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# **National Council of Nonprofits et al. v. Office of Management and Budget**

On January 27, 2025, the Office of Management of Budget (OMB) [issued an memo](#) in response to some of the executive orders, including [Executive Order Ending Illegal Discrimination and Restoring Merit-Based Opportunity](#), that called for the pausing of all OMB grants and loans. The National Council of Nonprofits, American Public Health Association, Main Street Alliance, and SAGE, represented by Democracy Forward, filed to stop the memo from going into effect ([see the Complaint](#)). Diane Yentel [denounced the funding freeze](#),

This order is a potential five-alarm fire for nonprofit organizations and the people and communities they serve. From pausing research on cures for childhood cancer to halting food assistance, safety from domestic violence, and closing suicide hotlines, the impact of even a short pause in funding could be devastating and cost lives. This order could decimate thousands of organizations and leave neighbors without the services they need.

On January 28, 2025, minutes before the memo went into effect, a DC federal judge [ordered an administrative stay](#). On Jan. 29, OMB [rescinded](#) the memo. The judge [issued a temporary restraining order](#) on Feb. 3, 2025 prohibiting the “implementing,

giving effect to, or reinstating under a different name the directive to halt federal spending broadly.”

The federal judge issued a preliminary injunction ([order](#) and [opinion](#)) extending the prohibition against the funding freeze on February 25. Diane Yentel [praised the order](#),

The preliminary injunction is a tremendous relief for thousands of nonprofit organizations throughout the country that are struggling to continue their vital work in the midst of the chaos and confusion caused by the administration’s attempted federal funding freezes.

In a [separate suit](#) by 23 state Attorneys General, a second federal judge issued a [preliminary injunction](#) on March 6, 2025.

## Official Statements & Press Releases

- [Judge Issues National Injunction to Block Trump Administration’s Devastating Attempt to Halt Funding For Essential Services](#), press release, National Council of Nonprofits, Feb. 25, 2025.
- [Why We Filed a Lawsuit Against the Administration](#), Diane Yentel, National Council of Nonprofits, Feb. 10, 2025.
- [National Council of Nonprofits Reacts to Rescinding of OMB Memo Ordering Funding Freeze](#), official statement, National Council of Nonprofits, Jan. 29, 2025.
- [Nonprofits, Public Health Leaders, Small Businesses File Suit to Block OMB Attempt to Halt Essential Services](#), press release, National Council of Nonprofits, Jan. 28, 2025.
- [National Council of Nonprofits Statement on Pause to Federal Grants and Contracting](#), official statement, National Council of Nonprofits, Jan. 28, 2025.

## Webinar on Ongoing Litigation

**National Webinar: *The Legal Landscape and Path Ahead for Nonprofits and Philanthropy*** (1:02:23) [recording](#) and [slides](#), National Council of Nonprofits, Mar. 17, 2025.

## **Related Insights and Analyses**

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