Results Oriented Accountability for Grants

Goal Leaders

Dale Bell, Division Director, Institution of Award Support, National Science Foundation
Sheila Conley, Deputy Chief Financial Officer, Department of Health & Human Services
Robin Funston, Director of Strategic Planning & Performance, Department of Justice
Joseph Hungate III, Assistance Chief Financial Officer for Systems
Tim Soltis, Deputy Controller, Office of Management and Budget
Laura Watson, Administrator, Office of Grants Management, Employment & Training Administration, Department of Labor
Financial Assistance Committee for E-Government

June 2019
Goal Statement
- 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.

Challenge
- The Federal government uses grants to invest approximately $700 billion each year in mission-critical needs for American taxpayers, but managers report spending 40% of their time using antiquated processes to monitor compliance instead of analyzing data to improve results.

Opportunity
- Standardize the grants management business process and identify, open, standardize, and link data. Use standard business process and data to identify opportunities to build shared solutions that reduce burden and improve the user experience. Leverage data, including data produced by annual audits, to assess and manage recipient risk. Hold recipients accountable for good performance practices that support achievement of program goals and objectives and streamline burdensome compliance requirements for those that demonstrate results.
Executive Steering Committee

The Executive Steering Committee holds the primary responsibility for developing a governance structure for the CAP goal. It is the overarching governing body for all governmentwide work groups related to grants and reports to the Chief Financial Officers Council. The ESC also includes the participation from the Financial Assistance Committee for E-Government.

Strategy Leads

For each CAP goal strategy, ESC members are designated as strategy leads. Strategy leads serve as the executive sponsors for the strategy, providing strategic support, leadership, and vision for their respective strategy.

Participating Agencies

All major grant making agencies are encouraged to participate and contribute to the execution of this goal. This includes active participation in governmentwide workgroups that inform each strategy.
Goal Structure

Strategy 1: Standardize the Grants Management Business Process & Data
Standardize the grants management business process and identify, open, standardize, and link data.

Strategy 2: Build Shared IT Infrastructure
Use standard business process and data to identify opportunities to build shared solutions that reduce burden and improve the user experience.

Strategy 3: Manage Risk
Leverage data, including data produced by annual audits, to assess and manage recipient risk.

Strategy 4: Achieve Program Goals and Objectives
Hold recipients accountable for good performance practices that supports achievement of program goals and objectives and streamline burdensome compliance requirements for those that demonstrate results.
Governance

Executive Steering Committee

Transformation Strategies

Working Groups

Chief Financial Officers Council (CFOC)

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

STANDARDIZE PROCESS & DATA
ESC Lead: Dale Bell, NSF
Grants Management Business Process and Data Standards Governance Group

BUILD SHARED IT INFRASTRUCTURE
ESC Leads: Sheila Conley, HHS
Joe Hungate, HUD
Single Audit and Risk Management Solution Working Group
Quality Service Management Organization (QSMO) Governance

MANAGE RISK
ESC Lead: Laura Watson, DOL
Risk Management Framework Working Group
Compliance Supplement teams

ACHIEVE PROGRAM GOALS & OBJECTIVES
ESC Lead: Robin Funston, DOJ
Performance Management Working Group

Stakeholder Outreach
Key Milestones December 2018 – May 2019

- Completed agency survey of current Federal business practices in performance within the grants lifecycle
- Over 1,100 public comments received on draft Grants Management standard data elements
- Single Audit and Risk Management Solution Industry Demonstration Days
  - Participation of 19 vendors and over 75 Federal employees
- M-19-16 Centralized Mission Support Capabilities for the Federal Government
  - HHS pre-designated the Quality Service Management Office (QSMO) for Grants
Strategy 1: Standardize the Grants Management Business Process and Data

This strategy recognizes that recipient burden (such as excessive compliance requirements) can be reduced if the Federal government standardizes the grants management business process. In addition, recipient burden could be reduced if data is standardized and access to and collection of data is digitized. This strategy supports the Improving the Efficiency and Effectiveness of Administrative Services Across Government and Leveraging Data as a Strategic Asset CAP Goals.

