



# Waste and Inefficiencies Due to the New Grant Requirements

The goal of Executive Order (EO) 14222 is to increase efficiency and transparency and cut costs. Yet, in practice, the new requirements have led to the exact opposite, thereby adding new strains on federally supported research and increasing costs.

## What is the problem with Defend the Spend?

The implementation of [EO 14222](#) resulted in **additional costs and time without any value**:

### 100% Redundant

Federal agencies implemented a new requirement to collect justifications for project expenses that the agencies had already authorized (and which are subject to recipient certification and independent audit). This request is redundant and unnecessary, as the information is readily available to the agencies as outlined in Appendix.

### Overdue Payments

Excessive reviews for authorized transactions cause delays in payments, sometimes for months, with the government owing some institutions millions of dollars for completed work. These delays violate [2 CFR 200.305\(b\)\(3\)](#), which mandates timely disbursements by the government.

### Excessive Burden and Waste

Research grant recipients may submit dozens of pages to justify a single payment, and inconsistent agency requirements prevents a systematic solution. DOGE's "Defend the Spend" resulted in approximately **53,749 hours of redundant work**<sup>1</sup> for recipients and agencies. Over a 35-day period, **107,497 transactions** were reported, with agencies required to review the additional justifications ([DOGE payment statistics](#), last updated May 2025).

### Straining Research

The excessive burden due to payment delays and redundant documentation requirements potentially compromises time-sensitive research, wasting resources on costs already approved and losing valuable time in U.S. efforts to maintain global scientific leadership. The amount of effort and costs required are unsustainable and adds to unnecessary federal red tape.

## The solutions are easy:

### 1 Available Information and Processes Provide Efficiency

The government should evaluate what's already available, e.g., NOFOs, grant award budgets, annual financial (SF 425) and programmatic progress reports, single audit reports, and individual payment request certifications to focus resources where they're most needed.

### 2 Implement Risk-Based Oversight / Lower Barriers

The government should follow the risk assessment framework outlined in [2 CFR 200.206](#) to determine when additional review is warranted.

### 3 Engage with Stakeholders

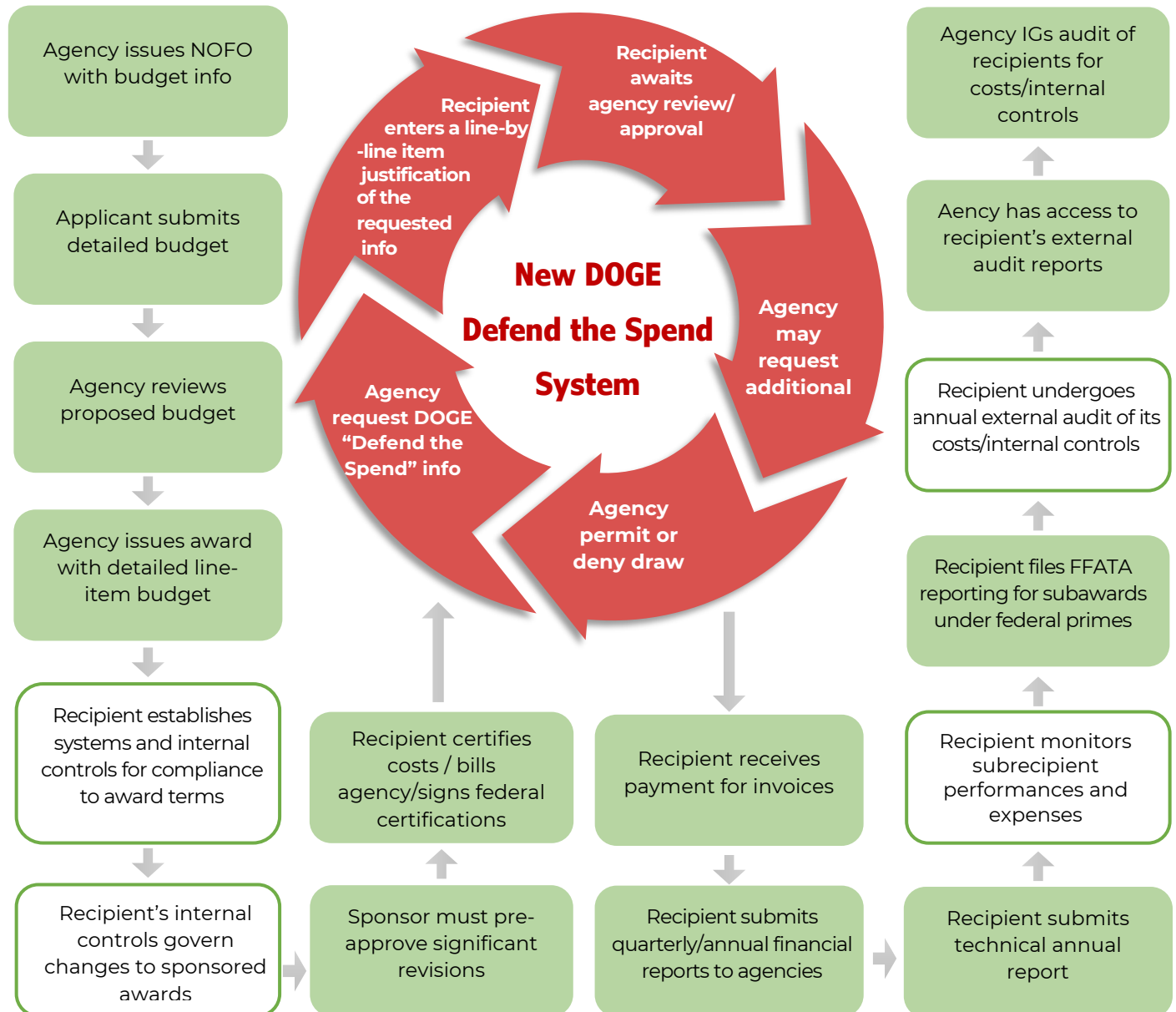
The government should conduct a cost-benefit analysis and collaborate with recipients to identify the most efficient way to provide any needed additional information where genuine risks have been identified.

