



The State of Federal Grants Management

Current and Future Challenges and Trends

Table of Contents

Executive Summary 2

Key Findings 4

Part I:
People Insights: Challenges Grantors and Recipients Face 5

Part II:
Process Insights: Data, Reporting, and Compliance Challenges and Opportunities 9

Part III:
Technology Insights: Antiquated Technology Requires Digital Transformation 17

Part IV:
Conclusions and Takeaways 22



AGIA is the member organization for government financial management professionals. We lead and encourage change that benefits our field and all citizens. Our networking events, professional certification, publications, and ongoing education help members build their skills and advance their careers.

Executive Summary

The United States has entered a new era in federal grant making. In 2013, federal grants amounted to \$524 billion. Since fiscal year 2020, federal grants have exceeded \$1 trillion annually.¹ While the pandemic triggered unprecedented grant levels, legislation in the post-pandemic years is expected to maintain the high volume for years to come.

Combined, the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act, and the Creating Helpful Incentives to Produce Semiconductors Act (CHIPS) include \$1.2 trillion in new spending that increases funding opportunities as well as administrative burdens for federal grant recipients.² The escalation of grant funding raises critical questions at a time of workforce shortages across all levels of government:

- How will grant professionals cope with the increasing workload?
- Are current processes and technologies up to the task?

Given the changing grants management environment, Guidehouse and AGA collaborated on a survey of grantors and recipients to assess grant operations and functions within organizations, to better understand current and future challenges and trends, and to anticipate opportunities.

Methodology

A total of 142 respondents completed the survey. Of these respondents, 11 also participated in one-hour qualitative interviews.

- Recipients (only receive grants): **61%**
- Passthrough organizations (receive grants and provide grants): **26%***
- Grantors (federal agency): **13%**

* For the purpose of this report, grantors and passthrough organizations are referred to as “grantors,” and their answers have been combined.

¹ [USASpending.gov](https://www.usaspending.gov).

² Jeffrey A. Meyers, “Leveraging Federal Funds to Enhance Infrastructure Workforce,” Guidehouse, August 7, 2023.

The goal of the survey was to uncover insights into several concerns:

- What obstacles face grantors in quickly deploying new grant programs?
- What obstacles do recipients experience in applying for and managing grants?
- Where can technology improve grants management?
- How do grantors leverage data in decision-making?
- How can grant programs improve equity and sustainability?
- How are agencies responding to legislative requirements to address equity and improve customer experience?

This report shares our survey findings and analysis. Insights are organized into categories inspired by Harold Leavitt's Diamond model of organizational change,³ which recognizes that changes to one component likely affect others. While Leavitt's model accounts for tasks, people, structure, and technology, this survey made a commonly accepted modification in evaluating people, processes, and technology in an organization's grants management structure.



People: Examines challenges in operations as well as the right skills and experiences that allow people to facilitate successful grant life cycles.



Processes: Identifies whether effective methodologies are in place to perform grant activities in a compliant and efficient manner.



Technology: Investigates the technology for grantors and recipients to successfully manage their grant portfolios.

While available grant funding dollars increase at a faster pace than operational budgets, organizations often must do more without an increase in staffing resources. To advance their grants management processes to meet the demands, organizations must strive to identify obstacles and understand the ways technology can make a difference. This report highlights the challenges and opportunities and offers guidance to improve the grants management life cycle. While none of the recommendations are simple in today's environment, they have the potential to help grantors and recipients operate more efficiently and effectively, and achieve better outcomes.

³ Peter Karlson, "Is the 60-Year-Old 'People, Process, Technology' Framework Still Useful?" *Forbes*, December 29, 2022.

Key Findings

People



Recipients and grantors face similar challenges executing grants. They struggle with capacity gaps, inadequate skilled resources, unclear guidance, conflicting priorities, and antiquated technology. Recipients cited distinct application challenges, including expedited timelines, application process obstacles, delayed responses, and unclear selection processes.

Processes



Faster, more relevant technical assistance is critical to success. While recipients and grantors mostly noted the same challenges with technical assistance, they ranked them differently. Recipients also reported slow responses from grantors when seeking assistance.

Duplicative reporting is a complex problem. The majority of recipients complained about it, but only 15% of grantors regularly review their practices to reduce the issue for recipients, likely due to the capacity limitations noted above.

Data sharing is (largely) a missed opportunity. Data-based decision-making is rarely possible, because most grantors (64%) lack awareness of available data-sets or lack a formal process for data sharing (56%).

