesota Audit is a learning opportunity

Department of Human Services:
Behavioral Health Administration Grants

Performance Audit

January 2026

Financial Audit Division
Office of the Legislative Auditor
State of Minnesota

An [audit](#) of the Minnesota Department of Human Services found "[widespread failures in oversight](#)." Audit findings included:

1. Single-source grants without justification and without documentation.
2. Not explicitly citing statutory authority to issue subawards and contracts using federal money.
3. Executing amendments and modifications after they expired.
4. Paying for work done before the start dates in fully executed grant agreements.
5. Overpaying a subawardee.
6. Issuing payments without appropriate documentation and justification.
7. Getting behind on progress reports; issuing payments without reports in hand.
8. Failure to resolve prior audit findings.
9. Failure to properly categorize contractors vs. subrecipients.
10. Inconsistencies in following internal controls, rules, and procedures (local, not just federal).
11. Not conducting performance evaluations on the use of federal funds.
12. Failure to ensure independent legal oversight of federal funds, esp. if in Terms & Conditions.
13. Hindering staff working on grants to conduct quality work, including by not providing training.

If you haven't, make a table of each audit finding and compare it to your own practices.
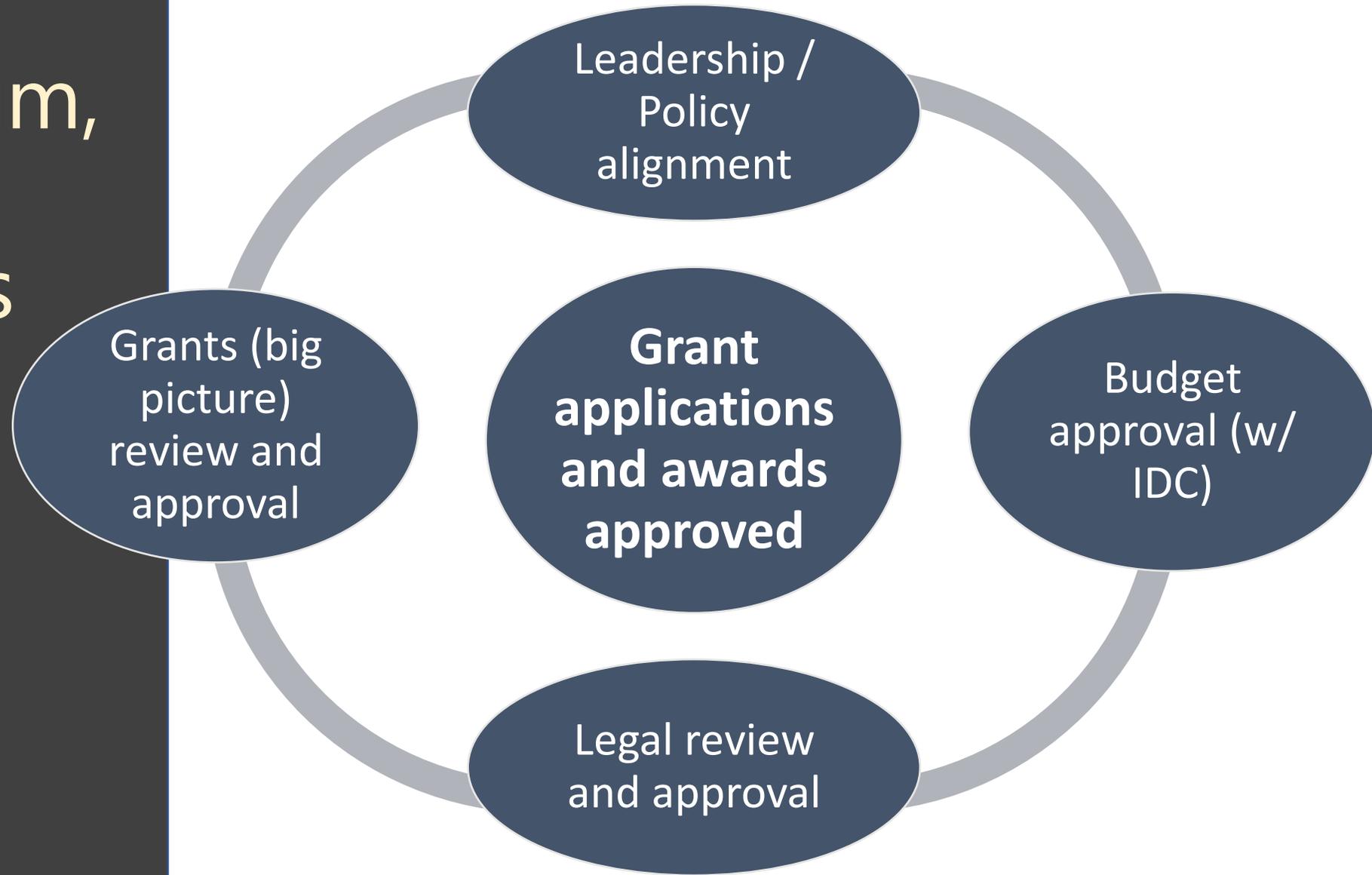
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SOPs and Best Practices

Plus tips for Adapting to Thrive

At a minimum, have these perspectives in your internal review process:

Leadership / Policy alignment

Grants (big picture) review and approval

Grant applications and awards approved

Budget approval (w/ IDC)

Legal review and approval

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Don't panic at headlines, follow the facts and legal requirements

EPA knew it wrongfully canceled dozens of environmental grants, documents show

According to an internal email, EPA officials knew they had no contractual right to cancel dozens of grants. They did it anyway.

