



Navigating the Uncertainty of Federal Funding

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Rachel Werner is the Owner and CEO of RBW Strategy, LLC and the Principal of. She and her team provide customized grants, fundraising and project management support and solutions to clients primarily in the Greater Washington, DC and Maryland region. She has over 22 years of grants experience. She is also a source matter expert for MyFedTrain and facilitates trainings concerning federal grants compliance.



Rachel and her team members have collectively garnered over ~~\$450~~ **\$450 million** for nonprofits and have managed ~~over~~ **over \$2.5 billion** in grant funding. She is an active member of the Grant Professionals Association and is a Certified Grants Professional (since 2014) and a Project Management Professional (since 2010).



INTRODUCTION

INTERACTIVITY: DROP IN THE CHAT

What has been your greatest
organizational challenge related to the
federal administration change?



AGENDA

Part 1 Overview of the Federal funding process and oversight role

Part 2 Review how the current federal administration updates have impacted public grants seeking process

Part 3 Discuss how to integrate new practices into grant strategy related to public grants

Part 4: Evaluate compliance considerations as determined from authorized communications

Wrap-up and Next Steps

Part 1:

Federal government overview and grantmaking process



WHY FEDERAL GRANTS?

Projects for your Community

- Water Resources
- Food Security
- Vital Research
- And more!

A hand holding a white sign with the text 'FOLLOW THE RULES' in bold, black and red capital letters. The background of the slide features a person in a suit and tie, partially obscured by a large, stylized blue and red wave graphic that curves across the bottom and right side of the image.

**FOLLOW THE
RULES**

FEDERAL FUNDING OVERVIEW

PRESIDENT PROPOSES BUDGET

- 01 Works with Office of Management and Budget (OMB) which coordinates with other executive agencies to develop proposed annual budget.

CONGRESS DECIDES WHAT TO APPROVE

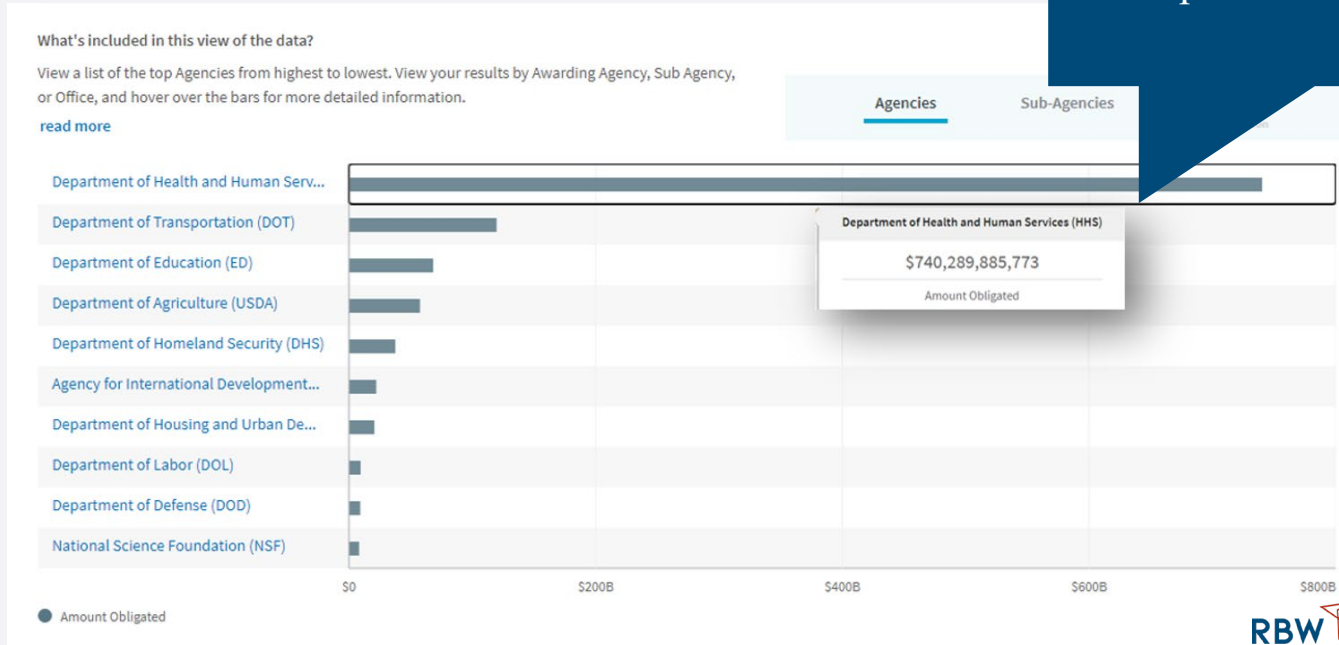
- 02 Congress determines what to accept and what to change in the original proposal. Can only determine discretionary portion of budget (1/3 of total annual spending).

