



The National Grants Partnership
White Paper Series

**THE NEED FOR FEDERAL
GRANTS MANAGEMENT STANDARDS**

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Merril Oliver, Maryland Governor's Grants Office
Sandra Swab, Grantium, Inc.
Peter Wathen-Dunn, U.S. Department of Education

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1 EXECUTIVE SUMMARY

The most immediate goal of streamlining the grants management process is meant to simplify the Federal grant process for both grantors and grantees, and make grants administration more efficient and less burdensome. While the streamlining effort, which began with Public Law (P.L.) 106-107, has driven improvement of grants processes and has streamlined operations, there remains a critical need for standards across the grants enterprise. Such standards will reduce data redundancy, duplication of effort, and costs. Examples of the types of standards needed are:

- Grants management regulations;
- Business procedures;
- Technologies; and,
- Required data elements.

In order to further explore the need for grants management standards and gather information to assist streamlining efforts, the National Grants Partnership (NGP) distributed a survey to its membership on the progress made in standardization since the 2005 publication of the NGP white paper entitled "*Accelerating Grants Streamlining: Furthering the Recommendations of the GAO Grants Streamlining Report.*" Survey responses and follow-up interviews addressed topics such as streamlining grants processes, reporting, automation, and federal grants initiatives. The survey and interview responses are the basis for this white paper that aims to:

- Review how existing standards are working;
- Discuss future standards that may enhance grants management results;
- Encourage further implementation of standards among stakeholders across the grants enterprise; and,
- Encourage additional stakeholders to participate in the development and implementation of grants management standards to ensure a wider understanding of potentially unique issues and possible solutions.

In an effort to achieve these goals and provide context to the topic of grants standardization, this white paper sets out to provide a brief background and history on standardization, addresses the need for grants management standards based on survey and interview responses, and outlines recent developments in the areas of grants streamlining and standardization.

1.1 About the National Grants Partnership

The National Grants Partnership was established in 2004 to bring together government and non-government individuals with an interest in improving the grants process in the United States. The NGP has identified several projects on which its members are working and anticipates undertaking further projects related to streamlining the grants process, funding the grants process more efficiently, and communicating new developments in applying, accounting and reporting for grants.



The NGP provides to stakeholders a forum for discussion and research on grants administration issues. We invite interested parties from Federal Agencies, state and local government, not-for-profit entities, and private-sector vendors to join the NGP and one or more of our projects. Our work is done mostly through project-groups; a link to the current projects is below. You may also suggest new projects for the NGP to consider adding to its agenda. To find out more about the NGP or to join, please visit our web site at <http://www.thengp.org>.

1.2 Background and History

1.2.1 Grants Streamlining Initiatives

It is important to understand the grants streamlining initiative in order to provide context to this white paper.

Grants streamlining efforts officially began with Public Law (P.L.) 106-107, the Federal Financial Assistance Management Improvement Act of 1999, which was enacted to:

- Improve the effectiveness and performance of Federal financial assistance programs;
- Simplify Federal financial assistance application and reporting requirements;
- Improve the delivery of services to the public; and,
- Facilitate greater coordination among those responsible for delivering the services.”¹

In order to implement the goals of P.L. 106-107, the Federal Chief Financial Officers (CFO) Council established the Grants Policy Committee (GPC). In addition to developing policies to implement the goals of the Act, the GPC is responsible for formulating overall grant management reform policy and overseeing the efforts of the inter-agency work groups. The Grants Executive Board (GEB) is responsible for implementing the technological aspects of P.L. 106-107 and ensuring Federal grant partner agency consensus on projects and funding. The GPC and GEB coordinate policy and implementation activities.

In May 2001 a plan to simplify and streamline the Federal grants process was submitted to Congress by the CFO’s Grants Management Committee. This plan included public comment encouraging:

- Greater clarity in information released by agencies;
- More time for preparing and submitting applications;
- Greater cross-agency uniformity in post-award reporting; and,
- Increased use of electronic technology;

“but differences in access to technology, especially for Native American tribes and rural communities, were also to be recognized.”²

¹ <http://www.whitehouse.gov/omb/fedreg/preamble2.html>

² OMB Watch article “Plan Submitted to Congress, But Implementation of Streamlining Law Slow”
<http://www.ombwatch.org/article/articleview/539>



In 2003 Grants.gov, initiated by P.L. 106-107, allowed organizations to electronically ‘Find’ and ‘Apply’ for Federal grants. While Grants.gov streamlined the “front-end” of the grants management life cycle (the grant application process), the Grants Management Line of Business (GMLoB) was established in 2004 to streamline the “back-end” (all government ‘back office’ functions). The goal of the GMLoB initiative is “to develop a solution to support end-to-end grants management activities and promote citizen access, customer service, and agency financial and technical stewardship. The end result will be a more streamlined, transparent and efficient government-wide grants management process.”³ The GMLoB concept is based on a consortium model where all grant-making agencies will migrate to OMB-appointed consortia leads. The GEB provides strategic direction, execution and oversight of Grants.gov and the GMLoB initiatives.

