Results-Oriented Accountability for Grants
A Call to Action for the Grants Community

Gil Tran and Brette Fishman
Federal Demonstration Partnership
Fall Meeting
September 24, 2019

Maximize the value of grant funding by applying a risk-based, data driven framework that balances compliance requirements with demonstrating successful results for the American taxpayer.

GOAL STATEMENT

The President's Management Agenda (PMA) is a long-term vision for modernizing the Federal Government

The PMA seeks to improve the ability of agencies to:

- **Deliver mission outcomes,**

- **Provide excellent service, and**

- **Effectively steward taxpayer dollars on behalf of the American people**

ONE YEAR OF PROGRESS

PRESIDENT'S MANAGEMENT AGENDA   CELEBRATING ONE YEAR OF PROGRESS

Cross-Agency Priority (CAP) Goals have been established to drive implementation of the **President's Management Agenda (PMA)** and tackle critical government-wide challenges.
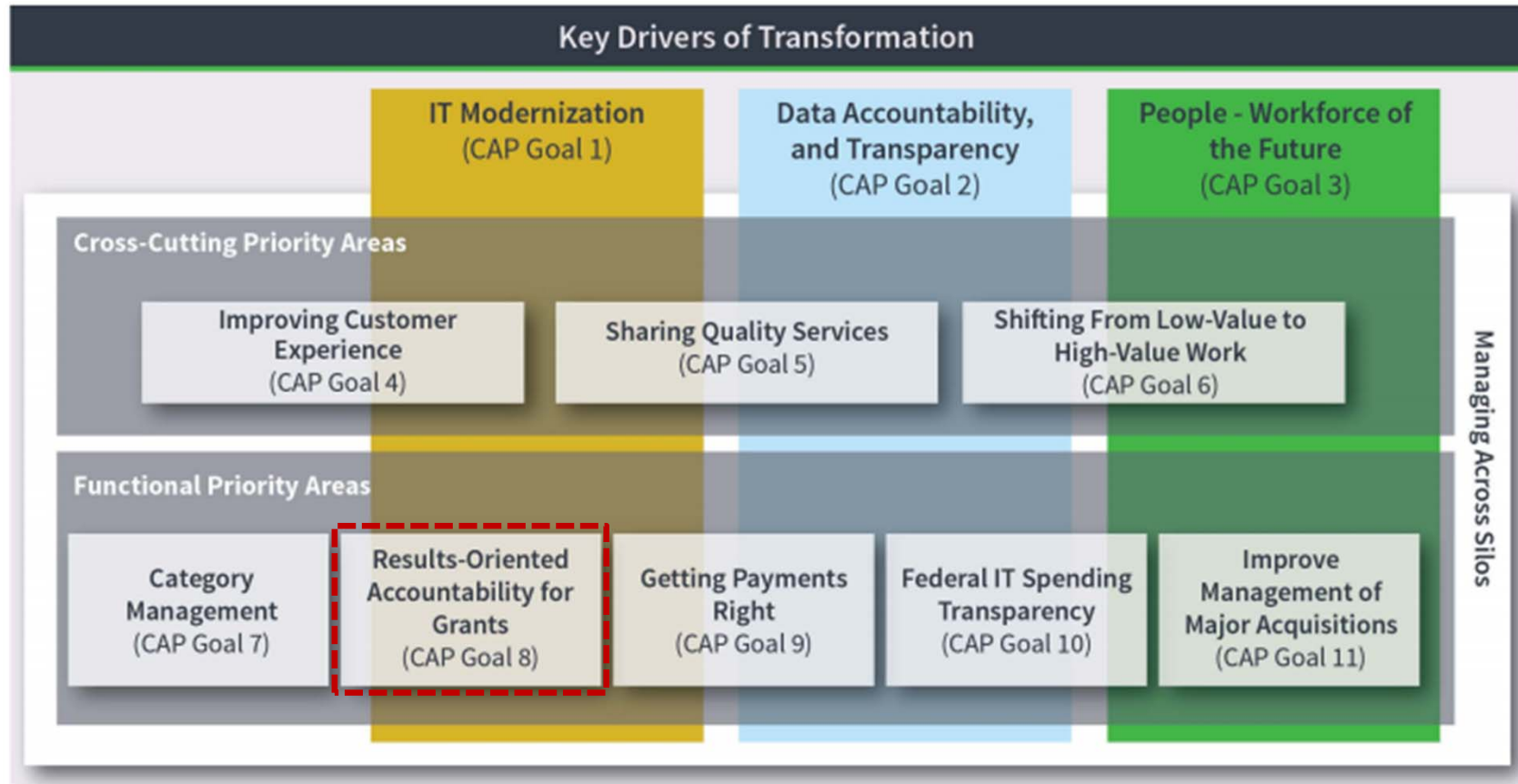
KEY DRIVERS OF TRANSFORMATION