EXECUTIVE BRANCH IMPLEMENTS BUDGET

- 03 Once budget is approved, executive agencies determine how to implement the programs Congress has approved. OMB oversees and sets guidelines for administering federal funding.

GETTING STARTED: WHO IS GIVING FEDERAL GRANTS

65% of all federal awards come from the Dept. of Health and Human Services (HHS)



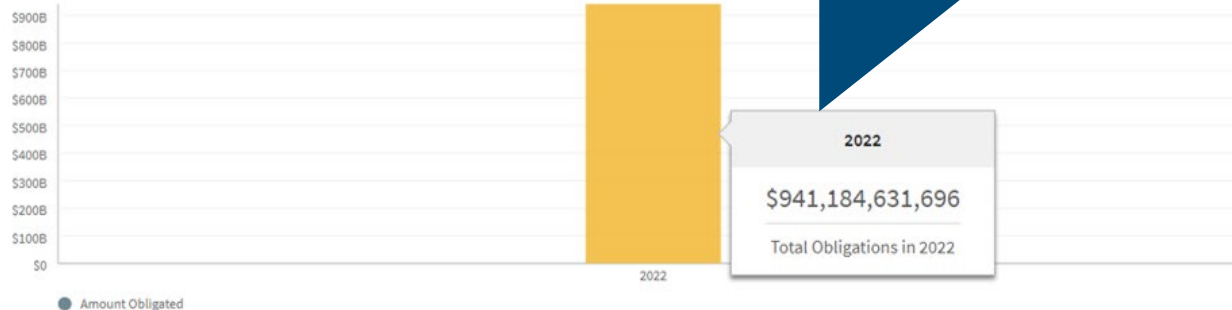
GETTING STARTED: WHO IS GETTING GRANTS?

Spending by Time

What's included in this view of the data?

Spot trends in spending over your chosen time period. Break down your results by years, quarters, or months.

[read more](#)



82% of all federal awards go to governments - primarily states (5% Institutions of Higher Education, 4% Nonprofits, and 9% Other)

HOW ARE THESE FUNDS MANAGED?

OFFICE OF MANAGEMENT AND BUDGET (OMB)

01

§ 2 CFR 200 (Uniform Grant Guidance) serves as code of federal regulations and official guidance to administer all federal grant awards. Combines previous circulars and guidance into one document.

02

Official authorizing statute, unless specific state statutes supersede the federal award administration.

03

If you do not abide by the requirements in the statute, this could lead to non-compliance or removal of funding.



GOALS OF UNIFORM GUIDANCE

Better Outcomes

- More focus on performance measurements

Spending Accountability

- Target risk and add transparency
- Stronger oversight and accountability

Lessen Administrative Burden

- Reduce the burden on grantees & agencies
- Offer simplified indirect costs method
- Accept fixed amount awards for some projects.