In the fiscal year (FY) 2007 President’s Budget, OMB designated three consortia leads to steer the GMLoB initiative—the Department of Education (ED), the Department of Health and Human Services - Administration for Children and Families (HHS/ACF), and the National Science Foundation (NSF). However, in FY 2008 budget guidance, OMB moved the GMLoB implementation plan milestones to allow the grants community to focus on plans to implement the requirements of the Federal Funding Accountability and Transparency Act (FFATA)⁴ of 2006. FFATA requires that there is, by January 2008, a single searchable website, accessible by the public for free that includes the following information for Federal awards, available within 30 days of award:

- The name of the entity receiving the award;
- The amount of the award;
- Information on the award including transaction type, funding agency, etc.;
- The location of the entity receiving the award; and,
- A unique identifier of the entity receiving the award.

At the end of FY 2007, OMB issued a statement indicating that the FFATA implementation requirements had been clarified and the GMLoB will regain momentum. OMB indicated that they will not be designating additional leads and that all Federal agencies should align with one of the three consortia leads. OMB guidance indicated that by the end of the first quarter of fiscal year 2008, agencies are required to sign a Memorandum of Understanding (MOU) with one of the consortia leads to work towards future migration of grants systems, or to submit an appeal to OMB if they are unable to align with a lead. All appeals must include completed fit/gap analysis to provide a high-level comparison of an agency’s requirements against the consortia lead capabilities. This policy has a direct impact on the increase of standardization of business processes across the Federal Government.

³ National Science Foundation FY 2006 E-Government Report <http://www.nsf.gov/oirm/dis/FY06EGovReport10-20-06FINAL.pdf>

⁴ See www.federalspending.gov and www.fedspending.org



1.2.2 Feedback on Grants Streamlining Progress

In April 2005 the Government Accountability Office (GAO) evaluated the effectiveness of P.L. 106-107 and reported that the Federal Government continues to lack standardization in grant administration across agencies. Grantees reported:

- The need to use several different systems for applications, reporting, and payments;
- Term definitions differ across agencies;
- Some inefficiencies continue to exist, such as agency grant processes not aligning with typical grantee business practices; and,
- Problems using Grants.gov, such as search engine problems, complex registration practices, and submission difficulties that have caused grantee frustration in using the site.⁵

In July 2005, the first NGP white paper further recommended:

- Government should harmonize grant legislation;
- Grants streamlining should be a part of Federal agencies' annual performance assessment;
- A common understanding of the grants enterprise business model should be established before the government embarks on any technical deliberations or implementations; and,
- The grantee community should consolidate stove-piped grant offices.

The NGP also advocated that the Office of Management and Budget (OMB):

- Lead the effort to reduce the number of different legislative requirements agencies must meet for grant programs;
- Establish cross-cutting financial and performance metrics;
- Define a timeline to finalize the development of standards;
- Provide incentives for grantors to adopt the standards;
- Study existing grant reporting systems that can be used as a foundation for a common system; and,
- Develop one or more pilot programs to obtain feedback from the grant community before mandating a grant reporting system community-wide.

The NGP acknowledged that programmatic legislative requirements require awarding agencies to collect data that may be unique to that program. These agency-specific data elements must be collected to meet the requirements of the law, but the NGP suggested that this information be collected in a form/format that minimizes confusion and duplication.

⁵ "GRANTS MANAGEMENT: Additional Actions Needed to Streamline and Simplify Processes" GAO Report to Congress April 2005 http://thefdp.org/GAO_d05335.pdf



Finally, the NGP further suggested the creation of a grants ombudsman in OMB's Office of Federal Financial Management to oversee the standards creation, while agencies inventory/consolidate redundant back-end systems.⁶

The most recent GAO report to Congress in July 2006 entitled "Grantees Concerns with Efforts to Streamline and Simplify Processes" was developed based on feedback from grantees, Grants.gov users, and OMB, as well as grantee interviews and site visits. The report indicated that **although some progress has been made in the areas of grants streamlining, it is inadequate and the goals of P.L. 106-107 have not yet been met.** A lack of standardization, inefficiencies and technical difficulties remain across Federal Agencies. On the grantee side, GAO noted significant concern about the capability, capacity, and resources to pursue and maintain automation for the grant process.⁷ The report also noted the importance of involving grantees in the streamlining initiatives.

