



Highlights of [GAO-06-566](#), a report to congressional committees

GRANTS MANAGEMENT

Grantees' Concerns with Efforts to Streamline and Simplify Processes

Why GAO Did This Study

At least 26 federal entities distribute grants, often with differing administrative requirements. As a result, grantees may be diverting resources from program objectives to comply with varying administrative requirements. Congress, attempting to reduce this inefficiency, passed the Federal Financial Assistance Management Improvement Act of 1999, commonly referred to as P.L. 106-107. It required the Office of Management and Budget (OMB) to ensure that agencies streamline processes, develop common systems, and consult with grantees; it also required GAO to evaluate the law's effectiveness. In response, this report discusses aspects of grant administration that grantees identified as inadequate to meet the act's goals and on which further action was needed. GAO reviewed grantee comments on changes needed, obtained views from grantee associations and users of the Web portal called Grants.gov, performed detailed site visits at selected grantees, and obtained views of OMB.

What GAO Recommends

OMB should ensure that grantees' views are obtained as approaches are developed. Further, Congress should consider reauthorizing the act beyond its November 2007 sunset date to ensure that cross-agency initiatives progress. OMB said that it will continue working with agencies to further streamline grant administration and seek grantees' input.

www.gao.gov/cgi-bin/getrpt?GAO-06-566.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Stanley J. Czerwinski at (202) 512-6520 or czerwinski@gao.gov.

What GAO Found

While some progress has been made since GAO issued its report last year on interagency reform initiatives ([GAO-05-355](#)), federal grantees continue to identify areas where the goals of P.L. 106-107 have not yet been met. These include continued lack of standardization and continued inefficiencies in grant administration across agencies and technological difficulties with implementing Grants.gov, the Web site where grantees can find and apply for grants. Grantees report they continue to need to use different application, reporting, and payment systems, and definitions differ across agencies. Further, some inefficiencies continue to exist, such as agency grant processes not aligning with typical grantee business practices. In addition, problems using Grants.gov, such as search engine problems and complex registration practices, have caused grantees frustration as they have used the site for identifying and applying for grant opportunities. The Grants.gov Program Management Office has taken actions to address some of these problems and has plans for further improvements.

Examples of Grantee Concerns Related to P.L. 106-107 Goals

| Stage | Areas of concern grantees cited |
|--------------------|---|
| Announcement stage | <ul style="list-style-type: none"> Operational problems with Grants.gov search function. Unaware of Grants.gov Web site. |
| Application stage | <ul style="list-style-type: none"> Grants.gov software not compatible with some computers. Grants.gov registration process frustrating. |
| Award stage | <ul style="list-style-type: none"> Delay in award notification. Repetitive "certifications and assurances" for each grant. |
| Postaward stage | <ul style="list-style-type: none"> Multiple reporting and payment systems that are different. Federal agency processes not aligned with grantee business processes. |

Source: GAO.

Grantees GAO interviewed were concerned that, while the three federal cross-agency initiatives underway to streamline grant administration—Grants.gov, the Grants Management Line of Business, and the cross-agency workgroups—were moving forward, progress to date has been inadequate. Grantees identified two specific areas where the management of P.L. 106-107 initiatives contributed to the lack of progress. They pointed out that inadequate ongoing communication with grantees before decisions on changes were made resulted in poor implementation and prioritization of initiatives. Grantees also said lack of clear objectives and a public time line for the reform process sometimes prevented them from understanding the scope and timing of planned changes.