Judge blocks Trump's federal funding freeze for loans, grants

Get the l...   ...d Trump's return to the White

HHS slashes over $350M in grant funding for gender ideology, DEI research projects

Included among the grants cut was a nearly $1M project to study 'multilevel and multidimensional structural racism'

By Alec Schemmel · Fox News

Trump White House rescinds order freezing federal spending, reversing course

The budget office came under immense pressure over the impacts of a sudden pause in ...

Updated January 29, 2025

Panic leads to poor decisions, which may needlessly risk non-compliance.

White House pauses all federal grants, sparking confusion

Trillions of d...

Higher Education

Trump administration targets billions in funding to Harvard

An antisemitism task force will review $8.7 billion in multiyea... and its affiliates.

...f Management a...

Trump Asks Supreme Court to Let Him Cancel Grants to Teachers

E.P.A. Cancels Climate Grants, Intensifying Battle Over $20 Bil

Here is what we know about the billions in funds that ha... ...deral investigations, lawsuits and frozen bank accounts for

NEA nixes grant program for 'underserved communities,' shifting priorities

DONALD TRUMP

Trump admin scores legal win in $16B climate fight as federal appeals court lifts block on grant terminations

Here's What the Trump Administration Is Doing to Crush Minnesota's Fraud Epidemic

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Foundations of Good Grant Management

Legal: Laws, CFR, Terms & Conditions, and Agreements	Internal Controls, and Risk Management	Financial Tracking, Documentation and Records	On-time Performance, Evaluation, and Reporting	Communication and Transparency
- Following all federal, state, and local laws and regulations; AND your own internal rules and procedures - Don't miss the fine print in your grant documents	- Segregation of duties - Follow standard policies/processes (e.g. for approvals) - Think about risks from the perspective of the funder and avoid/minimize risks or mitigate them	- Squeaky-clean financial management - Document everything (financial, legal, programmatic, communications, etc.) - Keep records	- Do the work on time - Do the reports on time - Track your performance and document it using valid methods	- Ask questions rather than make assumptions - Communicate internally regularly - Communicate with your Program Officers (even if one-sided)

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Compliance Best Practice: Terms & Conditions

Check for Updated Master Agreements and Terms & Conditions
- Regularly updated in response to Executive and Court Orders (2-3-4x/year)
- Some have redlined versions, but many do not
- They can come in many forms:
  - Agreements
  - Terms & Conditions, including separate Special Terms & Conditions
  - Amendments/Addendums
  - Exhibits
  - Policy Statements/Policy Flashes
  - Exceptions
  - Guides/Guidance or Interpretations

Read them BEFORE and AFTER you apply – and before you sign anything – and ask: Can we comply? Also, know which version applies at all times.

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Compliance Best Practice: Calendars

One of the most common reasons for Termination due to Non-Compliance (for cause) is because of NOT MEETING REPORTING REQUIREMENTS

Federal reporting requirements are in:

- Agreements/Notice of Grant Awards
- Terms & Conditions and/or Special Conditions
- Required Reports Addendum
- Online Portals…. and elsewhere

It varies by agency and program.

Calendars can be simple or complex, many templates are online or you can create your own.

Best Practices throughout the cycle

APPLYING

- **Prepare** in advance
- **Don't wait!**
- **Read the NOFO** very carefully and address each topic and evaluation criteria
- Shoot for **every evaluation point** you can
- **Decide** if avoiding "topics of interest" is right for you
- Be prepared to **sign certifications and assurances truthfully** if you apply
- Involve **CODEL or State** Representatives

COMPLYING

- **Know your grants** and where they stand
- **Calendar** your reports
- **Document everything in writing; ask for clarification and verification**
- Understand that Program Officers **want you to succeed**, they are not looking to trip you
- Stay on top of **contact information** (sam.gov, eBiz)
- Check **all communications avenues** regularly
- Follow your **grant's plan**
- **Follow all federal and local laws, regulations, etc.**

SURVIVING

- **Publicize** your grants
- Make **hard decisions in advance**
- Be able to **describe "WHY"** in detail (beneficiaries, $ impact, etc.)
- **Appeal terminations** – the squeaky wheels are more likely to make it through
- **Fight** what you can – join lawsuits if that is right for you (e.g. via partnerships or your own legal action)
- **Inform** your CODEL or State Representatives