Part 2:

The current state of federal funding and its effect on nonprofits



EXECUTIVE ACTIONS & FALLOUT

Executive Actions

- Executive Orders (EOs) issued with targeted groups and initiatives identified. Also, infamous “Funding Freeze” memo, later rescinded.
- Threat of tax-exempt status loss for nonprofits unwilling to comply with EOs

Agency Actions

- National Institutes of Health indirect cost cap (later Dept of Energy)
- Agency priorities are identified, specifically NSF, DOT, HHS, NEA, and others (i.e. trigger word list)

DOGE

- Agencies and programs are being cut, grants and contracts terminated and employee terminations with more planned
- Takeover of Grants.gov and IRS

Congress

- Federal budget funding continued at current levels through Sept 30, 2025 and approved by Congress
- Internal politicking for earmarked funding for their districts

OVERVIEW OF CHANGES

- Executive Actions and Fallout
- Program Terminations
- NOFO Removal
- Funding and Budget Outlook

EXECUTIVE ACTIONS & FALLOUT

- Lawsuits against program and grant terminations, executive orders/actions, and staff terminations
- Loss of grant and contract funding
- Confusion about the next steps
- Lack of support for grant recipients, subrecipients, and contractors

PROGRAM TERMINATIONS, LACK OF ACCESS TO NOFOS

- Top Targets
 - Eliminate the Social Services Block Grant
 - Decreased TANF block grants to states
 - Change the Community Eligibility Provision to 60%
 - Restrict appropriations to certain IIJA competitive grant programs (bike paths, EV charging stations, Amtrak, etc.)
 - Eliminating nonprofit status for hospitals
 - Eliminating deductions for contributions to health orgs
 - Eliminating the child and dependent care credit

BUDGET APPROPRIATIONS

- Continuing Resolution through September 2025
 - No congressionally directed spending (Senate)/ community project funding (House) this budget year
 - Release of a variety of grant opportunities on hold after their NOFOs have been reviewed
- President's Discretionary Appropriations Request 2026 (i.e. the 'Skinny Budget')

SKINNY BUDGET BREAKDOWN

- “Skinny” budget issued by the White House on Maynd2
- Major spending cuts in non-discretionary areas, which are proposed (including Continuum of Care, Head Start, Centers for Medicaid and Medicare, and Food and Shelter Program)
 - Important to remember that this is NOT final and is proposed, as it must be approved by Congress
 - Infighting between President Trump and Elon Musk will impact the outcome as well
 - Some program spending may flow to the states for their discretion



INTERACTIVITY: DROP IN THE CHAT

What is your greatest concern regarding
the proposed budget cuts?



WHAT IS **NOT** CHANGING

- Mission/priority alignment
- Adherence to Notice of Funding Opportunity (NOFO) requirements
- 2 CFR 200 compliance
- Partnership risk assessment
- Administrative adherence

MISSION/PRIORITY ALIGNMENT

- Questions to consider:
 - What is the mission and vision of your organization?
 - Where is there alignment or misalignment with the current administration?
 - Are there specific programs that have been rescinded or considered for rescission?
 - What specific populations that you serve are being targeted or identified by this administration?

ADHERENCE TO NOFO REQUIREMENTS AND 2 CFR 200



Pre-Award

NOFOs will have requirements

- Selection for funding will be based on high quality adherence and response to NOFO requirements (which incorporate updated agency priorities)



Post-Award

Grants and Cooperative Agreements will have requirements

- General Terms and Conditions: 2 CFR 200
- Agency Terms and Conditions
- Consequences for noncompliance are already described

PARTNERSHIP RISK ASSESSMENTS

- Review alignments with subrecipient and contractual partners
- Form partnerships with low risk partners
- Evaluate organizational tolerance of partner risks
- Support partner compliance to reduce risk (technical assistance support and ongoing communication)
- Ongoing monitoring and inclusion of risk based terms and conditions

ADMINISTRATIVE ADHERENCE

- Grants.gov or other portal submission
- Review of attachments and budget
- Use of template forms specific to Grants.gov or the funding agency
- Ensure access to systems and review in advance of critical deadlines