1.3 Moving Forward

While the 2006 GAO report pointed out the lack of progress in streamlining, the report highlighted the need for the Federal Government to take further action in the areas of grants streamlining and address some of the concerns noted by grantees. The NGP is encouraged by GAO recommendations, the progress to date and standards already in place in technology (e.g., Grants.gov) and in grants management (e.g., OMB Circulars, Code of Federal Regulations). At the same time, it is important to point out that, as echoed in the GAO report, **standardization requires a continued collaborative effort among all stakeholders, as well as leadership to develop workable solutions and make timely decisions to achieve the desired results.** Despite the sunset of P.L. 106-107 in November 2007, it is important that the essence of the law prevails and that streamlining efforts continue. In support of this theme, this NGP white paper sets out to explore the critical need for standards across the grants enterprise.

⁶ "Accelerating Grants Streamlining: Furthering the Recommendations of the GAO Grants Streamlining Report" [http://www.thengp.org/documents/NGP_White_Paper_01.pdf], National Grants Partnership, 2005.

⁷ "Grantees Concerns with Efforts to Streamline and Simplify Processes" (<http://www.gao.gov/new.items/d06566.pdf>), GAO, 2006



2 THE NEED FOR GRANTS MANAGEMENT STANDARDS

2.1 Approach

NGP's approach to identifying the need for grants management standards and this white paper began with the distribution of an eight-question survey to the 302 NGP members in September 2006. The survey was distributed electronically⁸ and the identities of respondents were not tracked. Respondents did have the option to submit names and/or contact information upon submitting survey responses. When the survey ended on October 6, 2006, 87 responses had been received.

Of the 87 responses received, 39 respondents indicated that they were not currently working with standards. Upon such indication, the survey promptly ended and no further survey questions were asked. The remaining 48 respondents indicated they were working with some form of standard, although only 21 of the 48 attempted to identify the standards in use.

Of the 48 respondents who indicated they are working with standards, only 17 responded to the survey question regarding organization type. The following represents the respondent organization types and number of respondents per organization.

Consultant (1)	Federally-recognized Tribal Entity (2)
Faith/Community-based Organization (1)	Non-profit Organization (1)
Federal Government (4)	State Government (8)

The survey also asked respondents if they would be willing to participate in a follow-up interview, conducted by NGP White Paper Committee members, to obtain more in-depth information related to their use of standards and other federal grants initiatives. Thirteen respondents indicated they would be willing to be interviewed. After the survey was closed, NGP White Paper Committee members were assigned to teams so that no interview would be conducted by fewer than two people. Standard interview questions were approved in advance by the NGP leadership to ensure consistency across the interviewee population. The White Paper Committee conducted interviews with 9 of the 13 survey respondents. Two additional

⁸ Survey distributed via www.surveymonkey.com

Standards will reduce data redundancy, duplication of effort, and costs.



interviews were conducted with representatives from higher education institutions.

The following represents the number and type of interviewee organizations:

Consultant (1)	Higher Education Institution (2)
Non-profit Organization (2)	Federally-recognized Tribal Entity (1)
State Government (5)	

Interviewee responses were documented and, with the survey responses, were used as the basis for this white paper. **The sections that follow—[Grants Streamlining](#), [Grants Reporting](#), and [Grants Automation](#)—contain information and conclusions drawn from survey and interviewee responses.**⁹

2.2 Grants Streamlining

Survey and interview responses showed there is **no definitive source for standards** across the grants enterprise. Some organizations merely distribute press releases or user manuals for particular systems and grant programs via e-mail, meetings, informal discussions, workshops and presentations. Others have formal processes for escalation of standards through their organizations. Clearly, however, there is no universally recognized repository for grants management standards; and where common practices are put forth as standards, there is skepticism regarding the authenticity, jurisdiction and authority of the standards presented, and of the bodies presenting those standards.

Where no standards were available or established, **organizations seem to have improvised** and implemented ad hoc solutions that have little chance of significant penetration across the grants enterprise.

Compliance to standards is not monitored in a consistent fashion, with some stakeholders managing compliance by “observation” and others by monitoring performance, e.g. the amount of grant dollars yielded through a team’s efforts.

⁹ Opinions expressed by interviewees do not necessarily reflect the official positions of the organizations they represent.

There is no universally recognized repository for grants management standards.