<sup>1</sup> Based on DOGE counts, and the estimated average response/review time of at least 30 minutes per transaction.

## Appendix: Defend the Spend

### Details of Federal Award Spending and Reimbursement Requirements

Federal granting agencies approve project spending plans and review expenditures at seven points in the process (below), before the Defend the Spend initiative was introduced. Additionally, institutions undergo audits and other regulatory checks. **Defend the Spend adds another 5 checkpoints of redundant work to the process.**



1. **Agency issues program announcement with budget requirements:** Agencies specify budget criteria and unusual considerations or restrictions in the Notice of Funding Opportunity (NOFO). For example, from the NIH site: <https://grants.nih.gov/grants-process/write-application/advice-on-application-sections/develop-your-budget>
2. **Applicant submits a proposal per NOFO:** Applicant prepares the budget and justification according to the NOFO, including details of planned expenses, approved research rates, and explains how the costs benefit the project.
3. **Agency issues awards, including detailed award budgets:** Federal funding agencies issue a Notice of Award that includes a line-item budget, restrictions on expenses (e.g., travel, equipment), spending limits, and other award-specific information.
4. **Post-Award Management: Recipients must have internal controls and systems compliant with CAS, Uniform Guidance, etc.**
  - a. System (award receipt and set-up)

Federally approved institutional financial systems (SAP, Oracle, Workday, Banner, etc.) apply spending rules (flags, thresholds) to prevent inadvertent expense. Codes for unallowable items are activated to block spending.

- b. System: Accounting (budgetary restrictions)

Expenses outside the approved budget parameters prevent or trigger additional review (budget or procurement office).

- c. Prior Approvals and Expanded Authorities

Institutions are subject to allowability/allocability standards, which require that only costs beneficial to a project be charged to it. Furthermore, under Uniform Guidance 2 CFR 200.308, recipients of grants and cooperative agreements may re-budget costs during the performance period for other allowable and allocable costs per the approved project's scope. When more significant changes are needed, recipients have established prior approval procedures to document requests to agencies.

- d. Travel/Equipment Procurement approval

Expenses related to travel require additional review and approval. Equipment purchases require an additional procurement process (bid and pricing).

- e. Subrecipient monitoring

Recipients are responsible for ensuring that subrecipients have appropriate internal controls to comply with sponsor terms and then assess the work performed to verify the invoice amount, as per 2 CFR 200.331.

- f. Account Review to correct errors

Recipients regularly review project expenses (e.g., monthly, quarterly), per institutional policies, and correct and adjust for any errors in charges to the project.

## **5. Recipients certify the accuracy of costs when requesting reimbursement. Recipients have already paid personnel and vendors before requesting reimbursement**

Recipients certify costs on every request for payment to the government, per 200.415 Required certifications.