Technology



Antiquated technology systems hold back grantors and recipients. Approximately 36% of grantors and 71% of recipients use simple or no technology, whereas only 25% of grantors and 5% of recipients use automated workflows. A mere 18% of grantors and 25% of recipients collect and report on structured data.

The future of grants management will rely on advanced technology. Grantors want innovations to help with transparency throughout the granting life cycle (44%), determining the status of funds (38%), and evaluating and scoring recipient risk (38%). Recipients want technological tools to help manage the increased volume in grant funding (70%), to track funds (59%), and to support data-driven insights (48%). Bridging gaps in technological capabilities is critical. Over the next 12-18 months, as indicated by survey results, organizations will collaborate to find ways to address the problem.

Part I: People Insights: Challenges Grantors and Recipients Face

Introduction

Any successful grants management program depends on the people who run it. They review new appropriations, design programs, develop selection criteria, conduct awards processes, monitor programs, and help drive grant outcomes. Grantor organizations may also provide technical assistance throughout the grant life cycle.

Similarly, in recipient organizations, staff members are vital to success. They run research grant programs, submit applications, execute grant awards, and report on grant progress and outcomes. Recipients are expected to perform these actions as well as balance complex compliance requirements and maintain overall program integrity.

The National Grants Management Association (NGMA) survey⁴ recently found that 70% of grants managers believe having qualified staff is the most significant success factor in grants management. While technology and processes are clearly important, the NGMA research findings underscore the opinion of the profession that people remain foundational to grants management.

In this section, we examine recipient feedback on specific challenges experienced when applying for funding that prevent grantors from delivering grant programs expediently. The survey results offer guidance to grantors and recipients for their collaborative efforts to increase program velocity.

Applicants Face Challenges Applying for and Executing Grants

Applying for a grant is time-consuming and complicated.

Many potential recipient organizations are already at capacity. Applicants are often performing multiple functions in the entity, sometimes managing existing grants, directing operations, and applying for new grants all at once. Being perpetually overstretched magnifies application challenges.

Obstacles in the grant application process include:

- Capacity gaps: **58%**
- Expedited timelines: **51%**
- Multiple grant programs with conflicting priorities: **32%**
- Lack of timely communications from grantors on program updates and changes: **28%**
- Antiquated technology: **28%**

⁴ Morgan, Heather. "Current State of Grants Management," REI Systems, March 9, 2023.



Recipient challenges continue after receiving grants. A majority (58%) of recipients reported lacking skilled resources or capacity to execute grant awards, and struggling with expedited timelines (51%).

Grantors could reduce some of these challenges with improvements like longer response timelines, standardized notices of funding opportunities, streamlined applications, and better technical assistance. The recipient experience could also be improved with access to more advanced technology within their organizations.

Recommendations:



Grantors and recipients share a critical need to invest in appropriate tools, training, and capacity building. Training is of particular importance to ensure all grants managers possess a shared understanding of processes and program management.



Grantors and recipients must design effective business processes and procedures that align with the faster pace of the grant life cycle.



Grantors and recipients would benefit from more frequent and timely communication. Grantors that incorporate varied communication channels, such as webinars, webpages with frequently asked questions, streamlined technical assistance, and more, should expand practices for processing applications that proved helpful during the COVID-19 pandemic.

Recommended Improvements in Customer Experience Desired by the Grants Community

TOP PRIORITIES

Grantors:

- Increase ease of application or reporting by pre-populating information.
- Provide clearer guidance.
- Standardize requirements and definitions for government-wide grant application processes.
- Develop more intuitive processes, technologies, and systems.

Recipients:

- More intuitive processes, technologies, and systems.
- Standardized requirements and definitions for government-wide grant applications.
- Clearer guidance.
- More technical assistance throughout the grant life cycle.



“Taking all the information from each application’s progress reports, rolling up progress report information into performance data, making that performance data roll up into the strategic plan, the goals, and objectives—those connections don’t exist.”

– Grantor

Grantors Challenged to Design and Execute Grants

COVID-19 programs required an accelerated funding cycle that strained many grants management teams. But the expedited timelines of the pandemic remain in place for newer grant awards. Grants in areas such as infrastructure, climate change, and disaster recovery and mitigation also come with tighter timelines. What began as a temporary environment of urgency transformed into a culture of urgency for many.