<table>
<thead>
<tr>
<th>Key Milestones</th>
<th>Milestone Due Date</th>
<th>Milestone Status</th>
<th>Change from last quarter</th>
<th>Owner</th>
<th>Anticipated Barriers or other Issues Related to Milestone Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage Federal Integrated Business Framework (FIBF) to develop comprehensive</td>
<td>FY2018 Q3</td>
<td>Complete</td>
<td>No change</td>
<td>CFOC</td>
<td></td>
</tr>
<tr>
<td>map of core capabilities for grants management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Comment period extended due to lapse in appropriations</td>
</tr>
<tr>
<td>Based on FIBF capabilities, standardize data elements to inform comprehensive</td>
<td>FY2018 Q4</td>
<td>Complete</td>
<td>No change</td>
<td>CFOC</td>
<td></td>
</tr>
<tr>
<td>taxonomy for core grants management data standards</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Release and solicit public feedback on the draft standard data elements</td>
<td>FY2019 Q2</td>
<td>Complete</td>
<td>Change</td>
<td>OMB</td>
<td>Delayed due to lapse in appropriations</td>
</tr>
<tr>
<td>Receive agency input on adoption grants management in accordance with OMB</td>
<td>FY2019 Q3</td>
<td>In progress</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
<tr>
<td>memorandum M-18-24</td>
<td></td>
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</tr>
<tr>
<td>Develop a draft plan for governance and maintenance of data standards (aligned</td>
<td>FY2019 Q3</td>
<td>In progress</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
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<tr>
<td>with CAP Goal 5)</td>
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</tr>
<tr>
<td>Reconcile public feedback on the draft standard data elements</td>
<td>FY2019 Q3</td>
<td>In progress</td>
<td>Change</td>
<td>OMB</td>
<td></td>
</tr>
<tr>
<td>Finalize and release version 1.0 of core standard data elements</td>
<td>FY2019 Q4</td>
<td>In progress</td>
<td>Change</td>
<td>OMB</td>
<td></td>
</tr>
<tr>
<td>Issue OMB guidance to support adoption of standard data elements</td>
<td>FY2019 Q4</td>
<td>On track</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
<tr>
<td>Initiate transfer of FIBF standards to the standards lead</td>
<td>FY2019 Q4</td>
<td>Not started</td>
<td>Change</td>
<td>OMB &amp; Future Standards Lead</td>
<td></td>
</tr>
<tr>
<td>Agencies take initial steps to prepare for adoption of FIBF standards</td>
<td>FY2020 Q1</td>
<td>Not started</td>
<td>Change</td>
<td>Agencies</td>
<td></td>
</tr>
</tbody>
</table>
Strategy 2: Build Shared Infrastructure

Use standard business process and data to identify opportunities to build shared solutions that reduce burden and improve the user experience. Future shared solutions will increase access to and use of data to support powerful analytics, setting the stage for risk-based performance management. This strategy supports the Improving the Efficiency and Effectiveness of Administrative Services Across Government, Leveraging Data as a Strategic Asset, and Modernizing IT to Increase Productivity and Security CAP Goals.

