

Grantmaking Executive Order

Last month, President Trump signed an executive order titled “Improving Oversight of Federal Grantmaking.” The executive order requires each agency to review NOFO announcements and review discretionary grants to ensure they’re consistent with the national interest and consider how to simplify the grant process. Political appointees are directed to determine who receives funding and place further restrictions on what kind of project can receive federal funding. It also requires agencies to – the extent possible – change grants so they can be terminated immediately if needed.

Potential Impact: The executive order could significantly reshape federal grantmaking by tightening oversight, requiring agency-level accountability, and aligning discretionary awards more closely with administration priorities. It may reduce funding for programs related to DEI, gender identity, or other initiatives the administration opposes, while streamlining applications and prioritizing projects with clear public benefits. In practice, this could shift billions in federal grant dollars toward initiatives framed as advancing “national interest” while limiting academic and nonprofit flexibility.

” In 2024, one study claimed that more than one-quarter of new National Science Foundation (NSF) grants went to diversity, equity, and inclusion and other far-left initiatives.

Issuing Funding Opportunities

Each agency will designate a senior political appointee to review the funding process and existing discretionary grant recipients to ensure they are aligned with “agency priorities and the national interest.” This will include:

- Review/approval of agency funding opportunity announcements by at least one political appointee;
- Continued coordination with OMB;
- Review by designated subject-matter expert when appropriation;
- Review of funding opportunity announcements and related forms to minimize need for “legal or technical expertise in drafting an application;”
- Interagency coordination to consider whether subject matter of funding opportunity has already been addressed by another agency;
- Review by at least one subject matter expert for scientific research discretionary grants;
- Pre-issuance review of discretionary awards to ensure awards are consistent with applicable law, agency priorities, and national interest;
- Agency heads will designate at least one senior political appointee to review discretionary awards on an annual basis;
- Freezes new funding opportunity announcements without approval from senior appointees.

Considerations for Discretionary Awards

Senior appointees and designees must determine who receives awards on their own – not routinely defer to others in reviewing funding opportunity announcements.

When reviewing and approving funding, senior appointees and designees should use the following metrics for assessing grant proposals:

- Discretionary awards must advance the President's policy priorities;
- Will not be used to advance:
 - Racial preferences (including activities where race or intentional proxies for race will be used as a selection criterion for employment or program participation)
 - Denial by the grant recipient of the sex binary in humans or the notion that sex is a chosen or mutable characteristic;
 - Illegal immigration; or
 - Any other initiatives that compromise public safety or promote anti-American values.
- Awards should go to institutions with lower indirect costs;
- Grants should go to broad range of recipients – not select group who consistently receive grant funding;
- Discretionary awards pertaining to scientific research must commit to achieving Gold Standard Science; and
- Peer review methods should continue provided that peer review recommendations remain advisory and are not ministerially ratified, routinely deferred to, or otherwise treated as de facto binding by senior appointees or their designees.

Revisions to Uniform Guidance

The OMB Director will revise the Uniform Guidance to allow for termination for convenience when the grants no longer serve the national interest.

Implementation & Termination Clauses

By September 7, each agency will submit a report to OMB with the following information:

- Whether discretionary awards include termination clauses aligned with this Executive Order;
- Whether the agency's standard terms and conditions for discretionary foreign assistance allow for terminations based on national interest; and
- The number of active discretionary awards at the agency.

Each agency will take steps to revise the terms and conditions of existing discretionary grants to allow for terminations when the award no longer advances agency priorities or national interest.

Agencies will insert language into discretionary grant agreements that:

- Prohibit recipients from directly drawing down general grant funds for specific projects without affirmative approval; and
- Require grantees to provide written explanations for each drawdown.

