

The Bondi Memo: How These Guiding Principles May Influence Your Approach to Scholarship Design and Oversight

Description

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On July 29, 2025, U.S. Attorney General Pam Bondi issued a sweeping memorandum titled “*Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination*,” which identifies unlawful diversity, equity, and inclusion (DEI) initiatives — particularly those involving scholarships — and sets forth suggestive best practices for entities to comply with federal law. The memo warns that race-conscious practices, including scholarships reserved for specific racial groups, may violate federal antidiscrimination laws and trigger enforcement actions or loss of federal funding.

The Bondi Memo identifies several practices as presumptively unlawful unless they meet narrow exceptions. Most notably, it targets race-based scholarships, explicitly noting that programs reserving funding exclusively for students of a particular race are discriminatory unlawful practices under federal law. Institutions must avoid using race as a criterion for eligibility, even if the intent is to promote diversity or address historical inequities. The memo also cautions against the use of facially neutral criteria — such as geographic targeting, first-generation status, or “lived experience” — if those criteria are selected to indirectly favor specific racial or ethnic groups. These may be deemed unlawful proxies if implemented with discriminatory intent. Additionally, institutions may be held liable not only for their own scholarship practices but also for those of affiliated foundations, contractors, or grantees if federal funds are used to support discriminatory programs of such third parties.

In light of this guidance, institutions and scholarship administrators should promptly review all eligibility criteria for race-conscious or proxy-based language, transition to race-neutral frameworks (such as academic merit, financial need, or field of study), and audit third-party programs that receive federal support to ensure alignment with DOJ guidance. It is also advisable to document decision-making processes to demonstrate compliance and mitigate enforcement risk.

While the memo does not change the underlying statutes — such as Title VI of the Civil Rights Act — it reflects a more aggressive enforcement posture. Colleges and universities, particularly those receiving federal grants or participating in federal student aid programs, should anticipate increased scrutiny of DEI-linked scholarships and recruitment efforts.

If you have questions about how the Bondi Memo may affect your institution’s scholarship programs or DEI initiatives, please engage PSH Partner and [Nonprofit & Tax-Exempt](#) Chair [Elizabeth Manchester](#) or Associate [Kelley J. Decena](#) for tailored guidance and risk mitigation strategies.

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