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<tr>
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</thead>
<tbody>
<tr>
<td>Develop draft business capabilities for single audit resolution and risk management to inform future common solutions</td>
<td>FY2018 Q4</td>
<td>Complete</td>
<td>No change</td>
<td>CFOC</td>
<td></td>
</tr>
<tr>
<td>Launch government-wide readiness assessment to evaluate agency system baselines against the Grants Management FIBF capabilities and data standards</td>
<td>FY2019 Q1</td>
<td>Complete</td>
<td>Change</td>
<td>OMB</td>
<td></td>
</tr>
<tr>
<td>Solicit public for information on opportunities to build a standardized single audit and risk management solution for grants management</td>
<td>FY2019 Q3</td>
<td>Complete</td>
<td>Change</td>
<td>CFOC</td>
<td>Industry Demonstration Days delayed due to lapse in appropriations</td>
</tr>
<tr>
<td>Identify agency lead to oversee development of single audit and risk management solution (aligned with CAP Goal 5)</td>
<td>FY2019 Q3</td>
<td>Complete</td>
<td>Change</td>
<td>OMB</td>
<td></td>
</tr>
<tr>
<td>Pre-designate Grants QSMO</td>
<td>FY2019 Q3</td>
<td>Complete</td>
<td>Change</td>
<td>OMB</td>
<td></td>
</tr>
<tr>
<td>Receive agency Readiness Assessment in accordance with OMB memorandum M-18-24</td>
<td>FY2019 Q3</td>
<td>In progress</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
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<tr>
<td>Develop single audit and risk management common solution prototype</td>
<td>FY2020 Q1</td>
<td>On track</td>
<td>Change</td>
<td>CFOC</td>
<td>Delayed due to lapse in appropriations</td>
</tr>
<tr>
<td>Draft plan for development and implementation of standardized single audit and risk management solution for grants management</td>
<td>FY2020 Q1</td>
<td>In progress</td>
<td>Change</td>
<td>CFOC</td>
<td>Delayed due to lapse in appropriations</td>
</tr>
<tr>
<td>Final Grants QSMO Designation</td>
<td>FY2020 Q2</td>
<td>In progress</td>
<td>Change</td>
<td>OMB</td>
<td></td>
</tr>
<tr>
<td>Update OMB Guidance, as needed</td>
<td>FY2020 Q4</td>
<td>On track</td>
<td>No change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
</tbody>
</table>
Strategy 3: Manage Risk

A comprehensive risk management tool for determining Federal funding awards that are low-risk and high value must include consideration of past performance results, financial risk, and an applicant’s capabilities to deliver the proposed results. In order to do this, agencies need to have ready access to performance data and have the data infrastructure to include performance in risk modeling. The recent updated guidance on grants included requirements for performance reporting in grants, however there is much more that can be done to identify practices and data tools to enable agencies to incorporate performance into their grant award operations. This strategy includes an assessment of current capabilities, piloting promising strategies, and developing a framework so that other agencies can leverage these practices. This strategy also supports the Moving from Low-value to High-value Work CAP Goal.

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<tr>
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<th>Change from last quarter</th>
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<th>Anticipated Barriers or other Issues Related to Milestone Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue 2018 ‘skinny’ Single Audit Compliance Supplement</td>
<td>FY2018 Q3</td>
<td>Complete</td>
<td>No change</td>
<td>OMB</td>
<td></td>
</tr>
<tr>
<td>Draft Risk Management Framework</td>
<td>FY2018 Q3</td>
<td>Complete</td>
<td>No change</td>
<td>CFOC</td>
<td></td>
</tr>
<tr>
<td>Develop draft 2019 Single Audit Compliance Supplement framework</td>
<td>FY2018Q1</td>
<td>Complete</td>
<td>Change</td>
<td>OMB</td>
<td></td>
</tr>
<tr>
<td>Issue streamlined 2019 Single Audit Compliance Supplement with an increased focus on compliance requirements that inform performance</td>
<td>FY2019 Q3</td>
<td>On track</td>
<td>Change</td>
<td>OMB</td>
<td>Delayed due to lapse in appropriations</td>
</tr>
<tr>
<td>Completion of sprint for The Opportunity Project which connects spending to performances</td>
<td>FY2019 Q1</td>
<td>Complete</td>
<td>Change</td>
<td>Various Owners</td>
<td></td>
</tr>
<tr>
<td>Collaborate with stakeholders to assess input received for risk management framework</td>
<td>FY2019 Q4</td>
<td>On track</td>
<td>Change</td>
<td>OMB</td>
<td></td>
</tr>
<tr>
<td>Update OMB Guidance to support improved risk management</td>
<td>FY2019 Q4</td>
<td>On track</td>
<td>No change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
<tr>
<td>Based on stakeholder feedback, develop long-term strategy to improve risk management</td>
<td>FY2020 Q1</td>
<td>On track</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
</tbody>
</table>
To demonstrate achievement of grant program goals and objectives, recipients need to be held accountable for good performance practices. Once recipients can successfully demonstrate strong program performance practices, there may be an opportunity to leverage the risk management framework developed in Strategy 3 to alleviate select compliance requirements and appropriately tailor the terms and conditions of each award to provide flexibility to better execute the mission. Recognizing this is a long term vision, initial efforts focus on developing performance management processes to help grant-making entities improve their ability to monitor performance and ultimately improve the performance of grantees.