Grantors struggle with this velocity. Survey respondents reported several obstacles in keeping up with faster program rollout, including:



Handling volume of questions and clarifications from recipients



Managing multiple programs with conflicting priorities



Lack of standard business processes



Inability to effectively design programs



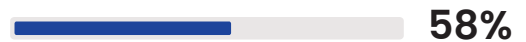
Grants professionals face numerous challenges that delay grants, including:



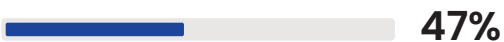
Unclear language and requirements in new laws, regulations, and appropriations



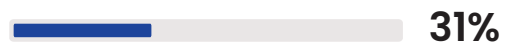
Lack of sufficient staff or skills



No standard cross-agency or cross-government metrics



Inability to define outcomes using quantifiable metrics



No standard cross-program metrics



New regulatory requirements that continue to add evaluation requirements to awards exacerbate grant timeline pressure. Meeting increasingly complex compliance reporting metrics requires more data, which can be overwhelming for both grantors and recipients. However, our survey points to clear solutions.

Recommendations:



Grantors should request that the various federal oversight entities develop comprehensive, standardized guidelines to uniformly meet new requirements and regulations.



Grantors would benefit from organization-wide standard operating procedures and staff training to ensure new programs address new regulations.



Grantors and recipients should leverage the latest resources to help communities navigate, access, and deploy federal funding:

- White House Fact Sheet on New Technical Assistance Resources from the Investing in America Agenda⁵
- White House Technical Assistance Guide⁶

COFFA Can Help Grantors



Grantors should seek out interagency working groups to help drive standardized processes for applications, review, selection, and reporting. The newly established Council on Federal Financial Assistance (COFFA) aims to ensure federal grantors operate their grant programs in an efficient, effective, and equitable manner, while also reducing administrative burdens on grant applicants and recipients.⁷

Proposed Legislation

The proposed Streamlining Federal Grants Act⁸ could be part of the solution to some grant-related issues. It provides guidance to federal agencies to:

- Streamline their grant application processes.
- Make notices of funding opportunities easier to understand.
- Update systems used to apply for and manage grants.
- Implement common data standards for grant reporting.

⁵ [“FACT SHEET: White House Releases New Technical Assistance Resources to Help Communities Unlock Opportunities from President Biden’s Investing in America Agenda.” The White House Briefing Room](#)

⁶ [“Technical Assistance Guide.” The White House.](#)

⁷ [Shalanda D. Young, “Establishment of the Council on Federal Financial Assistance,” Executive Office of the President, Office of Management and Budget, August 9, 2023.](#)

⁸ [U.S. Senate Committee of Homeland Security and Governmental Affairs, “Peters, Cornyn and Lankford Introduce Bipartisan Bill to Help Improve the Federal Grant Application Process,” July 17, 2023.](#)

Part II: Process Insights: Data, Reporting, and Compliance Challenges and Opportunities

Introduction

With grantors distributing \$1 trillion annually, accountability is critical. Processes to manage, track, and report on funding must follow statutes and regulations, but many of the regulations are confusing. For example, the survey asked grantors and recipients whether they struggled to understand the language used in common government-wide regulations, requirements, and appropriations that govern grant programs. Both groups said yes.

Over 69% of grantors indicated they struggle primarily with 2 CFR Part 200, also known as the Uniform Guidance. They also struggle with single audits (58%), the Build America, Buy America Act (42%), and the IIJA (33%). Meanwhile, recipients said they struggle with the Uniform Guidance (44%), single audits (31%), the Davis-Bacon Act (31%), and the Build America, Buy America Act (31%).

Though additional federal guidance to relieve many of these challenges is forthcoming, the pattern of unclear regulations for grantors and recipients is evident. In this section, we will look at other process challenges grantors and recipients currently face and ways to tackle them.

Technical Assistance

The technical assistance provided by grantors only partly meets the needs of recipients, a reality that slows down the grants management process. When asked about their technical assistance needs in applying for and executing grants, recipients said their top three needs involve unclear reporting, inconsistent regulations, and untimely responses by grantors, as well as some other significant concerns:



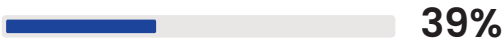
Unclear reporting for each federal system and program



Unclear grant regulations and programmatic requirements



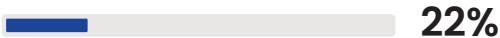
Untimely responses from grantors on technical determinations and changes



Lack of understanding of the evaluation and award selection process



Lack of understanding of on-site and desk review procedures and requirements



Inconsistent or unclear program impacts and outcomes



Lack of guidance on single audit and compliance supplement actions



Survey findings show grantors' technical assistance is not aligned with the needs of recipients, though some overlap does exist. Grantors prioritize:



Improving compliance with program regulations



Improving clarity around reporting requirements



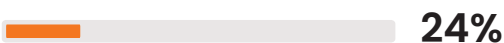
Improving quality of applications



IT assistance



Greater transparency into application selection processes



The differences in the way grantors and recipients prioritize technical assistance needs are meaningful. Grantors should seek to adjust their priorities to align with recipients' greatest needs. One area of particular concern is the timeliness of responses from grantors. If recipients do not receive timely responses, a number of negative outcomes, such as fewer applications or non-compliance in reporting on grant expenditures, are more likely to occur.