Across all CAP Goals, Government modernization will be rooted in the intersection of transforming technology, data, process, and people rather than working in silos

PRESIDENT'S MANAGEMENT AGENDA

Key Drivers of Transformation

IT Modernization (CAP Goal 1)

Data Accountability, and Transparency (CAP Goal 2)

People - Workforce of the Future (CAP Goal 3)

Cross-Cutting Priority Areas

- Improving Customer Experience (CAP Goal 4)
- Sharing Quality Services (CAP Goal 5)
- Shifting From Low-Value to High-Value Work (CAP Goal 6)

Functional Priority Areas

- Category Management (CAP Goal 7)
- Results-Oriented Accountability for Grants (CAP Goal 8)
- Getting Payments Right (CAP Goal 9)
- Federal IT Spending Transparency (CAP Goal 10)
- Improve Management of Major Acquisitions (CAP Goal 11)

Managing Across Silos

PRESIDENT'S MANAGEMENT AGENDA

Hold recipients accountable for good performance practices that support achievement of program goals and objectives; & streamline burdensome compliance requirements for those that demonstrate results.

Achieve Goals and Objectives

Manage Risk

Leverage data, including data from annual audits, to assess & manage recipient risk.

Build Shared IT Infrastructure

Use standard business processes & data to identify opportunities to build shared solutions that reduce burden & improve the user experience.
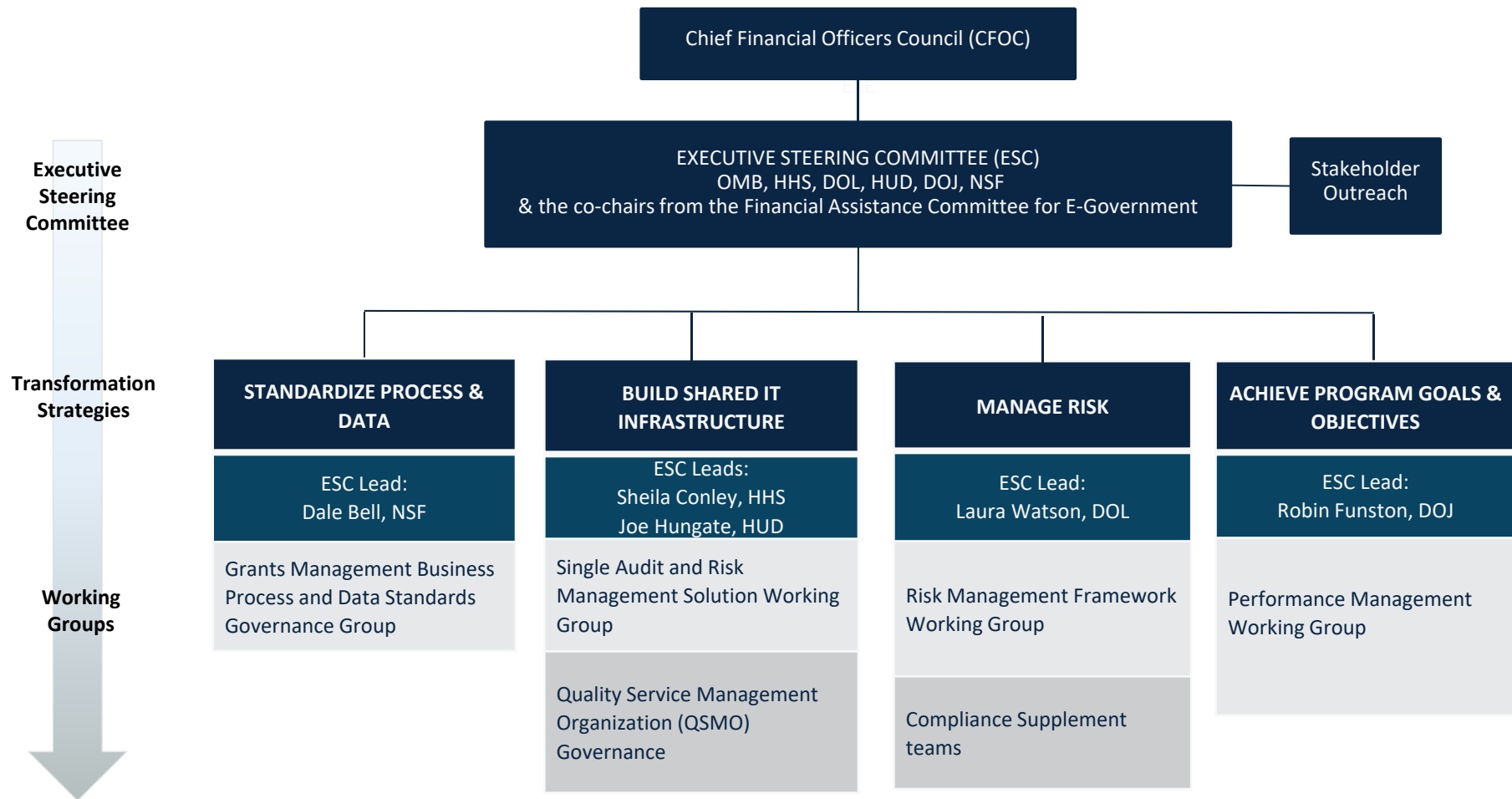
Standardize Business Processes & Data