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<tbody>
<tr>
<td>Solicit information from agencies on current grants performance management practices</td>
<td>FY2019 Q1</td>
<td>Complete</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
<tr>
<td>Identify emerging and innovative performance practices</td>
<td>FY2019 Q3</td>
<td>Complete</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td>Delayed due to lapse in appropriations</td>
</tr>
<tr>
<td>Develop draft performance management framework based on feedback from experts for relevant grant categories</td>
<td>FY2019 Q4</td>
<td>On track</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
<tr>
<td>Highlight programs that demonstrate effective performance practices</td>
<td>FY2019 Q4</td>
<td>On track</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
<tr>
<td>Research examples of the grant programs that demonstrate effective performance practices that measure results</td>
<td>FY2020 Q1</td>
<td>On track</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
<tr>
<td>Publish resource(s) that includes best practices and templates to improve grant recipient and program performance</td>
<td>FY2020 Q2</td>
<td>On track</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td>Shift from pilot to development of future resource(s) that includes best practices and templates to improve performance management practices</td>
</tr>
<tr>
<td>Refine resource(s) and develop criteria for the waiver of compliance requirement(s)</td>
<td>FY2021 Q4</td>
<td>On track</td>
<td>Change</td>
<td>OMB, CFOC</td>
<td></td>
</tr>
<tr>
<td>Update OMB guidance, as needed based on recommendations</td>
<td>FY2021 Q4</td>
<td>On track</td>
<td>No change</td>
<td>OMB</td>
<td></td>
</tr>
</tbody>
</table>
Key Stakeholders

- Diverse stakeholders impact and are impacted by grants.
- Stakeholder input and insight is vital to the success of this effort.
- We need your help to improve federal grants management.

**CONGRESS**
The Senate and House of Representatives appropriate funds to Federal agencies for grants. They also propose and vote for legislation that impacts grants.

**OVERSIGHT COMMUNITY**
Includes Agency Offices of Inspector General, Government Accountability Office, etc. This community ensures that grant investments are a good use of government funds.

**FEDERAL AWARDING AGENCIES**
Over 28 Federal agencies award grants each year. They are responsible for implementation, measuring program success, and assessing financial impact.

**AMERICAN TAXPAYERS**
American citizens support grants programs through taxes that benefit programs in their communities.

**FUNDING RECIPIENTS**
Recipients receive Federal Grant funding each year to operate mission-driven programs.

**INDUSTRY PARTNERS**
Industry partners include groups such as associations, nonprofits, and vendors with vested interests in grants management.
Stakeholder Outreach

**O P P O R T U N I T I E S**

- Public comment on standard data elements
- Survey of Federal agency promising performance practices
- Industry Demonstration Days
- 1st Innovation Exchange Session

**S T A K E H O L D E R   E N G A G E M E N T**

- Received over 1,100 public comments from diverse stakeholders
- Input from 24 Federal Awarding Agencies on over 100 programs
- Interest from over 20 vendors and participation from 75 staff from diverse Federal Awarding Agencies
- Grant recipient shared best practices with over 160 Federal, state, local, tribal, education, and industry participants


Indicators will be developed to monitor progress towards standardizing data; leveraging digital tools and streamlining requirements to reduce recipient and agency burden; and improved risk-based performance management. Such as:

- Number of agency OMB approved information collection requests for grants reporting
- Number of recipient burden hours attributed to agency information collection requests
- Use of self-assessment data, such as percentage of Federal agency and recipient time dedicated to administrative and financial compliance requirements as compared to analyzing data to monitor results
The following organizations are supporting the accomplishment of the CAP goal:

- National Association of Public Administration (NAPA)
- Federal Demonstration Partnership (FDP)
- Association of Government Accountants (AGA)
- American Institute of Certified Public Accountants (AICPA)
- National Association of State Auditors, Comptrollers and Treasurers (NASACT)
- Council of the Inspectors General on Integrity and Efficiency (CIGIE)
- Data Foundation
- Center for Open Data Enterprise (CODE)
- Over 500 members of the Results-Oriented Accountability for Grants Community of Practice