According to a recent U.S. Government Accountability Office (GAO) study,⁹ technical assistance is critical in improving the performance and management of grant programs. Improvements in this area are essential to improving all areas of the grant life cycle.

Complex Reporting Requirements Hinder Recipients

Question: Which area(s) of reporting presents the greatest risk of noncompliance to your organization?

- Reporting program outcomes and/or impacts: **52%**
- Progress or performance reports: **46%**
- Financial reports: **29%**
- Property reports: **24%**

Recommendations:



Grantors should customize their technical assistance modes to meet the needs of their recipients, particularly as grantors attract new recipients to realize equity and climate goals. Customization could include one-on-one instruction, emails, live group events, and web-based guidance.



Grantors can reduce the need for technical assistance by increasing transparency into their application, evaluation, and review processes. They should emphasize their assistance for recipients in measuring and reporting program impacts and outcomes, which will benefit both recipients and grantors.

⁹ U.S. Government Accountability Office, "Grants Management: Agencies Provided Many Types of Technical Assistance and Applied Recipients' Feedback," August 11, 2020.

Duplicative Reporting Is a Complex Problem

Recipients are in a resounding agreement on a particular process inefficiency: 75% complained about duplicative reporting. Grant recipients spend 35% of their work time administering their grants, according to the survey. A portion of the administrative duties concern duplicative reporting, whether it involves one federal agency or many. Duplication can be as simple as inputting common data elements, such as their unique entity ID (UEI), contact information, or financial information, over and over; or as complicated as providing similar outcome and performance metrics to multiple agencies in slightly different formats.

Despite recipients' concerns, the survey found only 15% of grantors regularly review duplicative reporting. The minimal amount of review is likely due to grantors' capacity limitations, which speaks to the intransigence of this issue. After receiving a complaint, nearly half (47%) of recipients saw no change in duplicative reporting, while 14% saw improvements with only limited impact.

Reducing recipient burden is, however, something grantors are capable of achieving with the right strategies. Since reduced burden is a key part of the GREAT Act's¹⁰ standards, grantors should be working on the problem. A U.S. Department of Health and Human Services (HHS) study¹¹ showed that reducing the recipient reporting burden increased the accuracy of recipient reporting. In addition, the president's 2021 Diversity, Equity, Inclusion, and Accessibility¹² Executive Order explains how a reduction in reporting burden particularly helps underserved communities.

Recommendations:



If grantors would standardize reporting across programs and agencies, it would reduce recipients' reporting time and lead to better data transparency and opportunities to compare grant effectiveness.



Grantors could streamline reporting by building autofill and prefill functions for repetitive or commonly available data. Taking this step would reduce reporting time and keystroke errors due to manual data entry.



