

GAO Highlights

Highlights of [GAO-17-113](#), a report to congressional requesters

Why GAO Did This Study

To improve the effectiveness and efficiency of grant-making in the federal government, in 2011 OMB created COFAR, and in 2014 OMB's Uniform Guidance came into effect. This included requirements for federal agencies to establish a merit-based review process for competitive grants and to assess grant applicants' risk. GAO was asked to review the design and implementation of merit-based grant award selection.

GAO reviewed the extent to which (1) selected subagencies followed certain required and recommended practices for evaluating competitive awards; (2) selected subagencies had processes to identify duplicative grant funding; and (3) COFAR has made progress in developing an implementation schedule for achieving its priorities. GAO assessed OMB and agency grant guidance for 19 grant programs at 6 subagencies—selected in part based on grant outlays in fiscal year 2014—and interviewed officials from these agencies and OMB as well as from associations representing different types of grantees. GAO's findings are not generalizable.

What GAO Recommends

GAO is making four recommendations to address the concerns identified at the specific subagencies, such as including required and recommended information in public notices for grant opportunities and developing guidance on reviewing applicants for potentially duplicative funding. All agencies agreed with the recommendations.

View [GAO-17-113](#). For more information, contact Allison B. Bawden at (202) 512-6806 or bawdena@gao.gov.

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GRANTS MANAGEMENT

Selected Agencies Should Clarify Merit-Based Award Criteria and Provide Guidance for Reviewing Potentially Duplicative Awards

What GAO Found

GAO found that all 6 selected subagencies in the Departments of the Interior (Interior), Health and Human Services (HHS), and Agriculture (USDA) applied a risk assessment review before making final grant award decisions for the 19 grant programs examined, as required by the Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). GAO also found that while selected HHS and USDA subagencies generally followed certain other required and recommended practices established in the Uniform Guidance for providing specific information in their notices of public funding opportunity (public notices) announcing grants, selected Interior subagencies did not. Specifically, the Uniform Guidance recommends that public notices include (1) the merit-based criteria that will be used to assess grant applications, (2) the relative weights that will be applied to those assessment criteria, and requires (3) whether and how cost sharing will be used as a factor in assessing an application. GAO found that for several grant programs in selected Interior subagencies, public notices either did not state merit-based selection criteria, did not state the relative weights assigned to selection criteria, or did not clarify how cost sharing would be used to assess an application. Omitting this information from the public notices limits transparency for potential applicants.

OMB's Uniform Guidance does not direct agencies to review applicants for duplicative funding, but federal standards for internal control state that management should use quality information to achieve objectives and that management should document its policies. GAO found that only 2 of the 6 selected subagencies (1 in HHS and 1 in USDA) had developed formal processes and guidance for identifying potentially duplicative funding. GAO's previous work has pointed to potential risks that can arise—such as awarding duplicative grants—when agencies do not have guidance in place to direct staff to check for duplication when making competitive award decisions. Officials from the other 4 subagencies (in HHS, USDA, and Interior) that relied primarily on informal processes for identifying potentially duplicative grant funding acknowledged the importance of identifying information about applicants' other funding before making final grant award decisions.

The Council on Financial Assistance Reform (COFAR) updated its priorities for fiscal year 2016 but has made limited progress in planning, coordinating, and communicating its priorities. COFAR is an interagency council established by OMB to provide policy-level leadership for the grants community and to support reforms to improve the effectiveness and efficiency of federal grants. In 2013, GAO identified challenges related to COFAR's priorities and its lack of a plan to achieve implementation of these priorities and GAO recommended that OMB provide an implementation schedule for COFAR, clarify roles and responsibilities of COFAR members, and improve two-way communication with stakeholders. However, in this review GAO found that COFAR's challenges remain and it has still not (1) released an implementation schedule that includes performance targets and evaluation mechanisms; (2) established roles and responsibilities for its members; or (3) made progress in developing effective two-way communication with the grant recipient community and other stakeholders.