Standards for budgeting, accounting, financial reporting, and auditing of grant recipients are not established across the grants enterprise. Some grantees have internal processes for reviewing financial statements, and review those financials against performance standards to determine compliance. Others follow grantor guidelines, as they are seen as adequate. In the process of implementing Enterprise Resource Planning (ERP) systems, some states have performed reviews of financial policies that included grants management. In some respondents' opinions, states are more rigorous than Federal Agencies.

In support of these survey conclusions, please note the following:

- The Uniform Guidelines Coalition (co-sponsored by the NGP)¹⁰ was formed in 2003 to work on “reducing the cost and burden and improving the effectiveness of financial management of grant recipients and their government funding agencies. In November 2004 the Coalition released *Uniform Data Elements and Definitions for Grant Budgeting and Financial Reporting, Version 1 (UDED)*¹¹. The Coalition intended that UDED would be used by all participants in the grants process in the United States, including federal and state grantor agencies, private foundations, state agency and local government subrecipients, and non-governmental recipients and subrecipients. E-grant system designers were specifically encouraged to adopt the data elements and their definitions.
- UDED addresses the problem of wide-spread inconsistency among virtually all federal, state, and local government agencies in the budget and financial reporting categories and related financial terms and definitions that are required of fifty state governments, thousands of local governments and over 75,000 nonprofit grant recipients. For decades, this inconsistent and conflicting financial administration of government grants has been disruptive, confusing, time consuming and costly for all grantees and the government agencies and programs that fund them. This is especially true for the smaller grant recipients, i.e., for the 95% of grantees that receive less than \$5 million annually in government grants.

¹⁰ The Uniform Guidelines Coalition was co-sponsored by the NGP with the National Association of State Auditors, Comptrollers, & Treasurers; Association of Government Accountants; the Urban Institute's National Center for Charitable Statistics; Greater Washington Society of CPAs; and National Council of Nonprofit Associations.

¹¹ http://www.nasact.org/downloads/11_04-UDED_v1.pdf



- UDED is built upon an earlier work prepared in March 2004 for the Federal Grants.gov program entitled, *Uniform Budget Data Elements for Federal as well as for State and Local Government Electronic Grant Applications*.¹²

Most respondents agreed that the **standards that have the most penetration in their organizations are those arising from Federal or State grant programs**. Furthermore, respondents noted that Federal standards tend to be broad and more generally applicable, whereas State-mandated standards tend to be more specific to a particular agency (e.g. Maryland Department of Transportation's (MDOT) standards are intended for MDOT), and may have limited applicability elsewhere.

Non-Federal respondents disagreed on the question of whether the value of grants streamlining is recognized in their organizations. Some organizations have performed some rudimentary streamlining activities internally, while others noted that, "Grants streamlining is considered a low priority in contrast to writing a proposal that gets funded." The majority, however, reported that there was enthusiasm and consensus about the value of grants streamlining.

Expertise in grants management is centralized in some organizations, while distributed in others. This suggests that streamlining activities cannot be targeted to individuals at the grantee levels, but require a broad-brush approach tailored to both centralized and decentralized organizational structures. Regardless of structure, however, respondents reported that they felt that different offices in their organizations were working well together to perform grants management functions.

The **approaches that respondents have taken to streamlining grants activities in their own organizations are quite diverse**. Some have implemented technologies such as XML (eXtensible Markup Language) and RSS (Really Simple Syndication) to increase the number of funding opportunities that can be published. Others have adopted Generally Accepted Accounting Principles (GAAP)¹³ practices and standard forms for data gathering during certain grants management processes, such as the application stage. Yet others have looked to peer organizations for examples, and adopted

¹² http://www.nasact.org/downloads/03_04-BudgetDataElements.pdf

¹³ <http://www.fasab.gov/index.html>

Streamlining activities cannot be targeted to individuals at the grantee levels, but require a broad-brush approach tailored to both centralized and decentralized organizational structures.



whatever was perceived to yield the greatest benefit. Some have participated in efforts such as the former Inter-Agency Electronic Grants Committee (IAEGC) and P.L. 106-107 efforts. Finally, some have taken no action at all, stating “Consolidation was not considered important; but getting a proposal funded was.”

Organizations that understand and use XML generally incorporate Grants.gov’s XML standards into their grants management data standards. The adoption of the Grants.gov XML standards have simplified data capture, data management, and interaction with Grants.gov, while providing a schema for standardizing grants data management across the organization. Some organizations went one step further, and are using the Grants.gov XML schemas to record grants funding opportunity announcements from the European Union and elsewhere outside the USA.