Standardize grants management business processes & identify, operationalize, standardize, & link data.

Governance

Chief Financial Officers Council (CFOC)

Executive Steering Committee

EXECUTIVE STEERING COMMITTEE (ESC)
OMB, HHS, DOL, HUD, DOJ, NSF
& the co-chairs from the Financial Assistance Committee for E-Government

Stakeholder Outreach

Transformation Strategies

STANDARDIZE PROCESS & DATA	BUILD SHARED IT INFRASTRUCTURE	MANAGE RISK	ACHIEVE PROGRAM GOALS & OBJECTIVES
ESC Lead: Dale Bell, NSF	ESC Leads: Sheila Conley, HHS Joe Hungate, HUD	ESC Lead: Laura Watson, DOL	ESC Lead: Robin Funston, DOJ

Working Groups

Grants Management Business Process and Data Standards Governance Group	Single Audit and Risk Management Solution Working Group	Risk Management Framework Working Group	Performance Management Working Group
	Quality Service Management Organization (QSMO) Governance	Compliance Supplement teams	

Standardize Business Processes & Data: Standardize grants management business processes & identify, operationalize, standardize, & link data.

OBJECTIVES

- Develop a government-wide business process and standards for grants management
- Use work products to inform future shared IT infrastructure solutions for grants
- Reduce recipient burden and support faster and more transparent decision making

KEY MILESTONES

✓ Develop a comprehensive map of grants management core capabilities and data elements

✓ Release and solicit public feedback on draft standard data elements

❑ Finalize and release version 1.0 of core standard data elements

❑ Develop and execute a plan for government-wide grants management standards implementation

Build Shared IT Infrastructure: Use standard business processes & data to identify opportunities to build shared solutions that reduce burden & improve the user experience.

OBJECTIVES

- Use standard business processes and data to identify opportunities to build shared solutions that reduce burden and improve the user experience
- Develop shared solutions that will increase access to and use of data to support powerful analytics
- Leverage data analytics to inform risk-based performance management

KEY MILESTONES

- ✓ Draft business capabilities for single audit resolution and risk management

- ✓ Conduct Single Audit and Risk Management Industry Demonstration Days

- ✓ **Pre-designate HHS as Grants Quality Service Management Office (QSMO)**

- ❑ Plan for development and implementation of standardized single audit and risk management solution for grants management