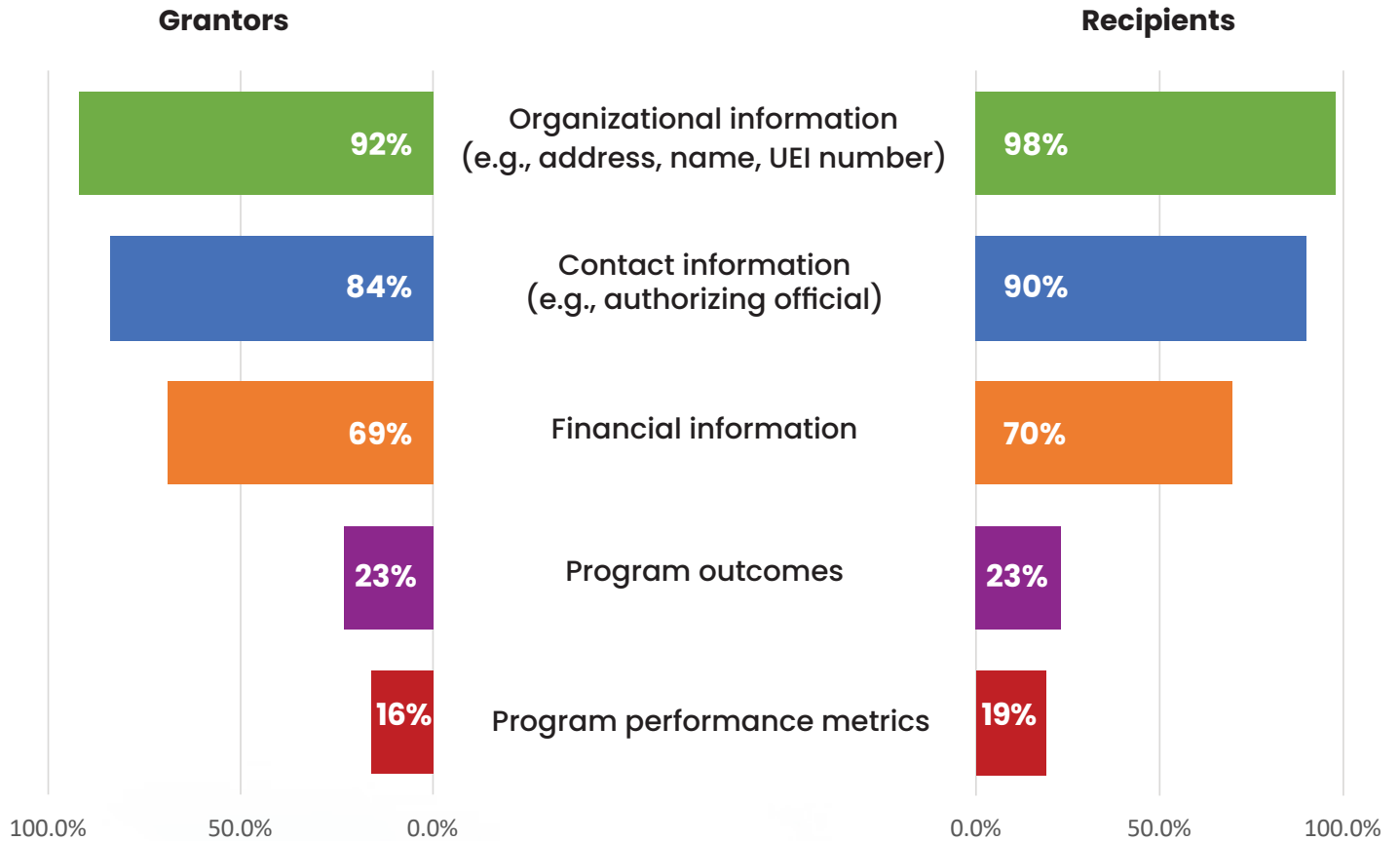
Grantors should utilize centralized data sources, which enable recipients to consistently report common data elements. It would also allow grantors to consistently track information and prevent duplicative or erroneous reporting.

¹⁰ U.S. Government Accountability Office, "Pilot Effectively Tested Approaches for Reducing Reporting Burden for Grants but Not for Contracts," April 2019.

¹¹ The White House Briefing Room, "FACT SHEET: President Biden Signs Executive Order Advancing Diversity, Equity, Inclusion, and Accessibility in the Federal Government," June 25, 2021.

¹² 116th Congress, "H.R. 150 - Grant Reporting Efficiency and Agreements Transparency Act of 2019," December 30, 2019.

Duplicative Data Elements Reported Across Awards



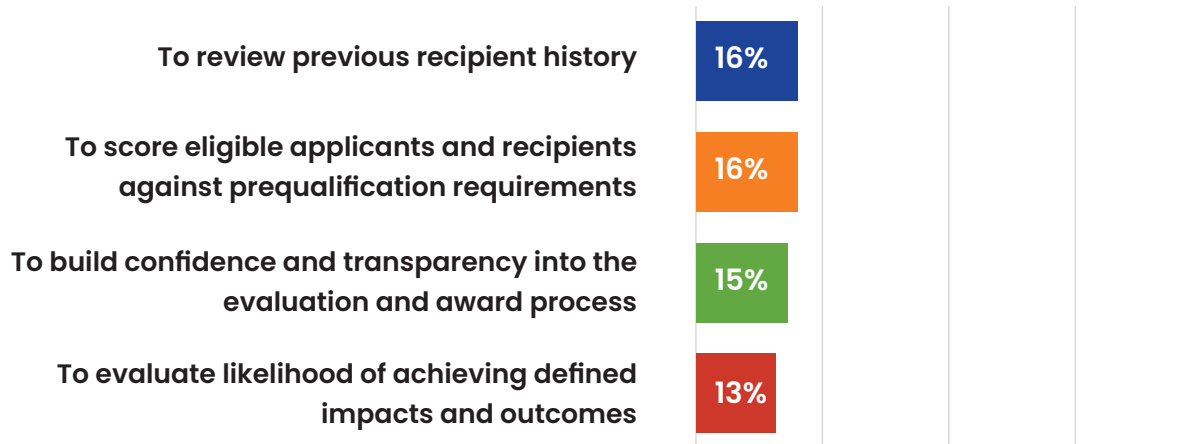
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“A key part of standardization can just be coming to a common understanding of the definition. For example, if I use the word ‘cooperative agreement,’ we would not consider interagency financial assistance ‘cooperative agreements,’ but other agencies would. If we can’t get the definitions lined up, then standardization is somewhat clouded.”

