

# Federal Grant Rules Are Being Rewritten: A Nonprofit Action Guide

What's changing, how to verify it, and how to be on the record before July 13, 2026

FROM CHAPLAIN TIG · QUIETLY WORKING

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## EXECUTIVE OVERVIEW

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On May 29, 2026, the Office of Management and Budget (OMB) proposed the largest rewrite of federal grant rules since 2013 ... the regulations (2 CFR Part 200, the "Uniform Guidance") that govern nearly every federal dollar reaching nonprofits, schools, clinics, and local agencies. The public comment period closes **July 13, 2026**. After that, the rule moves toward final.

This is not about who holds office. It is about how grant decisions get made, and whether organizations doing the work can count on the funding they were promised. The provisions of greatest concern to nonprofits:

- **Political pre-issuance review (Section 200.205):** senior political appointees, rather than career program officers or peer reviewers, would review discretionary grants before award and could override expert recommendations.
- **Expanded mid-grant termination (Section 200.340):** agencies could end an active award with a brief written rationale that it no longer fits agency priorities, with no finding of wrongdoing required.
- **Restrictions on equity-focused work:** new limits target grants addressing disparities, reaching many community-serving programs.
- **Tighter everyday cost rules:** publication costs (Section 200.461), conference attendance (Section 200.432), and professional memberships (Section 200.454) would need express pre-approval, and E-Verify (Section 200.303) would become mandatory across awards.
- **Effective October 1, 2026,** with no transition period for multi-year grants already underway.

**Why it matters:** multi-year programs depend on funding they can plan around. Trading that certainty for broad discretion puts staff, services, and the families who rely on them at risk. The public comment period is the open lever before the rule finalizes.

**One caution:** AI is a fine drafting partner, but agencies screen out near-identical, mass-produced comments. A thousand copies of the same AI paragraph count as close to one voice. Your own words, about your own community, citing the specific sections that affect you, carry real weight in the record.

## VERIFY IT YOURSELF · SOURCES

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Do not act on any single video or article, including this one. Confirm every claim at the source:

**The proposed rule (Federal Register, May 29, 2026):**

<https://www.federalregister.gov/documents/2026/05/29/2026-10817/regulation-for-federal-financial-assistance>

**National Council of Nonprofits, OMB Uniform Guidance hub and side-by-side change chart:**

<https://www.councilofnonprofits.org/trends-and-policy-issues/omb-uniform-guidance>

**National Council of Nonprofits, action page and comment guide:**

<https://www.councilofnonprofits.org/articles/take-action-july-13-oppose-sweeping-changes-federal-grantmaking>

**Independent legal analysis (Ropes & Gray):**

<https://www.ropesgray.com/en/insights/alerts/2026/06/omb-proposed-revisions-to-the-uniform-guidance-key-takeaways-for-award-recipient-organizations>

**Submit your comment (regulations.gov, Docket OMB-2026-0034):**

<https://www.regulations.gov/>

## YOUR ACTION CHECKLIST

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- Read the proposed rule and the NCN change chart (links above).
  - Decide your standing: do you receive, or plan to pursue, federal funding?
  - Pick the two or three provisions that hit your programs hardest.
  - Draft a comment in your own voice, specific to who you serve and where.
  - Cite the exact sections (for example Section 200.205, Section 200.340), and double-check each number against the rule text.
  - Keep it under 5,000 characters (the submission limit).
  - Submit at regulations.gov under Docket OMB-2026-0034, by July 13, 2026.
  - Save your comment text separately and screenshot your confirmation.
  - Amplify: sign the NCN national sign-on letter and contact your members of Congress.
  - Share this guide with five peers and your whole team.
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Rulemaking is one of the few places where showing up actually moves the record, and where the smallest organization gets the same comment box as the largest. This one's worth twenty minutes. Always in your corner. ... Chaplain TIG