WHAT IS CHANGING

- Eligibility requirements
- Revised federal priorities and focus on EO alignment
- Agency specific interpretation of EOs
- Funding availability

ELIGIBILITY REQUIREMENTS

- What are the requirements that will lead to more success?
 - Those who comply with executive orders
 - Those who comply with immigration enforcement
 - Those who comply with “Buy America”
 - Those who adhere to the indirect cost rate caps
 - Those who manage their grants in accordance with the requirements

REVISED FEDERAL PRIORITIES AND FOCUS ON EO ALIGNMENT

Overall federal priorities

- Deregulation
- Economic growth
- Reduce federal deficit
- EOs impact the delivery of federal programs
 - Targeted populations
 - Green energy/climate change initiatives



AGENCY SPECIFIC INTERPRETATION OF EOS

- Department of Transportation
- National Science Foundation
- National Endowment of the Arts
- Health and Human Services
- State Responses to EOs

FUNDING AVAILABILITY

- Smaller Pool of Federal Discretionary Funding
- Different Priorities than Previous Administration
- Impact of Federal Priorities on Funding Availability
 - State and Local Grants
 - Foundation and Corporate Grants
- Greater Competition for Funding – awaiting impact of Tariffs
- Increased Reliance on philanthropic/corporate/individual donors

Part 3:

Aligning funding and programs while maintaining beneficiary integrity



WHAT NOW?

- Concept and Language review and revised to meet federal priorities
- Agency and Budget priority reviews and research
- Funding Portfolio review
- Concept and Narrative revisions



CONCEPT/LANGUAGE REVIEW AND REVISE

- Where Do You Describe Your Programs
 - Grant Applications
 - Website Pages
 - Other fundraising or marketing collateral
 - Newsletters
 - Social Media
- How Do You Describe Your Programs
 - Brand Positioning
 - Case Statements
 - Flagged: Trigger (NSF) or Forbidden (CDC)

AGENCY AND BUDGET PRIORITY REVIEWS AND RESEARCH

- Agency Strategic Plans
- Agency Budgets
- Committee Budget Guidelines
 - Budget Committee
 - Appropriation Committees
- House and Senate Budget Bills
- Federal Register/Grants.gov
- Federal Agency Websites



FUNDING PORTFOLIO REVIEW

- Review Your Current Grant Portfolio
 - Do they align with the new federal priorities?
- Review Your Current Programs
 - Criteria for Funding Alignment
 - Program and Funder Alignment
- For programs which do not align:
 - What other funding sources may be available?

CONCEPT AND NARRATIVE REVISIONS

Determine for your organization:

- What are the areas and programs that are aligned and misaligned with the government's priorities?
- What funding might be impacted, and can you continue to receive funding through other sources?
- Have you discussed your approach with your board and leadership team on how you are framing programs and marketing them?

CONCEPT AND NARRATIVE REVISIONS

Current Language

- Diversity, Equity and Inclusivity
- Minimize climate impact
- Serving Immigrant and Refugee Communities
- Focus on specific targeted communities

Revision Considerations

- Economic Impact
- Return on Investment
- Innovation and Growth
- Community Growth and Support
- Workforce Enhancement

AGENCY SPECIFIC EXAMPLE: HHS

Narrative Strategy: Prioritize health outcomes: reduced emergency department visits, increased screening, improved follow-up care, and long-term cost reduction. Framework through public health logic: access, coverage gaps, early intervention, and system navigation. Use precise health indicators. Avoid politicized framing; root proposals in continuity of care, rural access, and care quality.