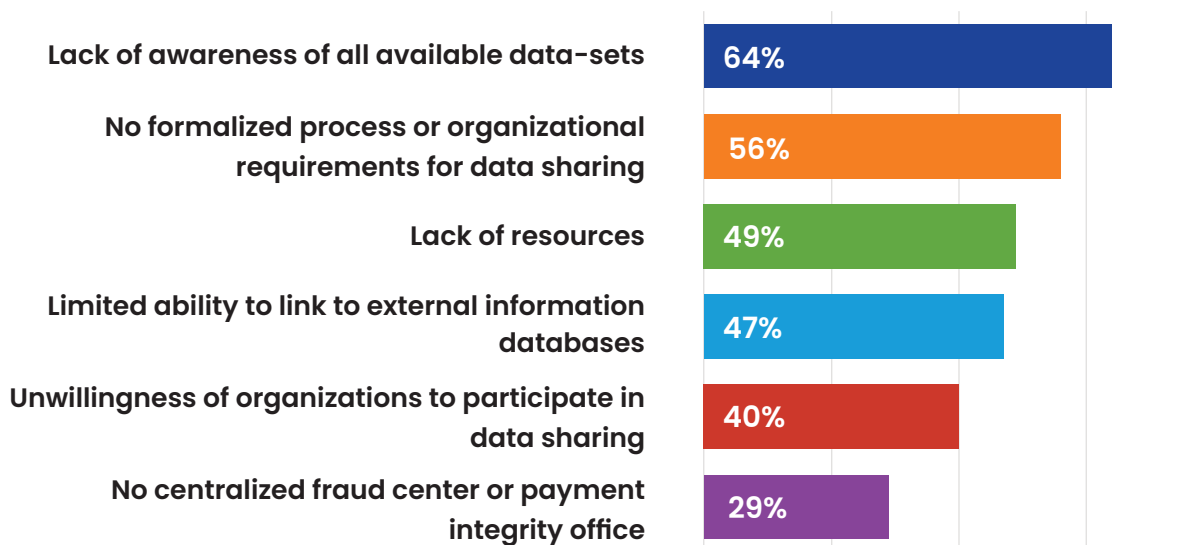
– Grantor

Data-Sharing Challenges and Opportunities

Data can enable better-informed decisions. Nevertheless, the survey indicates grantors find data helpful, but their use of it is notably limited. Fewer than a fifth of grantors said they used data for the following aspects of the grants process:

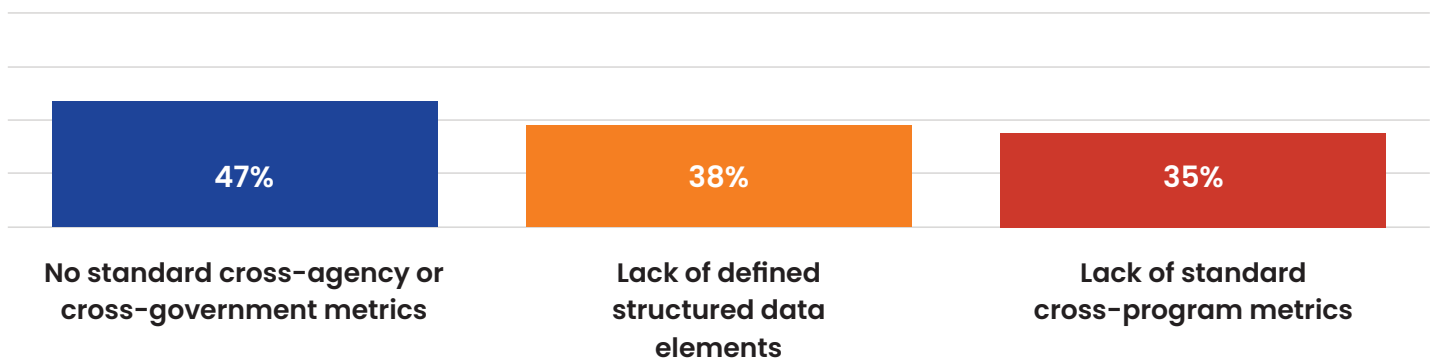


Grantors reported difficulties in accessing data that would enable them to make more informed decisions. Their challenges included:

