

AFP Capital Region, Government Relations

Newsletter April 2019

For April's newsletter we decided to talk about government relations in a different context than policy or pending legislation. We thought we might instead talk about government relations in the context of government grants. Governments at all levels depend on charitable nonprofits to provide efficient and effective services to residents that would be more costly if provided by others. Likewise, the nonprofit sector, as a whole, earns about a third of its total revenue by providing services under written agreements with governments.

Since at least the 1960s, and accelerating considerably beginning in the 1980s, all levels of government have depended on charitable nonprofits to deliver a broad array of services to the public through the use of contracts and grants. Ultimately, everyone benefits—governments, nonprofits, and those we serve as well as all taxpayers by reducing unnecessary costs while enhancing accountability.

Office of Management and Budget (OMB) Uniform Guidance: Governments at all levels – local, state, and federal – that hire nonprofits to deliver services are required to reimburse nonprofits for the reasonable indirect costs ("overhead" or "administrative" costs) they incur on behalf of governments when federal dollars are part of the funding stream. This mandate is embedded in grantmaking rules that the OMB put into effect at the end of 2014. In addition, the OMB Uniform Guidance streamlines and clarifies cost allocation and other rules related to government grants and contracts, removing some areas of confusion and inconsistency while treating more of a nonprofit's expenses as direct (reimbursable) costs. The [Uniform Guidance](#) merges eight separate yet overlapping OMB circulars into the Code of Federal Regulations and is intended to ease administrative burdens, increase efficiency and effectiveness of federal awards, and strengthen the oversight of federal funds to reduce the risks of waste, fraud, and abuse.

Resources for Understanding Government Grants: [Grants.gov](#) is a government website where federal agencies post information about direct federal grants opportunities, referred to as "Funding Opportunity Announcements" (FOA) or "Request for Proposals" (RFP). Grants.gov is also a source for information about application packages, as well as required forms that nonprofits upload via the site, once completed.

Grants.gov also offers two other resources: [Grants.gov Learning Center](#) and [Grants.gov Community Blog](#), that can help those new to government grants understand the policies and procedures of the grant lifecycle, proper grant management, and accurate terminology. We hope these resources will be helpful to some of you who might be new to government grants.