Grants Management Today and Opportunities for the Future

Grants Reform and Data Transparency

Presented by
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Themes & Framework for the Conversation

- COLLABORATION ACROSS STAKEHOLDERS
- CONSISTENCY IN POLICY & PROCESS
- CLARITY IN FINANCIAL AND PROGRAM RESULTS

Where We Started

▸ BUG: BEFORE THE UNIFORM GUIDANCE – multiple grants management circulars governing grants mgmt activities across the federal sector

▸ On December 26, 2013, OMB issued guidance for federal grants titled Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards or Uniform Guidance (UG) for short.

▸ This new guidance is a key component of a larger effort by OMB's commitment to making government more accountable to the American people while eliminating requirements that are unnecessary and reforming those requirements that are overly burdensome.

▸ It provides a government-wide framework for grants administration to strengthen program outcomes.

▸ Reduces administrative burden for non-Federal entities receiving Federal awards while reducing the risk of waste, fraud and abuse.

Stakeholder Engagement & the Policymaking Process

- Once the draft UG was issued, comments from Federal Agencies, Institutions of Higher Education, Non-Profits, and Private Citizens were submitted to OMB for consideration.

- OMB set up a series of meetings with representatives from federal agencies across the government to read through the comments for consideration to further improve the issued guidance with better clarity.

- In addition to improving the guidance further, federal agencies had one year to implement this new guidance at their perspective agencies.

- After several rounds of meetings, dialogue & edits, in December 2014, OMB issued a joint interim final rule along with the implementing regulations from federal agencies across the government.

Significant Reform Under UG

◦ 60-day posting of Funding Opportunity Announcements

◦ Agencies must use OMB-approved forms for applications and information collection

◦ Simplified acquisition threshold is $150,000 as set by the FAR

◦ Awarding agencies and pass-through entities are required to close-out awards within one year after receipt of final documents

◦ Recipients must disclose in writing potential conflicts of interest to the awarding agency

◦ A new 10% de-minimis indirect cost rate option is available for first-time recipients

◦ Single Audit threshold raised to $750,000 from $500,000

◦ Awarding agencies must conduct a pre-award review of potential applicants' financial risk

◦ Awarding agencies must develop and implement merit review processes and publish them in the FOA

◦ Agencies must announce all awards and publish required information on USAspending.gov

A Changing Landscape

- New Regulatory Requirement - Federal Awardee Performance and Integrity Information System (FAPIIS)

  - FAPIIS is a system designed to ensure that Federal awards are issued to reliable and qualified recipients by providing award officials with information pertaining to the past performance of applicants.
  - Federal agencies must report information to FAPIIS and also review FAPIIS prior to making all federal awards.
  - The reporting and verification requirements go into effect on January 1, 2016.
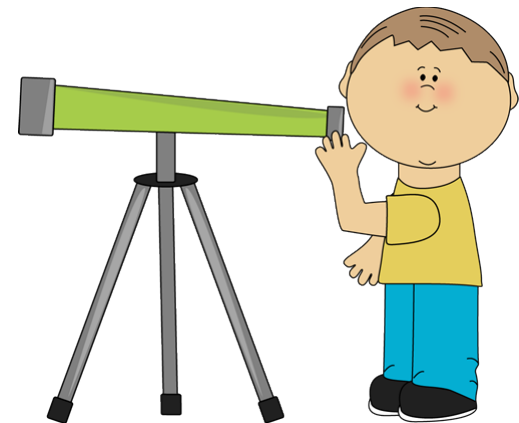
Innovations in Transparency-DATA Act

▸ In May 2014, President Obama signed the Digital Accountability and Transparency Act of 2014 (DATA Act) into law (P.L. 113-101).

▸ The purposes of this Act are to –
   ◦ Expand the FFATA Act of 2006 by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs and enable taxpayers and policy makers to track Federal spending more effectively;
   ◦ Establish Government-wide data standards for financial and provide consistent, reliable, and searchable Government-wide spending data that is displayed accurately for taxpayers and policy makers on USASpending.gov;
   ◦ Simplify reporting for entities receiving Federal funds by streamlining reporting requirements and reducing compliance cost while improving transparency;
   ◦ Improve the quality of data submitted to USASpending.gov by holding Federal Agencies accountable for the completeness and accuracy of the data submitted; and
   ◦ Apply approaches developed by the Recovery Accountability and Transparency Board to spending across the Federal Government

▸ Important component to the DATA Act is setting Data Standards and identifying opportunities to reduce Recipient Reporting Burden
   ◦ Data standards that improve the quality of Federal spending data
   ◦ Creating a standard data exchange to codify this data in standard computer readable formats

Accomplishments and Future Expectations

- May 8, 2015 – OMB issued a memorandum outlining how Federal agencies will implement the new DATA Act requirements and their ongoing reporting responsibilities for USASpending.gov

- August 31, 2015 – OMB and Treasury , after consulting with Federal and non-Federal stakeholders, finalized the definitions of 57 standardized data elements. The final data standards are posted online at https://max.gov/datastandards

- OMB, in partnership with HHS, CAOC, and GSA are implementing a pilot to facilitate the development of recommendations to standardize data reporting, eliminate unnecessary duplication in financial reporting, and reduce compliance cost for recipients of Federal awards.

- Key milestones;
  - Section 5 Pilot – May 2017
  - Data Standardization & Reporting – May 2017
  - Report to Congress – August 2017

What are Future Opportunities and Challenges for the Grants Community?

- Govt-wide uniform grants guidance to remain static or evolve?
- Impact(s) of Election year?
- Indirect costs?
- New provisions?
- New Legislation to strengthen grants processes and increase transparency & accountability?

Questions/Concerns?

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