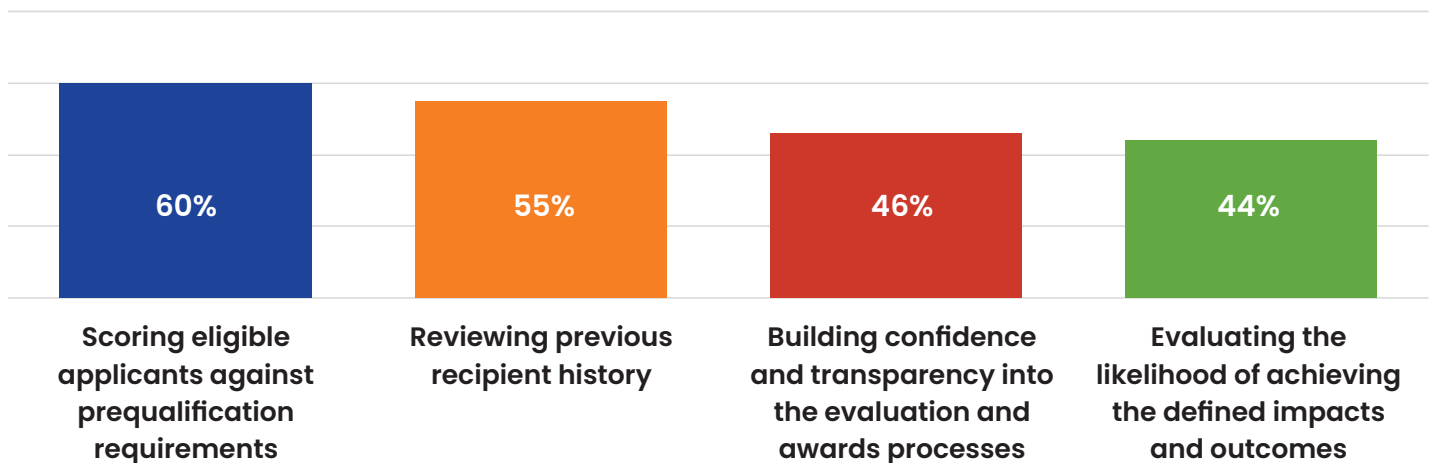


What can be done to improve data use in funding decisions? One solution is to augment awareness of data-sets. The survey found that only 33% of recipients used Treasury’s Do Not Pay list, which identifies organizations the federal government has flagged for fraud or other concerns. However, centralizing the data in a system most grantors already use, such as SAM.gov, utilized by 87%, could be a more efficient solution.

Data standardization could help centralize data. Although data standardization is not easy, beneficial tools are available. A good example is the Federal Integrated Business Framework (FIBF) for Grants Management,¹³ but many grant professionals aren’t aware of it. In fact, grantors reported that despite existing standardization policies, the following issues remain difficult for them:



Despite limited access to data-sets and ineffective use of existing data standardization policies, grantors said they value the data they use in decision-making and in critical stages of the grant life cycle, which include:



¹³ [U.S. General Services Administration, Federal Integrated Business Framework.](#)

Nonetheless, the detriments of antiquated data practices are clear, heightened by pressure for increased data transparency from two laws: 1) the Open Government Data Act, which requires agencies to publish information online, and 2) the Digital Accountability and Transparency Act (DATA Act), which aims to increase transparency in federal expenditures. Reports on progress toward the goals of these unfunded mandates registered concern that many agencies have yet to meet all of the requirements of these acts.¹⁴

The Evidence-Based Policymaking Act¹⁵ and the proposed Congressional Evidence-Based Policymaking Resolution¹⁶ will likely increase scrutiny of data sharing and data decision-making processes.

Top Data Sources Used in Assessing Risk in Grant Decision-Making

Grantors

- State payment systems: **60%**
- SAM.gov: **87%**
- Treasury Do Not Pay: **33%**
- Federal payment system (e.g., Delphi, UFMS, PMS, ARC): **29%**
- USAspending.gov: **26%**
- GrantSolutions Recipient Data Insights: **26%**
- Other: **18%**
- FAPIIS: **13%**
- TAGGS.gov (HHS system): **9%**

“

“Data quality is where we need a bit of help in grants in the future. It’s not just having a standard field; it’s having a standard way of determining what information goes in that field.”

– Grantor

¹⁴ U.S. Government Accountability Office, “As Reporting Deadline Nears, Challenges Remain That Will Affect Data Quality,” April 2017.

