



Basics of a Notice of Funding Opportunity

This quick guide provides a comprehensive overview of the Notice of Funding Opportunity (NOFO), the formal publication through which federal agencies announce available grant funding. It is designed to help applicants, recipients, and administrators understand the structure and purpose of a NOFO, including key components such as eligibility criteria, program objectives, application requirements, program funding, and evaluation factors.

An Overview of the Basics of Understanding a Notice of Funding Opportunity

Publish Date

DATE

Background

Federal agencies publish thousands of Notices of Funding Opportunity (NOFOs) each year to announce available grant funding for a wide range of programs. These announcements explain who can apply, what types of projects will be funded, and how to submit an application.

Over time, NOFOs have become longer and more detailed, which can make them difficult to navigate, especially for first-time applicants or organizations with limited grant experience. Understanding how NOFOs are structured and what each section means is essential to preparing a complete and competitive grant application.

Federal agencies are required to follow certain rules when developing and publishing NOFOs. These rules are outlined in the Uniform Guidance (2 CFR Part 200), which sets standards for how federal grant programs are managed. On April 4, 2024, key updates and revisions were made to the Uniform Guidance, specifically 2 CFR 200, Appendix 1, to simplify NOFOs and reduce the burden on

Key Components

applicants. These updates emphasize the use of clear, plain language and improved accessibility.

In accordance with these revisions, federal agencies must:

- Be concise and use plain language per the guidance at [PlainLanguage.gov](https://www.plainlanguage.gov) wherever possible.
- Ensure electronic versions of NOFOs comply with Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. § 794d) to support accessibility.

Sections of a NOFO

Although formatting and terminology may vary slightly by federal agency, 2 CFR Part 200 (Appendix I) establishes a standard framework to promote consistency across federal NOFOs. This includes the requirement to organize NOFOs using common section headings and a table of contents that includes, at a minimum, the following components:

- Basic Information
- Eligibility Information
- Program Overview/Description
- Federal Award Information
- Application Contents and Format and Submission Requirements/Deadlines
- Application Review Information
- Award Notices
- Post-Award Requirements and Administration
- Other/Additional Information

A. Basic Information

Provides an overview of the funding opportunity, including the federal awarding agency, program title, availability of funds, date issued, key application deadlines, Assistance Listing Number (ALN), eligible activities, and an executive summary.

B. Eligibility Information

Eligibility

Outlines who is eligible to apply for the funding opportunity. It provides a clear and complete list of eligible applicant types, which may include nonprofit organizations, state, local, or tribal governments, municipal entities, public institutions of higher education, and other subunits of government. It also describes any specific limitations or restrictions that could render certain applicants or project types ineligible.

Cost-Sharing

The eligibility section typically includes a subsection regarding information on cost matching or cost sharing requirements, if applicable. In accordance with 2 CFR 200.1, the NOFO must clearly state:

- Whether cost sharing is required. If so, the NOFO must clearly indicate that failure to commit to the required cost share will result in ineligibility. If cost sharing is not required, the NOFO must explicitly state that as well.
- How the required cost share is calculated, whether as a percentage of the total project cost, a fixed dollar amount, or through specific in-kind contributions.
- Any restrictions on the types of costs that may count toward the required match, such as limits on in-kind or third-party contributions.
- Any documentation requirements, such as pre-award letters of commitment or other forms of verification, that must be submitted to confirm the applicant's ability to meet the cost-sharing obligation if selected for funding.

C. Program Overview/Description

Outlines the purpose, goals, background, and legislative authority of the program. This section also describes the specific objectives and funding priorities the program intends to support, as well as the type of funding instrument (e.g., competitive grant or cooperative agreement).

D. Federal Award Information

Provides details on the total amount of funding available under the program, the anticipated number of awards, and the expected size of each individual award. This section also outlines the maximum and minimum funding that a single applicant may receive, specific allowable and unallowable costs, and the expected period of performance.

E. Application Contents and Submission Requirements/Deadlines

Application Contents and Format

This section outlines the required components of the application and specifies the forms, templates, or formatting standards applicants must follow. It should clearly state whether the announcement itself contains all necessary forms or provide instructions on where to obtain them. If certain requirements are described elsewhere in the NOFO or on external websites, this section must reference those locations.

Per 2 CFR Part 200, Appendix I, the application content section must address:

- Whether pre-applications, letters of intent, or concept papers are required or encouraged.
- Required content and formatting for the full application.
- Formatting or content requirements for individual application components.
- Any additional information that must be submitted after the notice of intent to award but before issuance of the final award.