PRESIDENT'S
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AGENDA

Agency A

Agency B

Agency C

Quality Service Management Office

Quality Service Management Offices (QSMOs) are located in agencies with the mission and expertise to deliver standard capabilities for other agencies. QSMOs will offer **competitive services** that **drive standardization**, **integrate solutions**, and **respond to agency business needs**. The QSMO will offer **choice** as to what services or technology agencies can purchase and will be a mix of Federal and commercial support.
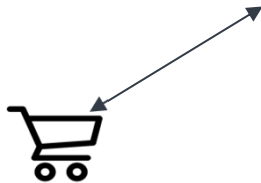
Service = Technology		
Vendor A	Vendor B	Federal Solution

Service = Technology + Processing		
Vendor A	Vendor B	Federal Solution
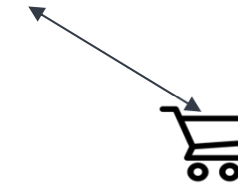
Service = Processing + Subject Matter Experts		
Vendor A	Vendor B	Federal Solution

Number of vendors is notional; however, competition is necessary.

Build Shared IT Infrastructure: Use standard business processes & data to identify opportunities to build shared solutions that reduce burden & improve the user experience.

The Federal government invests approximately $700 billion through more than 1,800 grant programs annually. Grants support schools and universities that educate our nation, create infrastructure that moves our economy, offer accessibility support for our Veterans, and more. The new, centralized collection of information for the grants management process means applicants only have to submit certification information once annually, instead of every time they apply for a grant. As part of the President's Management Agenda, the Federal government is streamlining the grants management process so grantees can save time and effort on reporting requirements. It's estimated that this process will **reduce administrative burden for grantees such as non-profits, universities, and state, local, & tribal governments by 150,000 hours each year**. Each hour saved means more time to focus on achieving program results.
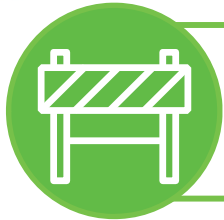
More Efficient Application Submissions Help Grantees Focus on Impact

RESULTS-ORIENTED ACCOUNTABILITY FOR GRANTS

PRESIDENT'S
MANAGEMENT
A G E N D A

Manage Risk: Leverage data, including data from annual audits, to assess & manage recipient risk.

OBJECTIVES

- Identify practices and data tools to enable agencies to incorporate performance into their grant award operations
- Assess current capabilities and pilot promising strategies
- Develop a framework so other agencies can leverage these practices

KEY MILESTONES

✓ Draft Risk Management Framework

✓ Develop draft 2019 Single Audit Compliance Supplement framework

✓ **Issue streamlined 2019 Single Audit Compliance Supplement**

❑ Collaborate with stakeholders to assess input received for risk management framework

Achieve Program Goals & Objectives: Hold recipients accountable for good performance practices that support achievement of program goals & objectives; & streamline burdensome compliance requirements for those that demonstrate results.

OBJECTIVES

- Hold recipients accountable for good performance practices
- Identify opportunities to leverage risk management to alleviate select compliance requirements with strong performance practices
- Focus initial efforts on developing performance management processes to improve agency's ability to monitor and ultimately improve grantee performance

KEY MILESTONES

- ✓ Conduct survey to identify promising performance practices

- ✓ Identify emerging and innovative practices to inform performance management framework

- ❑ Develop draft performance management framework based on feedback from experts for relevant grant categories

✓ **Completed Agency Performance Practices Survey –** Responses include current Federal business practices in performance within the grants lifecycle

✓ **Received Over 1,100 Public Comments on the draft Grants Management Standard Data Elements –** Feedback gathered will be used to develop and implement core grants management data elements and modernize information technology solutions

✓ **Conducted Single Audit and Risk Management Solution Industry Demonstration Days –** Solicited the public for information on opportunities to build a standardized single audit and risk management solution for grants management

✓ **Pre-designated Quality Service Management Office (QSMO) for Grants –** M-19-16, Centralized Mission Support Capabilities for the Federal Government, pre-designated HHS as the QSMO for grants

✓ **Published FY 2019 Compliance Supplement –** Streamlined Supplement with an increased focus on compliance requirements that inform performance

✓ **Conducted Grants Innovation Exchange Sessions –** Three sessions were held with over 450 participants

Manage Risk: Leverage data, including data from annual audits, to assess & manage recipient risk.