(a) Financial reports must include a certification, signed by an official who is authorized to legally bind the recipient, which reads as follows: “**By signing this report**, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, **may subject me to criminal, civil or administrative penalties** for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

#### 6. \* Federal agencies are requesting information already provided

- Numerous federal agencies are implementing these new requirements in diverse ways, preventing institutions from developing efficient solutions to respond to new mandates.
- In virtually all cases, federal agencies are requesting that recipients provide the same information over and over again.
- Payment systems should be connected to agency grant systems to provide DOGE with the information they are requesting.

Below are excerpts from emails from DOGE, Defend the Spend, or the federal funding agencies. The agency approaches requirements adds significant administrative and cost burdens due to inefficient and wasteful procedures.

Agency	New requirements – Examples of quotes from Defend the Spend (typically email)
National Institutes of Health (NIH)	<p><a href="https://grants.nih.gov/sites/default/files/PMS-Payment-Requests-for-NIH-Awards.pdf">https://grants.nih.gov/sites/default/files/PMS-Payment-Requests-for-NIH-Awards.pdf</a></p> <ul style="list-style-type: none"> <li>• When submitting a payment request in PMS, a justification is now required. Please ensure the justification entered is as detailed as possible. Please explain exactly why the funds are being drawn and how the funds will be utilized during the period of performance for the project.</li> <li>• Once the payment request is submitted in PMS, the request is sent to the DOGE Defend the Spend (DTS) system for further review by NIH.</li> <li>• All payment requests are sent from PMS to DTS within one business day. • In the DTS system, NIH will review the justification submitted by the recipient in PMS.</li> <li>• If NIH determines that the justification is sufficient, we will approve the payment request in the DTS system. • If NIH determines that the justification is not sufficient, we will request additional clarification for the payment request in the DTS system.</li> <li>• When we submit a request for additional clarification in DTS, the recipient will receive an email notification from DTS notifying them that additional clarification is required for the payment request in DTS.</li> <li>• The recipient should follow the instructions in the email provided, and once the additional clarification has been submitted by the recipient, the payment request will return to DTS for NIH approval.</li> <li>• Once NIH determines that the justification is sufficient, we will approve the payment request in the DTS system.</li> <li>• NIH reviews all payment requests in DTS within 1 – 2 business days. However, NIH does not have insight as to the timeline between DTS approval, and the funds being released in PMS.</li> </ul> <p><u>Below are examples of appropriate payment justifications:</u></p> <ul style="list-style-type: none"> <li>• This payment is reimbursement for costs in support of the projects by furthering the achievements of the research goals and objectives specific to each grant for April 25thMay 25th.</li> <li>• Reimbursement is requested for the pre-approved budget categories of Salaries and Fringe Benefits for key personnel working on the grant or cooperative agreement, along with materials and supplies, other Direct Costs, and indirect costs.</li> </ul>

	<ul style="list-style-type: none"> <li>Reimbursement of allowable expenses related to Subaccount (RXX123456A) in the following amounts per spend category: Salaries and Wages expenses amount to \$X,XXX, Fringe Benefits expenses amount to \$XXX.XX, Indirect Costs expenses amount to \$X,XXX.</li> <li>The invoice includes labor charges, journal publication fees for disseminating results to the public, IT/share drive expenses, subcontract payments for their labor, and retroactive indirect rate adjustments for costs incurred in Fiscal Year 25.</li> </ul>
<b>Centers for Disease Control and Prevention (CDC)</b>	<ul style="list-style-type: none"> <li>Payment request submitted via PMS must now go through an additional layer of review and response. If you received a request for clarification from Defend The Spend (DTS), you must respond directly to that link with all information that was included in the clarification request. Please check your Spam folders as this is a legitimate site (DTS.gov).</li> <li>Once your response is received it will be reviewed again to ensure that it addresses all concerns in the clarification request. If all concerns have been addressed, OGS will approve the draw down and it will go back to PMS for release.</li> <li>OGS cannot provide a timeframe in which the payment will be released by PMS.</li> <li>Please note: If all concerns are not addressed you may receive a 2nd and possibly a 3rd request, until we receive the information necessary to approve your request. After the 3rd request, if OGS does not have enough information to approve the payment it will be rejected in PMS, and you will be required to resubmit the request along with all pertinent information that includes the following: <ul style="list-style-type: none"> <li>NOFO#</li> <li>Award#</li> <li>Line-item justification that covers the entire amount being requested (i.e., Supplies</li> <li>Period that the drawdown covers</li> </ul> </li> <li>Example of acceptable justification: Payroll=\$2,500 and Fringe=\$500 for staff in accordance with the award terms and conditions for award 21U01DP00XXXX for the timeframe of 2/1/2025-2/28/20255.</li> </ul>
<b>National Aeronautics and Space Administration (NASA)</b>	<ul style="list-style-type: none"> <li>Effective March 17, 2025, a justification field has been added to the payment request screen at the subaccount level. Grant recipients are now required to provide a brief explanation—limited to 1,000 characters—outlining the purpose of each payment request. (Please refer to the image below for a visual reference.) To help ensure timely approval of payment requests submitted to NASA, we ask that all recipients include the corresponding budget category (as approved in your original budget) as part of the justification. Examples of appropriate budget categories include: • Salaries and Wages • Fringe Benefits • Equipment • Travel • Materials and Supplies • Other Direct Costs • Indirect Costs Justifications should clearly identify all budget categories associated with the request. For example: “Reimbursement is requested for the pre-approved budget categories of Salaries and Fringe Benefits for key personnel working on the grant (or cooperative agreement).”</li> </ul>
<b>Occupational Safety and Health Administration (OSHA)</b>	<ul style="list-style-type: none"> <li>The 'new' PMS process gets extended to all OSHA Regional grants finance and accounting teams effective 4/29. Our Region is now required to review and approve each requested drawdown and/or grantees, and we also need to provide a 'reason for approval'.</li> <li>In complying with the requirement and a smooth process in releasing your requested funds or drawdown amount in a timely manner and/or without any delay, please:</li> </ul>

