



UNIVERSITY OF SOUTH ALABAMA

Office for Research & Economic Development

September 26, 2025

Guidance on Potential U.S. Government Shutdown

A federal government shutdown occurs when Congress fails to pass appropriations legislation or a continuing resolution to fund federal agencies. Non-essential government operations cease until funding is restored, significantly affecting research and higher education programs supported by federal funds.

Currently, Congress is in ongoing negotiations to fund the government for the new Fiscal Year. The next potential shutdown may take effect as early as October 1, 2025, if no resolution is reached.

Anticipated Impact & Historical Context

A government shutdown could result in disruptions across the full research lifecycle, from proposal submission through award management and post-award activities. Historically, government shutdowns have had minimal impact on currently funded grants. The length of the shutdown will determine the exact impact.

However, it is expected that Federal appointments and Federal contracts may be impacted. No new awards, notices, or other actions will be released during this time. Additionally, faculty working in federal labs/facilities and possibly on cooperative agreements may be affected.

Office for Research & Economic Development Commitment

ORED and Sponsored Projects Administration (SPA) remain committed to supporting the USA research community during any potential shutdown. While federal delays are outside institutional control, the University will continue to provide guidance, monitor developments, and assist with faculty and research needs. SPA will monitor Federal agency websites for agency-specific guidance.

Active and Funded Awards

Projects should continue unless advised otherwise by your Federal sponsors. Federal personnel will not be available during a shutdown.

- **Federally Sponsored Awards (Grants/Cooperative Agreements):** Continue working on these awards, provided funds are authorized and the period of performance has not expired. Researchers should contact their research administrator with questions about fund availability. Absent an official notice to stop performing work, researchers should continue to perform where sufficient funds were obligated and drawn prior to a lapse in appropriations, and where performance does not require government support (such as quality assurance oversight or other actions required of agency staff).
- **Federal Contracts:** Under a federal contract, a "Stop Work Order" may be issued, which will likely result in immediate cessation of all project-related activity.

Activities on grants, contracts, and cooperative agreements should continue as normal, but the university may be delayed in receiving funds to reimburse for incurred costs on existing awards. If the shutdown becomes extended, costs should be closely monitored in the event award funding is reduced or significantly delayed once operations resume.

Communication with SPA

- If an Investigator receives a grant or contract notice from their sponsor (including general communication or a stop-work notice), please contact SPA at 251-460-7888 or via email at awards@southalabama.edu.
- If a research project team receives a Stop Work Order (SWO) notification, the notice should be immediately forwarded to SPA via email to awards@southalabama.edu. SPA will confirm receipt of the SWO.

Proposal Preparation, Submission, and Processing

- **Proposal Preparation:** Faculty are advised that stated sponsor deadline dates (and accompanying SPA deadlines) that occur during the lapse in appropriations remain valid unless the agencies post notices of modification on their websites. Faculty should continue to submit their proposals on time to SPA. Proposals will not be processed by agencies until normal agency operations resume, and there will be related delays in agency customer communications.
- **System Access:** Proposal submission systems are expected to remain online during a shutdown. However, new funding announcements and notices of funding opportunities may be delayed or inaccessible, and it is possible that platforms may experience limited functionality or complete inaccessibility.
- **Processing:** Submitted proposals are not expected to be processed by agencies until full operations resume. Peer reviews and study groups are not expected to meet, which may result in delays for proposals actively being reviewed.
- **New Approvals:** No new approvals such as Just-in-Time requests, budget revisions, pre-award spending, etc. can be processed by federal program officers and agency staff until operations resume.

Reporting

Principal investigators should assume they will be able to submit annual/interim reports, final project reports, and project outcomes reports in agency systems (e.g., *Research.gov*, *eRA Commons*, *PAMS*) and should do so in accordance with project due dates. However, it is possible the platforms may experience limited functionality or complete inaccessibility.