Submission Requirements and Deadlines

This subsection explains how and where to submit the application, including deadlines, required submission platforms (e.g., Grants.gov), and acceptable formats (electronic or paper, if allowed).

If the NOFO does not contain all required application materials, it must clearly identify how applicants can obtain them, including:

- A website or internet address
- An email address
- A mailing address
- A phone number

F. Application Review Information

Describes the process used to evaluate submitted applications, including checks for timely submission, completeness, and alignment with the requirements outlined in the NOFO. This section typically includes a responsiveness review, evaluation based on merit review criteria, the review and selection process, and a risk review assessment of potential recipients.

G. Award Notices

Describes how selected applicants will be officially notified of funding decisions. This section outlines the format of the award notice (e.g., Notice of Award), where award announcements will be published (such as Grants.gov or agency websites), and any steps recipients must take to formally accept the award.

H. Post-Award Requirements and Administration

Administrative and National Policy Requirements

Outlines the administrative and programmatic responsibilities of grant recipients after an award is issued. This section helps potential applicants understand post-award compliance obligations and identify any requirements that may present challenges. In accordance with the Uniform Guidance (2 CFR Part 200, Appendix

I), federal agencies are required to include the following information in the Post-Award Requirements and Administration section of a NOFO:

- A description of the general terms and conditions that typically apply to all awards issued by the agency.
- Any relevant specific terms and conditions tied to the funding opportunity.
- Any special conditions or requirements that may be imposed based on the review of an individual application or unique project circumstances.

Reporting Requirements

Appendix I also mandates that agencies clearly outline all post-award reporting requirements. The NOFO must specify:

- The type of reporting required (e.g., financial, performance).
- The frequency of required reports.
- The method of submission (e.g., electronic or paper).
- References to applicable regulatory requirements (e.g., 2 CFR 180.335 and 180.350).
- If the federal share of an award may exceed \$500,000 over the period of performance, the NOFO must inform applicants of additional reporting obligations under Appendix XII of the Uniform Guidance.

H. Other/Additional Information

This section includes any supplemental details that may assist applicants in preparing their submissions or understanding the broader context of the funding opportunity. Examples may include references to related federal programs, upcoming or ongoing funding opportunities, or helpful background resources. It may also include relevant website links, agency guidance documents, or frequently asked questions (FAQs) that provide additional clarity on program requirements or application procedures.

NOFO Example

USDOT FY25 Safe Streets and Roads for All Funding NOFO

Administered by the U.S. Department of Transportation (USDOT), the FY 2025 SS4A grant program provides competitive funding to support planning and implementation activities aimed at preventing roadway fatalities and serious injuries. Eligible initiatives include infrastructure improvements, behavioral interventions, and operational strategies focused on the safety of all roadway users - such as pedestrians, bicyclists, public transit riders, motorists, and commercial vehicle operators.

Understanding the Impact

Understanding the structure and intent of a NOFO is essential for successfully navigating the federal grant process. Each section of a NOFO contains critical information that affects an applicant's eligibility, competitiveness, and ability to comply with grant requirements. Failure to follow NOFO guidance can lead to disqualification, submission of incomplete applications, or post-award issues – including the potential need to repay awarded funds.

Familiarity with NOFO components allows applicants to:

- Identify funding opportunities that align with their organization's goals.
- Tailor project proposals to reflect agency priorities and evaluation criteria.
- Submit responsive, timely, and compliant applications.
- Anticipate post-award responsibilities before accepting funding.

Next Steps & Recommendations

For Applicants: Carefully review each section of the NOFO to confirm eligibility, align your project goals with program priorities, and ensure timely, complete, and compliant submissions.

For Grant Administrators: Develop internal procedures and templates based on NOFO requirements to streamline the application process and ensure alignment with federal expectations.

For Policymakers or Program Designers: Consider the clarity and accessibility of NOFOs when designing grant programs to improve applicant understanding and program reach, especially for underserved or first-time applicants.

Additional Resources

- [Tips for Reading a Notice of Funding Opportunity \(NOFO\)](#)
- [eCFR : 2 CFR Part 200.204 - Notices of Funding Opportunities](#)
- [eCFR : Part 200, Appendix I - Full Text of Notice of Funding Opportunity](#)
- [Presidential Memorandum: Reducing Burden in the Administration of Federal Financial Assistance](#)
- [Good News, Federal Grant Recipients: Relief Is on the Way!](#)

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