Financial Services

2 Approaches to Reducing Burden and Driving Efficiencies Within Agency Grants Management

Compounded by the COVID-19 pandemic, the US government spent nearly $971 billion in grants outlays in FY 2020 (up from $764 billion in FY 2019) in order to provide public services and stimulate the economy[1]. The US government obligations for FY 2021 have already reached $1.27 trillion as of August 2021[2]. With the increased emphasis on enhanced transparency and effective fiscal stewardship over the past few years, significant focus on grants management has been achieved via regulatory updates, new laws, and other grants management modernization efforts.

As a result, resources committed to grant programs are required to manage increased administrative tasks, in addition to meeting the grant mission. Per the 2020 Annual Grants Management Survey conducted by the National Grants Management Association[3], respondents indicated that nearly 30% of their time was spent in monitoring financial administrative requirements, while only 6% of their time was spent evaluating overall grant program outcomes and impact. Additionally, in a January 2020 Government Business Council report, nearly 33% of respondents indicated that lack of skilled personnel, followed by 26% citing outdated technology, as the biggest challenges impeding their organization's ability to successfully administer grants. These survey results continue to highlight key areas where both grantors and grantees can benefit from additional oversight and mitigation actions.

We would like to draw attention to two potential solutions that may help an organization mitigate some of the above identified issues:

1. Organizational transparency and more specific guidance can reduce administrative burden

For many grant applicants, one of the biggest hurdles is a lack of clear understanding of the various requirements of a grant program. Even within the same agency, applicants may encounter challenges where different programs have disparate requirements. And for an organization that deals with multiple agencies, this issue can be magnified. Additionally, grantees are required to consistently demonstrate fiscal responsibility, tangible outcomes, and increased return on investment, with no clear guidance.

An August 2020 Government Accountability Office report[4] found that technical assistance (TA), focused on grant management best practices, project monitoring and evaluation, and interactions with the stakeholders, etc., leads to improvements in performance or management of grant program recipients. This TA was designed to not only align with the requirements of each agency's grant programs, but also to meet the individual grantee's needs. The types of TA include (but are not limited to):

a. 1:1 and onsite instructions.

b. Live staff/group educational events.

c. Web-based information/guidance.

These actions can provide administrative burden relief, while enabling grantees to spend more time on achieving program outcomes.

Solving agency transparency

Increased transparency and frequent communication between the agency and its stakeholders in the form of recorded webinars, detailed reporting guidance, etc., will help identify and resolve any bottlenecks/challenges/barriers within agency procedures and improve customer understanding and thereby enhance the overall customer experience.

1. Grants.gov, "Grants 101," https://www.grants.gov/web/grants/learn-grants/grants-101.html.

2. USASpending.gov, "The federal government has spent $3.18 trillion in response to COVID-19," https://www.usaspending.gov/.

3. Government Business Council, "Improving Grants Management for Government," January 2020, https://assets.ey.com/content/dam/ey-sites/ey-com/en_us/topics/government-and-public-sector/ey-grants-survey.pdf.

4. GAO@100, "GAO-20-580\: Agencies Provided Many Types Assistance and Applied Recipients' Feedback," August 11, 2020, https://www.gao.gov/products/gao-20-580.

2. Data standardization and technology improvements can drive grants management efficiency

Outdated, aging, and inadequate systems/technologies are known detriments to streamlining grants management processes within agencies. Combined with the lack of structured grants data, agencies cannot develop key grants insights, leading to inconsistent risk analysis, potentially exposing agencies to fraud, waste, and abuse. Federal agencies are also being encouraged[5] to make a paradigm shift in grants management, establishing measurable program and project goals, and analyzing data to improve results.

The Grant Reporting Efficiency and Agreements Transparency Act of 2019 promotes the application and adoption of new and existing technologies to: a) improve automation, b) reduce compliance costs and grantee burdens, and c) drive efficiencies within the overall grants process. Additionally, the act directs the Office of Management and Budget along with the Department of Health and Human Services (HHS) to issue guidance on applying revised data standards for grants reporting. However, there should be minimal disruption to existing reporting practices and not increase any reporting burdens on both the grantor and grantee.

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Solving data standardization to drive grants management efficiency

The application of business intelligence tools to perform data analytics and visualization (dashboard) can help agencies quickly and more efficiently review grantee data to identify anomalies, validate grantee actions, and reduce opportunities for fraud, waste, and abuse.

Where Can Agencies Start?

Changes of this significance can be overwhelming to implement. A key is to start with quick wins and achievable tasks, such as:

Executing a pilot program for one program or cohort of a program to understand what works and where additional changes are needed before executing across the organization.

Establishing meaningful and actionable performance objectives that drive decisions and key investments.

Considering opportunities with other grant-making agencies to leverage best practices, data, and technology to generate cost savings.

How Guidehouse Can Help

With more than 10,000 professionals working in over 50 locations globally, Guidehouse continues our long tradition of delivering innovative management, technology, and risk consulting to our clients. Some of our service highlights include:

- Guidehouse provides strategy and project management support to the Grants Management Quality Service Management Office within HHS, establishing a government-wide marketplace of modern, high-quality, shared solutions that align to mission and business needs, streamline the environment to increase effectiveness and efficiency, and improve the user experience and reduce administrative burden for both federal awarding agencies and grant applicant/recipient partners.

- Guidehouse supports a large southeastern state to manage nearly $1.9 billion in Coronavirus Relief funding by establishing a technology-enabled grants platform and accompanying processes, procedures, and policies for effective funds disbursements to state grants recipients.

- Guidehouse supports the US Department of Justice's Office on Violence against Women to track open Office of the Inspector General (OIG) audits of Grant Close-outs and Department Sponsored Conferences. Guidehouse serves in the role of addressing concerns brought about from the OIG audit. Guidehouse collaborates with the grantees, technical assistance providers, and the auditor agencies to resolve the audit findings.

5. CFO.gov, "Managing for Results: The Performance Management Playbook for Federal Awarding Agencies," April 2020, https://www.cfo.gov/wp-content/uploads/2021/Managing-for-Results-Performance-Management-Playbook-for-Federal-Awarding-Agencies.pdf.

Contacts

Sherlonda Goode-Jones
Partner and Public Sector Financial
Services Leader
sgjones@guidehouse.com

Crystal Wolf
Director, Financial Services
cwolf@guidehouse.com

Vasanth Ganesan
Managing Consultant, Financial Services
vganesan@guidehouse.com

guidehouse.com/financialservices   linkedin.com/showcase/guidehouse-financial-services   twitter.com/GuidehouseFSAC

guidehouse.com

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