AGENCY SPECIFIC EXAMPLE: HHS



Original: “Trauma-informed services for immigrants who survive crimes”



Reframed: “Integrated behavioral and primary care for individuals experiencing chronic stress, grief, or instability as a result of being a victim of crime”



Original: “Equity through culturally responsive care ... staff trained in cultural competencies”



Reframed: “Enhancing trust, communication, and follow-up among patients who face barriers to care continuity... provided by staff with training in industry best practices of person-first support”

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AGENCY SPECIFIC EXAMPLE: DHS/FEMA

Overview of Programs DHS supports grants related to emergency preparedness, disaster recovery, cybersecurity, homeland security technology, and terrorism, and community resilience. Major programs include the Homeland Security Grant Program (HSGP), Nonprofit Security Grant Program (NSGP), Emergency Management Performance Grants (EMPG), and Building Resilient Infrastructure and Communities (BRIC). Previously, equity and community trust were emerging priorities. These have been deprioritized in 2025 guidance.

Narrative Risk Zones: Terms like “community trust,” “vulnerable populations,” “racialized policing,” “asylum support,” “inclusive disaster planning,” or “equity in recovery” are now considered politically sensitive. Security framing has overtaken community resilience language, particularly in immigration and disaster relief contexts. Humanitarian language must now be reframed under continuity of operations and public safety.

AGENCY SPECIFIC EXAMPLE: DHS/FEMA



Original: “Help people maintain drug and alcohol treatment”



Reframed: “Streamlining service delivery to maximize program effectiveness and reduce recidivism”



Original: “Ability to communicate effectively”



Reframed: “Improving consistency in response and community outreach”

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INTERACTIVITY: DROP IN THE CHAT

Can you identify ways to reframe some of
your grants language?



Part 4:

Compliance considerations as determined by authorized communications

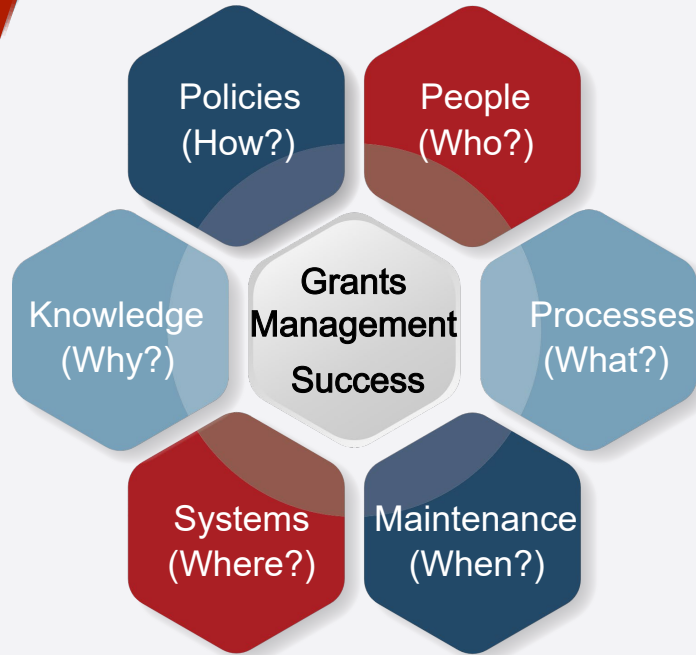


COMPLIANCE IS CRITICAL



- Disallowed costs
- Audit findings (and required corrective actions)
- Debarment or suspension
- Legal ramifications
- Reputation loss

BUILD A CULTURE OF COMPLIANCE



Building a robust culture of compliance requires *multiple* components—let's use the Kipling Method

- People and processes
- Maintenance and systems
- Knowledge and policies

WHY A CULTURE OF COMPLIANCE?

It creates a pathway to sustainability during times of change.
The focus is on repeatability, scalability, and integration of systems, functional roles, processes, and policies that inform how the organization can continue to thrive.

WORKING TOGETHER IS NECESSARY



- Respective policies and procedures to be updated and maintained
- Reporting and ongoing review of budget
- Progress tracking and communication
- Documents should be shared to ensure consistency and flow

KEY PERSONNEL ROLE:

FINANCIAL



- Code and track all grant related expenditures.
- Maintain and track indirect cost rate.
- Comply with financial management requirements concerning allowable costs.
- Ensure risk mitigation by safeguarding information and having robust internal controls and accountability.
- Adhere to all financial reporting requirements.