Most respondents have not conducted any analysis of business processes to identify opportunities for consolidation. Others have distributed an analysis by grant stage to different groups within their organizations. There is little consensus in the ‘best approach’ for gaining efficiencies in business processes. However, **some have reused work performed by others, such as the Commonwealth of Pennsylvania’s Grants Management Business Process Framework of 2004.** One respondent noted that, “This ‘high level’ process map has been used as a baseline for reengineering discussions with state agencies.” It was intimated that this model could be reproduced in other organizations.

Most organizations offered or conducted some sort of training in grants management, although the majority seems to be provided by grantors, and especially by the Federal Government, on particular grant programs. Very few respondents reported having received or being aware of training in grants management as a discipline unto itself. Offerings that were specifically noted include the training offered by the Bureau of Indian Affairs, and the Webcasts offered by the U.S. Department of Housing and Urban Development (HUD). Respondents reported that they would like to see training in proposal writing, proposal team management, Federal reporting compliance, and general grants management advice, and that Webcasts are a popular way of consuming this training.



If no clear standards for programmatic reporting are provided by the grantor, grantees would devise a broad array of reporting formats for internal and external use.

2.3 Grant Reporting

As with grants streamlining, survey and interview responses showed there are **no clear standards in place across agencies at the grantor or grantee level to prepare grant reports.**

Financial reporting is somewhat consolidated across Federal Agencies and passed on to the grantee with the use of the SF-269 (Financial Status Report); however, methods for financial reporting still vary by agency. Some grantor agencies require e-filing of the required financial report and others accept paper forms.

When respondents were asked if their organization had standardized financial and performance reporting, most indicated the use of the SF-269, Standard Personal Property Report, and Standard Real Property Report. Interestingly, one respondent stated that tracking of either personal or real property was not enforced.

When asked how automated their organization's current reporting process was, **nearly half of the 13 respondents stated that their reporting system was not automated and still used the paper form of reporting.** Several stated that their organization's report automation consisted of an Access or Excel-based system, Enterprise Resource Planning (ERP) system, and/or certain online reporting such as the Department of Justice's (DOJ) GANS system and Department of Health and Human Services' (HHS) GMS system.

Programmatic reporting also varied widely among the participants in the survey. At the organizational level, if no clear standards for programmatic reporting are provided by the grantor, grantees would devise a broad array of reporting formats for internal and external use. One respondent stated that the organization enlisted the services of an internal compliance officer to enforce reporting requirements. Most stated that they prepared internal reports at least quarterly; however their **ability to enforce programmatic monitoring was quite challenging.** One respondent stated that even though a quarterly system was in place, compliance was problematic.

One tribal representative stated that their program directors received monthly financial statements which were reviewed against performance standards and that recommendations were made to the tribal administrator for funding changes based on these reports.



When asked if their organization had specific reporting requirements driven by legislative mandates, **the majority stated that they were not aware of any legislatively mandated reporting.** One respondent indicated the use of National Outcome Measures¹⁴ and Government Performance and Results Act of 1993 (GPRA)¹⁵ measures as required by the Substance Abuse and Mental Health Services Administration (SAMHSA).

2.4 Grants Automation

Responses to questions related to grants automation indicated that **respondents generally recognized the value of automation in grants management efforts.** It was referenced by respondents on a continual basis throughout the interviews. While the types and amounts of automation varied, it was apparent that respondents used automation as a baseline for how they performed their grants management activities and if a system was not already in place, it was definitely being considered.

Most respondents stated their organizations do not have a common grant application, submission, management or reporting system in use. However, it is a topic of discussion and the approach to streamlining grant activities comes in a variety of forms, such as:

- Developing a vision and mission statement regarding grants programs;
- Investigating the development of overall grants management business processes and systems;
- Reviewing requirements but having difficulty reconciling business processes with available technology; i.e., wondering if they should wait for software that can accommodate the business process, or if the business processes need to change to accommodate the available software;
- Adopting XML, RSS standards to import and publish grant funding opportunity announcements;
- Conducting several consolidation exercises (including ERP implementation) with the goal of grants streamlining;
- Establishing a common network for all grants-related business (the software currently implemented has been on separate networks);

¹⁴ http://www.nationaloutcomemeasures.samhsa.gov/./outcome/index_2007.asp

¹⁵ <http://www.ombwatch.org/article/articleview/406/1/90>



Most respondents stated their organizations do not have a common grant application, submission, management, or reporting system in use.

- Using Grants.gov’s XML schema to record funding opportunity announcements from international sources; and,
- Developing and/or building their own system to send and track applications.