CODEL = Congressional Delegation

THRIVING

- **Embrace the challenge!**
- **Pivot** to private or State non-federal sources (be able to measure your success and revise applications)
- Stay on top of **State opportunities** – there are dozens
- Charge **IDC** and/or Administration fees every place you can
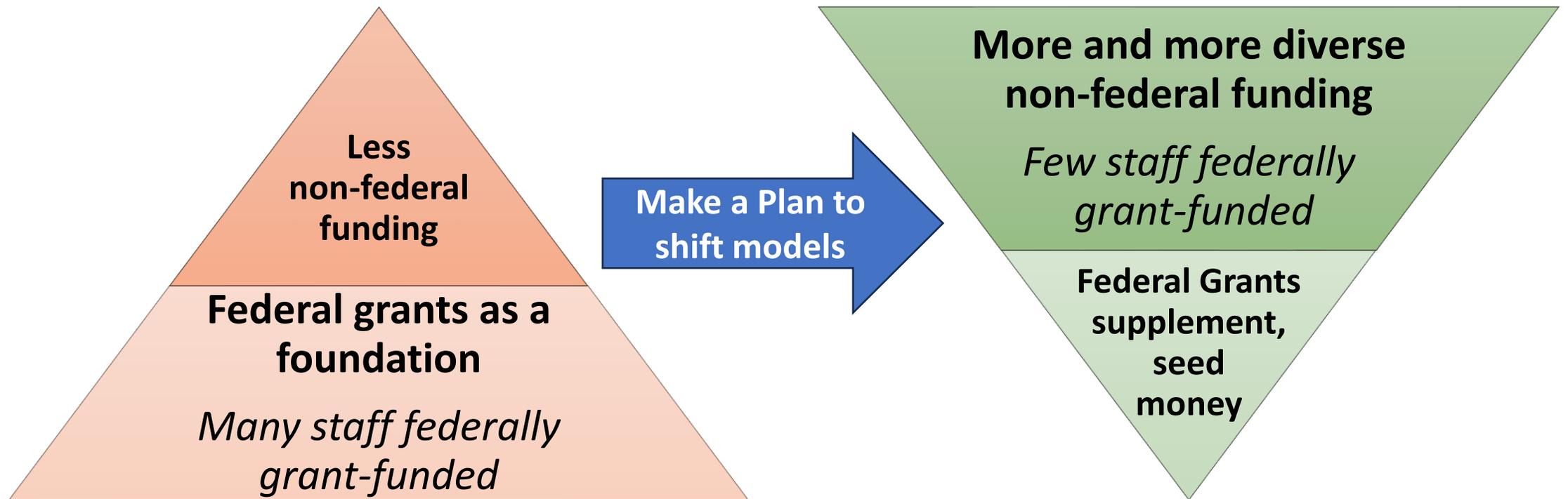- **Monitor more than the minimum** – be able to show impact results

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Adapt & Thrive: Rethink reliance on federal grants

Proactive Prioritization: Identify what is critically important, accept that change is coming, and implement a plan to transition.

Less non-federal funding

Federal grants as a foundation

Many staff federally grant-funded

Make a Plan to shift models

More and more diverse non-federal funding

Few staff federally grant-funded

Federal Grants supplement, seed money

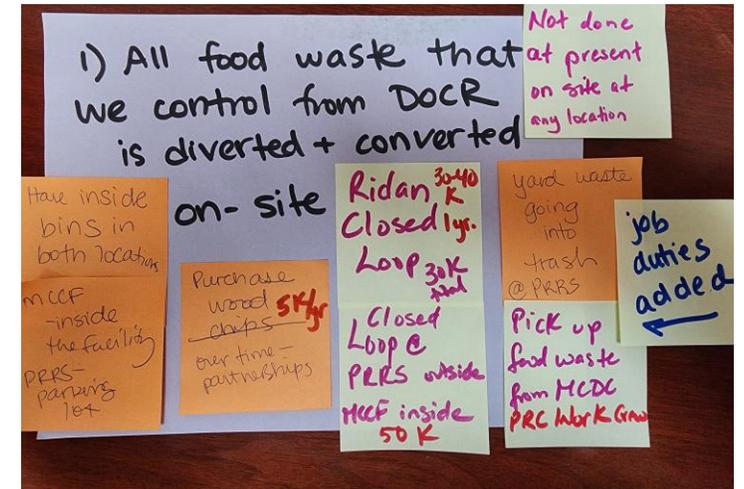# Adapt & Thrive: Strategic Planning for efficiency

Planning increases efficiency: Jumping in to meet NOFO opportunities can be inefficient. Step back to plan identified needs, viable solutions, and partners.

Jumping in leads to less competitive applications

Before planning: Goals and gaps were not clear

After planning: Priorities and aligned partners

Planning leads to better applications

Open MCG Grant Opportunity: **FY26 Nonprofit Strategic Planning Grant Program: https://gn.ecivis.com/GO/gn_redir/T/4arrbexnyxz5**

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Questions and Resources

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