KEY PERSONNEL ROLES:

PROGRAMMATIC



- Meet targets outlined in approved applications.
- Keep information for reporting purposes.
- Provide documentation to Evaluation Lead (if required).
- If key personnel are assigned to support the grant, keep track of time using time and effort documentation by Finance.
- Review the budget to ensure purchases are approved by Finance.
- Adhere to all programmatic reporting requirements.

KEY PERSONNEL ROLE:

OPERATIONS



- Ensure updated internal controls related to grants management and compliance.
- Project oversight and adherence to all reporting and compliance deadlines and requirements.
- Serve as bridge between programmatic and financial team.

REVIEW THE FUNDING OPPORTUNITY ANNOUNCEMENT



Programmatic – What requirements will impact your organization upon award receipt (evaluation, organizational structure, planning and outreach)?



Financial – How will the funds be tracked, time and effort be recorded, and allowable expense requirements shared with appropriate staff?



Operations – Are the reporting expectations going to impact your current operations and who is involved with managing the different administrative requirements?

IMPROVE INTERNAL CONTROLS FOR FUNDING SUSTAINABILITY

- Policies and Procedures
 - Alignment with 2 CFR 200
 - Alignment with Agency specific regulations in the CFR
- Internal Monitoring
 - Reduce Risk
 - Implement Corrective Action Plans
- Training on Your Policies and Procedures
 - Understanding and Compliance
 - Consistency and Efficiency

INTERNAL CONTROLS IN ACTION

- 01 Separation of duties** Establishes a breakdown of duties so that no one person can singlehandedly conduct the entire procedure in a transaction. This separation ensures a check and balance system.
- 02 Policies and procedures** Written policies and procedures should be made available to personnel and must describe processes for planning, organizing, directing, controlling, and reporting on organizational operations.
- 03 Documentation** Ensures detailed, accurate, and sufficient information is recorded and retained to support and corroborate program transactions.

Foster taxpayer confidence

INTERNAL CONTROLS IN ACTION

- 04 **Authorization:** Establishes transactions that should be reviewed and authorized before execution.
- 05 **Asset safeguarding** Physical assets susceptible to misappropriation or misuse, such as cash and fixed assets, are properly secured and accessible only to authorized personnel.
- 06 **Reconciliations** Accounting reconciliations corroborate that recorded transactions are accurate and provide the most current information for reporting. Physical reconciliations ensure assets purchased with program funds are being properly utilized.

Foster taxpayer confidence

DISCUSSION QUESTIONS

- What is a surprising or unexpected change that you're seeing right now?
- What are some good best practices to implement?
- What is the “good news” right now?
- What is the expected longerterm impact of grant funding, due to the current federal funding landscape?



RESOURCES

- Grants.gov Community Blog: Grant Searching Made Easy: Mastering Keywords on Grants.gov: <https://grantsgovprod.wordpress.com/2024/04/11/grant-searching-made-easy-mastering-keywords-on-grants-gov/>
- Code of Federal Regulations: Official legal edition (updated annually) <https://www.govinfo.gov/help/cfr>
- USASPENDING.gov website for exploring government spending <https://www.usaspending.gov/search>
- Ways and Means Committee Proposed Budget Priorities: https://www.finance.senate.gov/imo/media/doc/budget_optionspdf.pdf
- National Council of Nonprofits Summary of EOs: <https://www.councilofnonprofits.org/files/media/documents/2025/chart-executive-orders.pdf>
- YPTC Resources <https://www.yptc.com/as-federal-funding-uncertainty-continues-yptcs-game-plan-is-unchanged/>

LET'S CONNECT!



Use this code to access MyFedTrainer's weekly grant tips and updates on current grant compliance issues.



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