Those who indicated that some sort of system is currently in place described the automation with one of the following statements:

- A system that assists in the “hiring of new employees into compensation projects and programs.”
- The system being piloted for one of their new grants because two out of four grants require an electronic application process.
- All applicants for a specific grant use a common form and common financial request form. A common reporting form was developed, but was not supported by upper management.
- Common management and reporting forms were developed, but “used only sporadically.”
- An ERP system to integrate all of the agency’s data into a unified system is the closest his/her state agency had to a grants management system.
- Automation in the form of an accounting system that provides relevant reporting.
- The financial system “is being used statewide for financial reporting” but no other vision for automation has been communicated to date.

Most respondents felt their organization did not have a good understanding of the capabilities of custom government or commercial off-the-shelf (COTS) grant management products offered today. Several said they are:

- Planning to look at automated packages after identifying their business requirements.
- Working with the NGP, IAEGC and other organizations to identify solution alternatives.
- Attempting to understand the functionality of the various products and how closely they meet their specific business requirements rather than looking solely at how the technology is used elsewhere.



- Working with current vendors to provide a grants management solution integrated with their current ERP system.
- Reluctant to pursue the matter until grantors insist upon their use.

Financial constraints are preventing many organizations from achieving their consolidation and automation goals.

Respondents were not tasked with identifying external funds that might be used to cover the cost of grants automation efforts. Respondents indicated the search for such funds were either outside their purview or too time consuming given other priorities. One respondent mentioned the use of “private grants that can be used to implement systems” and stated his/her belief that “Grants.net was established with initial funding from Howard Hughes, and follow-on funds from the National Institutes of Health-General Medical Services (NIH-GMS).” Another said DOJ provided funding to develop his/her organization’s grants management system. This funding, however, was for the primary purpose of getting the project off the ground and not meant to sustain ongoing maintenance of any system once developed.

With regard to compliance being measured and/or enforced, **no electronic system seems to be in place yet to monitor compliance effectively.** Respondents’ experience with grant monitoring has been primarily paper-based.

When asked about training on any new systems, respondents agreed that Webcasts are well received and can provide significant help for specific grant programs.

Finally, many of the respondents expressed interest in providing recommendations for, and learning more about, grants automation options and strategies, stating that standards are needed to enable:

- Preparation and submission of electronic grant applications across funding agencies;
- Alignment with processes and/or technology portfolios;
- Accurate comparisons of costs and benefits across similar programs; and,
- Measurement of the value of one solution over another.

Overall, respondents felt that the development and promulgation of comprehensive **federal grants management standards will**



Federal grants management standards will provide a valuable resource for states and grantees that wish to adopt and refine grants management standards that suit their needs.

provide a valuable resource for states and grantees that wish to adopt and refine grants management standards that suit their needs. Respondents also agreed that the GMLoB's current strategy of viewing standardization throughout the entire grant lifecycle "is a very promising development."

This section concludes the portion of the white paper based on survey and interview responses. The next section highlights recent developments in the area of grants standardization, including status updates on GPC, FFATA, GMLoB and the Grants Streamlining Work Groups.

3 RECENT DEVELOPMENTS IN THE AREA OF GRANTS STANDARDIZATION

3.1 Grants Policy Committee Update

As noted in [Section 1.2.1](#) of this white paper, the GPC is responsible for formulating overall grant management reform policy, overseeing the efforts of the inter-agency work groups, and developing policies to implement the goals of P.L. 106-107. This includes initiatives such as the Federal Funding Accountability and Transparency Act (FFATA), the DUNS policy revisions, forms revisions, A-133, and geospatial data policy.

In an effort to achieve its mission, the GPC holds stakeholder teleconferences and Webcasts to facilitate an open dialogue with the grants community, including its input to the development and implementation of a Products List and a Strategic Plan which contains the vision, mission, goals and objectives of the GPC. Meeting materials for GPC stakeholder teleconferences and Webcasts are available online at http://www.grants.gov/aboutgrants/grants_news.jsp.

The October 2007 teleconference provided an overview of P.L. 106-107 Federal grants streamlining initiatives, with a particular focus on the GPC Strategic Plan and vision.

The GPC's vision, which is part of the draft Strategic Plan¹⁶ due to be finalized in Winter 2008, was reviewed with stakeholders via the June 2007 teleconference. The GPC's intent was to obtain input from both the Federal and non-federal grants community before

¹⁶ <http://www.grants.gov/assets/DraftStrPlan.pdf>



finalizing and publishing the vision as part of the plan. GPC's draft vision indicates their vision for:

- One place for all grants administration policies (Title 2 Code of Federal Regulations)
- One Catalog with all assistance programs listed (CFDA)
- One standard announcement format of assistance opportunities available electronically
- One electronic portal for grantees to register (CCR), find and apply for grants

It is GPC's vision that awardees will be able to:

- Receive electronic award format with government-wide standard terms and conditions
- Access payment systems via a single gateway to all payment systems
- Find government-wide award data with easy query tools
- Submit various types of reports electronically, including financial, performance, and unique project reporting
- Submit audits to and access the Federal Audit Clearinghouse

In addition, the GPC notes those aspects of Federal streamlining activities already completed, as well as those underway. Completed initiatives are as follows:

- One location for policies
 - Title 2 Code of Federal Regulations established
 - 4 OMB Circulars re-located
 - Cost consistency complete across 3 Circulars
 - Suspension/debarment guidance published
- One Catalog
 - CFDA available on the web
- One Announcement format
 - Grants.gov operational
 - DUNS policy issued and effective 10/2003
 - FIND standard data elements done/policy issued and effective 10/2003
 - Core SF-424 application in use with APPLY as of 11/2003
 - Research & Related 424 in use with APPLY as of 1/2005
 - Other SF-424s available in APPLY (EZ, individual, mandatory)
- One Electronic Portal
- CCR Registration Policy



A centralized solution that will post data to a central web site will be available in January 2008 and will satisfy the technical requirements of implementing the Transparency Act.

The following GPC streamlining initiatives are underway:

- Standard award terms and conditions
- Standard award notice
- Proposal for handling certifications and assurances
- Standard financial reporting - FFR testing completed
- Standard non-research performance reporting – PPR draft ready for public comment
- Summary invention reporting & system

3.2 FFATA Status Update

The June 2007 GPC teleconference provided an overview of P.L. 106-107 Federal grants streamlining initiatives, with particular emphasis on FFATA. The GPC collaborates with the FFATA Task Force and has its own GPC FFATA Subcommittee and Subaward Pilot Work Group. Recent FFATA developments include the establishment of the data fields required by agencies to meet the requirements of the Act by January 2008. In addition to providing data on award amount, recipient, and other data previously collected for the Federal Assistance Award Data System (FAADS), the Law requires Agencies to specify program source, DUNS number, and other new data related to the requirements of the Act as noted in [Section 1.2.1](#) of this white paper. The Law also requires Agencies to report all transactions within 30 days of the award. In early November 2007, OMB released guidance on FFATA data submission, developed through the collaborative efforts of OMB, the FFATA Taskforce, General Services Administration and other key Agencies and organizations determined to support government-wide efforts to improve transparency in Federal spending. The guidance indicated that OMB has selected a centralized solution that will retrieve data from select systems and receive data in specified file formats to post to a central web site. This centralized solution, www.USASpending.gov, will be available in January 2008 and will satisfy the technical requirements of implementing the Act.

3.3 GMLoB Status Update

As noted in [Section 1.2.1](#) of this white paper, the GMLoB has recently regained momentum, as marked by OMB's mandate that by December 31, 2008, agencies are required to align with ED, HHS/ACF, or NSF to work towards future migration of grants systems, or to submit an appeal to OMB if they are unable to align



with a consortia lead. The process by which OMB will review and evaluate appeals has not been disclosed.

3.4 Grants Streamlining Work Groups

The GPC, in collaboration with OMB, is supported by and maintains direction over five interagency work groups: Mandatory, Pre-Award, Post Award, Audit, and Training and Certification. Nearly all work groups are composed of volunteer federal personnel, and agencies are chaired by representatives from Department of Agriculture, Department of Commerce, Department of Defense, and Department of Transportation. The work groups are responsible for the creation and maintenance of “standard” government-wide grants-related forms and formats, and any subsequent work is based on final clearance and adoption of government-wide policies related to the use of these standard forms and formats.

Forms are sponsored by agencies within the Federal Government. The sponsoring agency is responsible for publishing the form in the Federal Register as an Information Collection under the Paperwork Reduction Act.¹⁷ OMB and the GPC have resolved the ownership of the six government-wide forms. As of November 2007, the forms and agency sponsors are as follows:

- Federal Financial Report (OMB)
- Performance Progress Report (HHS/ACF)
- Research Progress Report (NSF)
- Real Property Report (General Services Administration (GSA))
- Tangible Property Report (GSA), and
- Inventions i-Edison Form (HHS/NIH).

3.4.1 Work Group Progress on Forms

Many of the work groups have developed final or draft standardized forms and formats for information collection related to grants business processes. In addition, some work groups are working on standardizing grant policies and a web portal for payment systems. The following forms are either operational, or in the process of becoming operational (no known implementation date), with the exception of the iEdison Invention report for which issues are still being worked out by stakeholder agencies:

¹⁷ http://www.whitehouse.gov/omb/grants/grants_standard_report_forms.html

By December 31, 2008, Agencies are required to align with one of the three GMLoB Consortia Leads, or to submit a formal appeal to OMB.