	<ul style="list-style-type: none"> <li>• Provide a more detailed justification in PMS by specifying the “object class categories’ of the occurred/incurred expenses for reimbursement or in payment for and with the allocated amount (e.g. payment request is to cover salary expense 6,501 for the week ending 4/15/25 and equipment 1,682... Reimbursement of payroll payment \$36, 001 on 4/28/25, travel of 4,589 and supplies 854...)</li> <li>• Be prepared to provide the developed financial report as an adequate support of the requested funds amount drawn down via email to me when requested.</li> </ul>
<b>U.S. Department of Agriculture (USDA)</b>	<ul style="list-style-type: none"> <li>• Failing to meet the correct guidance will result in your payment being returned even if the documents are correct. If you are unsure if your justification meets the guidance, feel free to send it to me first. <ul style="list-style-type: none"> <li>◦ Lists the specific program (FMPP or LFPP) instead of “a USDA grant program”; and</li> <li>◦ Identifies the specific cost categories included in the request</li> </ul> </li> <li>• Justification must address every cost category – ie. if the payment is for personnel, fringe, travel and equipment</li> <li>• Payment for personnel to complete xyz, fringe of xx%, travel for xyz event and equipment purchase of xyz for xyz</li> </ul>
<b>Automated Standard Application for Payments (ASAP) ASAP (Used for DOE, DOJ, USDA)</b>	<ul style="list-style-type: none"> <li>• Limit bill payments to separate requests.</li> <li>• Effective Monday, May 19, 2025, the Department of the Treasury's Bureau of the Fiscal Service will require Recipient Organizations to include a justification for each payment.</li> <li>• 300-character justification</li> </ul>
<b>Health Resources &amp; Services Administration (HRSA)</b>	<ul style="list-style-type: none"> <li>• Health Resources &amp; Services Administration is requiring additional information regarding this payment before funds are disbursed. An ideal payment justification includes a specific description of why the funds are necessary, and why they are aligned with the award.</li> <li>• Please enter the additional information at this link: <a href="https://pub-dts.doge.gov">https://pub-dts.doge.gov</a></li> </ul>
<b>Department of Labor (DOL)</b>	<ul style="list-style-type: none"> <li>• Effective March 17, 2025, grant recipients must now provide a brief justification for each payment request submitted for approval.</li> <li>• The process and technologies to fully comply with the EO requirements are still under development. In the interim, the following list of questions and answers have been developed to provide initial guidance to grant recipients on this new PMS process.</li> </ul>
<b>Administration for Children and Families (ACF)</b>	<ul style="list-style-type: none"> <li>• Increase the “lead time” between your organization’s need and payment request;</li> <li>• Structure payment requests to include only one awarding agency; minimize the number of grant subaccounts; and group subaccounts to those within the same program area;</li> <li>• Provide a strong justification for your payment request to include details such as the program name, time period covered by the payment request, a clear description or summary of approved expenses or activities and, as applicable, the approved budget line categories for expenditures (e.g., Personnel, Fringe, Supplies, Travel, Contractual, Other);</li> </ul>
<b>Administration for Community Living (ACL)</b>	ACL determined that the payment justification submitted for this subaccount lacked sufficient detail. In this request for clarification, please provide an updated payment justification that provides the following information: 1) Short summary of implemented activities and incurred expenses (identify high level budget categories), 2) time period covered by the payment request (time period in which expenses were or will be incurred), 3) program name, and 4) authorizing Act.
<b>Substance Abuse and Mental Health</b>	For the amount being requested, the template must include the itemized costs, programmatic justification summary, and certification. Please use template provided below and requested on 4/28/25. Please use this template for SAMHSA Drawdown Justifications:-----This is a payment request for [insert dollar amount] on



