

# GAO Highlights

Highlights of [GAO-13-383](#), a report to congressional requesters

## Why GAO Did This Study

GAO has previously identified several management challenges that have hindered grants management reform efforts. GAO was asked to review recent federal grants management reform efforts. GAO reviewed (1) what OMB and other federal grants governance bodies have done since the passage of P.L. 106-107 to reform grants management processes, and (2) what actions, if any, have been taken to address what GAO has found to be persistent management challenges. GAO reviewed relevant legislation, OMB circulars and guidance, action plans of interagency councils responsible for overseeing grants management reforms, and previous GAO work and other literature on grants management reforms. GAO also reviewed its previous work on collaborative mechanisms and management consolidation efforts. GAO also interviewed officials from OMB, grant-making agencies, and associations representing a variety of grantee types.

## What GAO Recommends

GAO recommends that the Director of OMB: (1) develop and make publicly available an implementation schedule that includes performance targets, goal leaders who can be held accountable for each goal, and mechanisms to monitor, evaluate, and report on results; (2) clarify the roles and responsibilities for various streamlining initiatives; and (3) develop an effective two-way communication strategy with relevant stakeholders. OMB generally concurred with our recommendations and provided additional and updated information, which was incorporated into the report as appropriate.

View [GAO-13-383](#). For more information, contact Stanley J. Czerwinski at (202) 512-6806 or [czerwinski@gao.gov](mailto:czerwinski@gao.gov).

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## GRANTS MANAGEMENT

### Improved Planning, Coordination, and Communication Needed to Strengthen Reform Efforts

## What GAO Found

In the past 14 years, since the passage of the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107), there has been a series of legislative- and executive-sponsored initiatives aimed at reforming aspects of the grants management life cycle. Recently, a new grants reform governance body, the Council on Financial Assistance Reform (COFAR), replaced two former federal boards—the Grants Policy Committee (GPC) and Grants Executive Board (GEB). The Office of Management and Budget (OMB) created COFAR and charged it with identifying emerging issues, challenges, and opportunities in grants management and policy and providing recommendations to OMB on policies and actions to improve grants administration.

In addition to this new governance structure, OMB and other entities involved with federal grants management are overseeing several ongoing reform initiatives intended to address the challenges grantees encounter throughout the grants life cycle. These initiatives include consolidating and revising grants management circulars, simplifying the pre-award phase, promoting shared information technology (IT) solutions such as the development of shared end-to-end grants management systems, and improving the timeliness of grant close out and reducing undisbursed balances. Management and coordination challenges could hinder the progress of some of these initiatives. For example, although promoting shared IT solutions for grants management—an original goal of P.L. 106-107—remains a priority, there has been uncertainty regarding the status of this initiative and future plans for it. The lead agency for this initiative changed several times since 2012, and it has been unclear at times whether promoting shared IT systems for grants management would continue to be a priority, and if so, which agency was in charge. After receiving GAO's draft report for review, OMB issued a "Controller Alert" on April 29, 2013, announcing that the Department of the Treasury would lead efforts to transform federal financial management by, among other things, relying on common standards, shared services, and using state-of-the-art technology.

Although COFAR has recently identified several high-level priority goals for 2013 through 2015, it faces some of the same management challenges identified in previous GAO reports on grants management, such as the lack of a comprehensive plan for implementing reforms, confusion over roles and responsibilities among grants governance bodies, and inconsistent communication and outreach to the grantee community. COFAR has not yet released to the public an implementation plan that includes key elements such as performance targets and goal leaders for each goal, and mechanisms to monitor, evaluate, and report on progress made toward stated goals. Furthermore, agencies involved with current grants management reforms are not always clear on their roles and responsibilities for various streamlining initiatives which may cause such initiatives to languish. Finally, GAO found that members of the grant recipient community continue to voice concern because they do not see a role for themselves as OMB and COFAR develop priorities for reforming federal grants management. In the comments it provided on April 29, 2013, OMB described actions it is taking to address these challenges, such as using a more detailed project plan internally and scheduling outreach events with federal partners and members of the grantee community.