The 2019 Compliance Supplement reduced compliance areas from 12 to 6 of the most critical areas based on program needs. The Supplement provides guidance for more consistent audits of Federal grant awards while reducing audit costs.
The streamlined Supplement helps

focus limited grantee and government resources on program mission success.

This streamlined and risk-based approach ensures compliance while having the potential to

save taxpayers millions of dollars in administrative costs.

Streamlined Compliance Means Millions More for Mission

RESULTS-ORIENTED ACCOUNTABILITY FOR GRANTS

Strategy 3: Manage Risk – Head Start Success Story

Manage Risk: Leverage data, including data from annual audits, to assess & manage recipient risk.

The U.S. Department of Health and Human Services Head Start Program promotes school readiness of children under five from low-income families. The program awarded $9.3 billion to 1,540 grantees in 2018. It's important to effectively manage taxpayer resources that make Head Start programs possible. Under the President's Management Agenda the agency assessed which aspects of the program most needed to be audited and where audits can be streamlined while maintaining accountability.

The result? Better programs for children. Vulnerable compliance areas such as improper payments get appropriate attention while giving grantees reduced administrative burden and overhead costs. A reduced audit burden from 11 compliance areas to 6 results in fewer tax dollars spent on paperwork **and more help for the youngest Americans to fulfill their potential.**

More Efficient Auditing Leads to a Better Head Start

RESULTS-ORIENTED ACCOUNTABILITY FOR GRANTS

The "Graduation"

- Top Summary
- Procurement Standards
- What's Ahead?

Shirakawa-Go

Grant Haiku

Grant chaos without Uniform Guidance
Even more chaos with Uniform Guidance, yes?
Research Administrators thrive on chaotic life
….and keep Grants achieving

- 6 Subparts A through F
  - Subpart A, 200.XX – Acronyms & Definitions
  - Subpart B, 200.1XX – General
  - Subpart C, 200.2XX – Pre Award – *Federal*
  - Subpart D, 200.3XX – Post Award – *Recipients*
  - Subpart E, 200.4XX – Cost Principles
  - Subpart F, 200.5XX – Audit
- 12 Appendices - I through XII
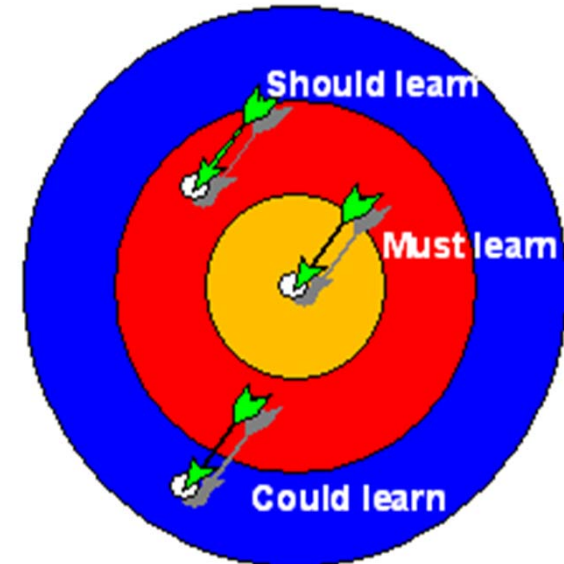- "Should" and "Must"

