

An update on the potential federal funding freeze

It has been a rollercoaster 24 hours for many of you, wondering if critical funding for your nonprofit's mission would be frozen at 5pm yesterday. With a pause in effect until Monday, we want to take a brief moment to bring you all up to speed on what happened, where we are, what's next, and what actions nonprofits should be taking now, in case the pause is lifted on Monday and the freeze goes into effect.

What happened

On January 27, the federal Office of Management and Budget sent a memo to federal agencies to institute a pause in "federal funding assistance." The wording of the memo was very vague, leading to uncertainty for the tens of thousands of nonprofits that are paid with federal funds to deliver services in communities. Even the federal agencies themselves did not seem to know what funding would be affected and what wouldn't.

The National Council of Nonprofits took swift action, joining with the American Public Health Association, Main Street Alliance, SAGE, and Democracy Forward to file suit in federal U.S. District Court to have the funding freeze blocked. Just before the freeze was set to take effect, United States District Court Judge Loren L. AliKhan issued an Administrative Stay through Monday, February 3 at 5:00 pm.

Where things stand

The stay allows time for both sides of the case to present the judge with more information, so the court can make a more lasting ruling. With the Administrative Stay in place, nonprofits have a few days to try to gain more clarity over whether their programs are affected and to make contingency plans. Our hope is that Judge AliKhan will find in our favor and put a more lasting order in place. And Monday may not be the final word on this, as either side may appeal this all the way to the Supreme Court. For now, nonprofits should be taking these next few days to make contingency plans, just in case.

What nonprofits should do now

- If you receive any federal funding – whether directly from the federal government or a pass-through, such as a state or locality – **reach out to your grant/contract contact immediately** to ask if you will be affected if the freeze is allowed to go into effect.
- If you receive confirmation that your funding will be affected, [please fill out this form](#) to help us understand the scope of programs affected and the effects a freeze would have on your mission and the people you serve.

We will keep you updated on new developments as they happen. Also, be sure to follow us on [social media](#) for more real-time updates. And don't hesitate to encourage other nonprofits you know to [sign up for this newsletter](#) to stay informed.

Thank you all for the vital work you are doing in communities across the country and around the world. We are proud to stand with you.

— The National Council of Nonprofits Team

As you saw yesterday, NCN scores big wins on behalf of the nonprofit sector. Yet the work is far from over. NCN and our network of state associations will continue to address threats to nonprofits' ability to deliver critical services in their communities through our tireless advocacy, communications, education, and capacity building. **Please consider supporting our crucial efforts in the days, weeks, and months to come by [making a contribution](#).**