- Application (operational): SF-424, SF-424 A and other Grants.gov SF-424 versions (R&R 424; Individual 424, Short form 424);
- Financial Reporting (operational): SF-269, SF-272, SF-270, SF-271; SF-Federal Financial Report (tested but not implemented);
- Performance/Progress Reporting: SF-RPPR for research (published in the Federal Register for review and comment by January 8, 2008); SF-PPR, SF-PPR-2, SF-PPR-A, SF-PPR-B, SF-PPR-C, SF-PPR-D, SF-PPR-E, and SF-PPR-F (to be published in the Federal Register); and,
- Physical/Intellectual Property Reporting (to be published in the Federal Register): Real Property Reporting, Tangible Property Reporting, and Summary Invention Reporting.

The SF-424A Budget Form has not been revised since 1997 and is essentially the same as when it was originally designed decades ago. A review of the budget forms in the “Forms in development” section of Grants.gov¹⁸ shows that none of the budget forms is a pure OMB SF-424A. In fact, while the various agency specific SF-424 budget forms seem to follow the core 424A income and expense categories, most call for several sub-categories for each line item, and those categories are not standardized. None of the budget forms look the same. Except for the SF-424-R&R, it is uncertain whether or not there are any form-independent, cross-agency XML standards for these line item details. Grantees need to account for the funds they receive in the same income and expense categories that they use in the application budgets. The lack of standardized budget forms means that grantees that receive funds from more than one Federal agency have to have very flexible and sophisticated (and often expensive) budgeting, accounting and reporting systems to accommodate the different formats required. This results in increased cost and burden for both grantees and grantors.

With the implementation of FFATA, a newly established Forms Subcommittee will review the SF-424 Family of Forms to ensure that the required FFATA data elements are captured, and consider

¹⁸ <http://www07.grants.gov/techlib/SF-424FamilyV1.zip> [<http://www07.grants.gov/>: Home » For Agencies » Technical Development Library » Grantor Agency Information » Forms Repository and Information » Forms in development » Legacy SF-424 Family V1.0 (Legacy Forms)]



adding a new 424 form in the series. This new proposed form will be published in the Federal Register when it becomes available.

The GPC is reviewing a proposal for the clearance process of forms and may reach agreement on that process in the fall of 2007. The Payments Work Group is reviewing the present payment system data requirements and planning to develop a single entry portal for all grant payment systems.

3.4.2 Work Group Progress on Application Deadline

In March of 2007, the Pre-Award Work Group proposed recommendations to the GPC to issue government-wide grant application deadline standard(s) and guidance as appropriate. The Work Group recommended the standard for meeting a deadline should be defined as the applicant's "submit time," which for electronically submitted applications, should be determined by Grants.gov. The Work Group further recommended that the standard "submit time" should be 5:00 P.M.

The Work Group made additional recommendations related to deadlines for paper applications. While there were considerations such as postmark vs. delivery dates, submission vs. receipt date, and postal service inconsistencies, the Work Group ultimately recommended that the standard postmark for paper applications should be 5:00 P.M. (applicant's time). This is consistent with the Work Group's recommendations for electronic applications and leads to standardization.

Other issues to be addressed by the Pre-Award Work Group are the agency waiver policy, application submission problems, and standard policies for technical glitches that might result during the electronic grants submission.

While the Work Group's recommendations were submitted in March 2007, the GPC has indicated that no decision on a standardized policy for application submission will be made until the following conditions have been met:

- Grants.gov has the capability to determine an applicant's local submit time;
- There is a Government-wide policy issued in which the standard application deadline can be included; and,
- Grants.gov conducts an analysis of the proposed Work Group recommendations.



It is incumbent upon the Federal government to provide improved guidance for standardization across the grants enterprise.

4 CONCLUSION

As the main source of grant funding in our nation, it is incumbent upon the Federal Government to provide improved guidance for standardization across the grants enterprise. By involving the grantee community in the decision-making process surrounding grants standardization, the Federal Government is likely to see increased adoption of standards across the grantee community. At the same time the Federal Government must be aware of the level of effort and costs required to mandate specific data or processes.

While the interview and survey respondents represent a small cross-section of the grantee community, it's important to consider that if the results are representative of the overall grant community, there is the risk that grantee fiscal and resource constraints may thwart efforts to enhance grants management. To avoid such risks, the Federal Government, working with the grantee community, will need to strike a balance over time to migrate the grantee community to standardization in an organized, equitable fashion. This will ultimately lead to greater acceptance and a simplified Federal grant process for both grantors and grantees.