Shall it Out – Yes, Shout it Out

But Should is In

May will be back

So are April and June

Orange is the new Black

Must is the new Shall

2017

- Raises micro-purchase threshold to $10,000 for certain recipients only:
  - IHEs
  - Independent research institutes
  - Nonprofit research orgs
- Apply to ALL Federal awards
- Effective December 23, 2016
- Can receive a higher level by request to the cognizant agency for indirect costs if:
  - Low risk auditee, or
  - Internal institutional risk assessment, or
  - Consistent with state law for public orgs
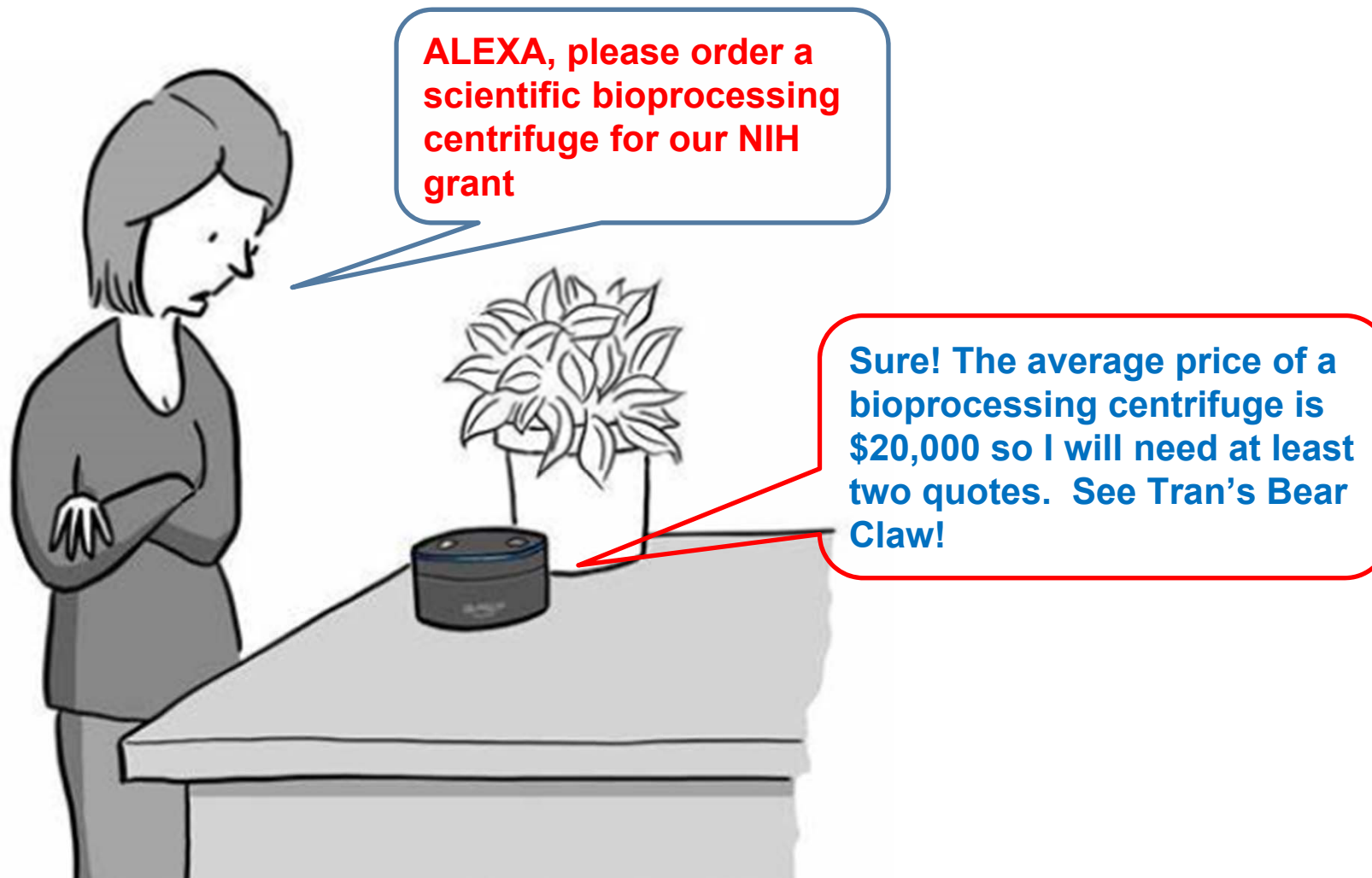- Agencies to implement a process for approval