<b>Services (SAMHSA)</b>	SAMHSA grant [insert grant number] covering the time period [insert dates]. The request is comprised of the following disbursement of costs: Personnel [insert dollar amount], Fringe Benefits [insert dollar amount]. Contractual/Subawards [insert dollar amount] subtotal(s) of the grant activities]. We certify that the costs are allowable, allocable, reasonable, and necessary in accordance with 45 CFR Part 75, 2 CFR Part 200, the NOFO, and the HHS Grants Policy Statement. We also certify that the costs do not violate the Executive Orders Ending Radical and Wasteful Government DEI Programs and Preferencing and Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government.-----
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## **7. Recipients file additional information and numerous reports to Federal Sponsors:**

### **a. FFATA reporting of amounts awarded to subrecipients**

Recipients must provide additional reporting to the GSA of all subawards issued from federal primes awards, per 2 CFR Part 170.

### **b. Recipients file annual progress reports and expenditures to sponsors**

Recipients report progress on grants and cooperative agreements annually. Reports include progress towards the project's specific aims, a list of people who worked on the project and their time commitment, and a summary of project expenses. The agency must approve these reports before the project continues into the following year.

### **c. Financial reports are also filed separately from the annual technical report**

## **8. Recipients must provide reports of cumulative spending monthly, quarterly, as stipulated by the agency.**

Example: NSF financial requirements

<https://www.nsf.gov/policies/pappg/24-1/ch-8-financial-requirements-payments>

## **9. A the conclusion of the project, recipients file final expenditures, which are audited, final process reports**

### **a. Closeout** - A final accounting of all project costs is performed before the final invoice for remaining costs is submitted to the sponsor.

(example: NIH RPPR)

<https://grants.nih.gov/grants-process/post-award-monitoring-and-reporting/reporting-requirements/research-performance-progress-report-rppr>

(example: Dept of Energy EERE)

<https://www.energy.gov/eere/funding/reporting-requirements-eere-funding-awards>

### **b. Annual external audits** - Non-federal entities that expend \$1,000,000 or more in federal awards in a single year must undergo an annual audit to ensure accountability for federal awards.

### **c. Internal audits** – Institutions undergo checks on internal controls as part of their compliance programs.

### **d. Agency Specific Audits:**

- Single Audit: - <https://oig.hhs.gov/compliance/single-audits/frequently-asked-questions-faqs/single-audits-faqs/#:~:text=A%20Single%20Audit%20includes%20two,included%20in%20all%20Single%20Audits> .

- Audit Resolution: <https://www.nsf.gov/awards/audit-resolution>
- Desk Audits: <https://www.nsf.gov/awards/desk-reviews>
- HHS OIG Audits published: <https://oig.hhs.gov/reports/>
- NSF Accounting System Audit: <https://www.nsf.gov/awards/accounting-system-reviews>

## **10. Recipients must implement internal controls and undergo audits, as required by § 200.303 Internal controls.**

*The recipient and subrecipient must:*

*(a) Establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control-Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).*

*(b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal award.*

*(c) Evaluate and monitor the recipient's or subrecipient's compliance with statutes, regulations, and the terms and conditions of Federal awards.*

*(d) Take prompt action when instances of noncompliance are identified.*

*(e) Take reasonable cybersecurity and other measures to safeguard information, including protected personally identifiable information (PII) and other types of information. This also includes information that the Federal agency or pass-through entity designates as sensitive or other information the recipient or subrecipient considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.*

## **11. Federal Agencies regularly investigate fraud, waste, and abuse and report it to the public through audits.**

Inspectors General for the federal funding agencies conduct audits of recipients and report regularly (e.g., semiannually) to Congress. These reports are available to the public and all agencies. For example:

- NSF IGs reports <https://oig.nsf.gov/>
- HHS IG reports - <https://oig.hhs.gov/reports/all/?report-type=Audit&hhs-agency=NIH>
- NASA IG Reports - <https://oig.nasa.gov/office-of-inspector-general-oig/semiannual-reports/semiannual-report-to-congress-spring-2025/>
- Federal Audit Clearinghouse (Searchable/public audit report): <https://app.fac.gov/dissemination/search/>