2018

- Raises micro-purchase threshold to $10,000 and simplified acquisition threshold to $250,000 for procurements under the FAR
- Apply to All Federal awards and All recipients
- Effective when FAR is updated
- OMB implementing an exception to the UG to allow use for Federal awards:
  - 2 CFR 200.67 Micro-purchase
  - 2 CFR 200.88 Simplified Acquisition Threshold
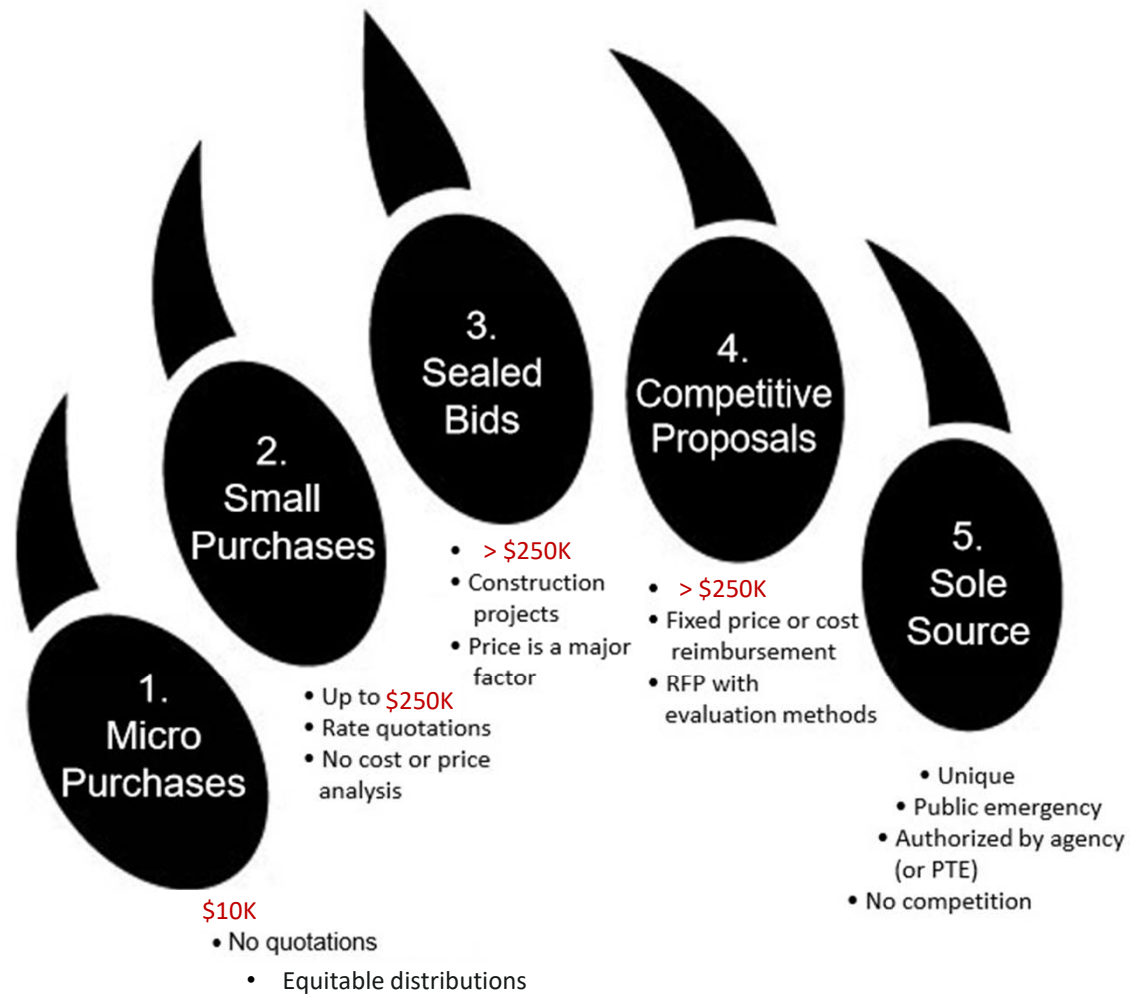- No provision for higher threshold request for All recipients

3. Sealed Bids
- > $250K
- Construction projects
- Price is a major factor

2. Small Purchases
- Up to $250K
- Rate quotations
- No cost or price analysis

4. Competitive Proposals
- > $250K
- Fixed price or cost reimbursement
- RFP with evaluation methods

5. Sole Source
- Unique
- Public emergency
- Authorized by agency (or PTE)
- No competition

1. Micro Purchases
- $10K
- No quotations
- Equitable distributions

The Uniform Guidance
– It's Here!

- **Future changes to the UG**

- **Performance Focus – PMA**

- **GONE Act**

- **E.O. Buy American Hire American**

- **Research Policy Workgroups – Cures Act and AICA**

Kiyomizudera Temple, Kyoto

JOIN THE GRANTS COMMUNITY OF PRACTICE TODAY!

https://www.performance.gov/CAP/grants/

For questions, please contact the Grants Team at GrantsTeam@omb.eop.gov