¹⁵ Office of the Assistant Secretary for Planning and Evaluation, “Implementing the Foundations for Evidence-Based Policymaking Act at the U.S. Department of Health & Human Services,” U.S. Department of Health and Human Services.

¹⁶ “Fact Sheet: Congressional Evidence-Based Policymaking Resolution,” Data Foundation, May 26, 2023.

Part III: Technology Insights: Antiquated Technology Needs Digital Transformation

Introduction

Federal grants management technology is widely varied and, in most cases, antiquated and out of date. Old systems come with new costs for several reasons. First, vendors often do not support the outdated software. Also, new hardware is expensive, hard to fund within budget constraints, and difficult to impossible to incorporate into legacy systems.

Grantors use over 150 grants management IT solutions across 51 awarding agencies and more than 1,500 grant programs.¹⁷ Most are highly customized systems with limited interoperability, causing a disjointed recipient experience. These fragmented legacy systems are also costly: The federal government spends more than \$100 billion on IT investments annually.¹⁸ About 80% of the spending usually goes to the operations and maintenance of existing legacy systems.

The Grants Quality Service Management Organization (QSMO) Marketplace¹⁹ for technology solutions provides grantors a path to overcoming obstacles. The Marketplace offers services and solutions aligned to the FIBF²⁰ for grants management. These validated offerings provide support throughout the grant life cycle.

As grant transaction volumes rise, the federal government has prioritized solutions to grant technology challenges with a focus on customer experience and the development of initiatives like Grants QSMO. However, system consolidation and modernization efforts are not able to keep pace with grant volume growth rates.

This section examines current technology challenges for grantors and where grants management technology is headed.

Antiquated Technology Holds Back Grantors and Recipients

Currently, the grants management life cycle is relatively low-tech. Many grantors only use simple technologies, with very few using advanced technology that generates advanced analytics or automates workflows.

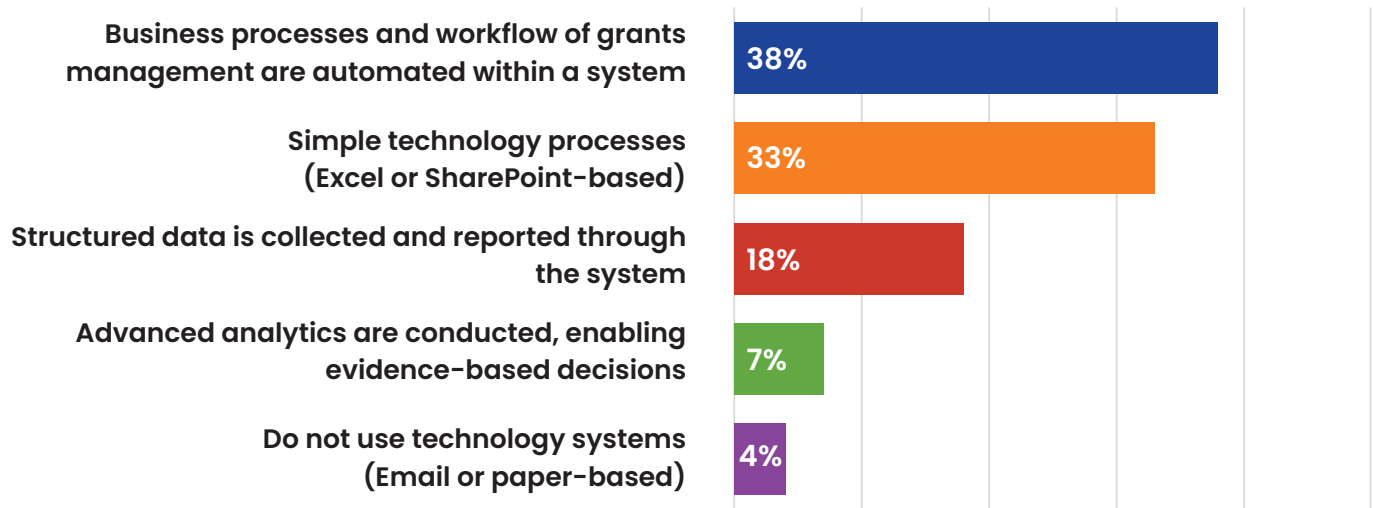
¹⁷ [Grants Quality Service Management Office \(QSMO\): Striving to Improve the Federal Grants Management Experience.](#) NGMA 2023 Annual Grants Training, Washington, D.C.

¹⁸ [U.S. Government Accountability Office, "Information Technology: Agencies Need to Continue Addressing Critical Legacy Systems." May 10, 2023.](#)

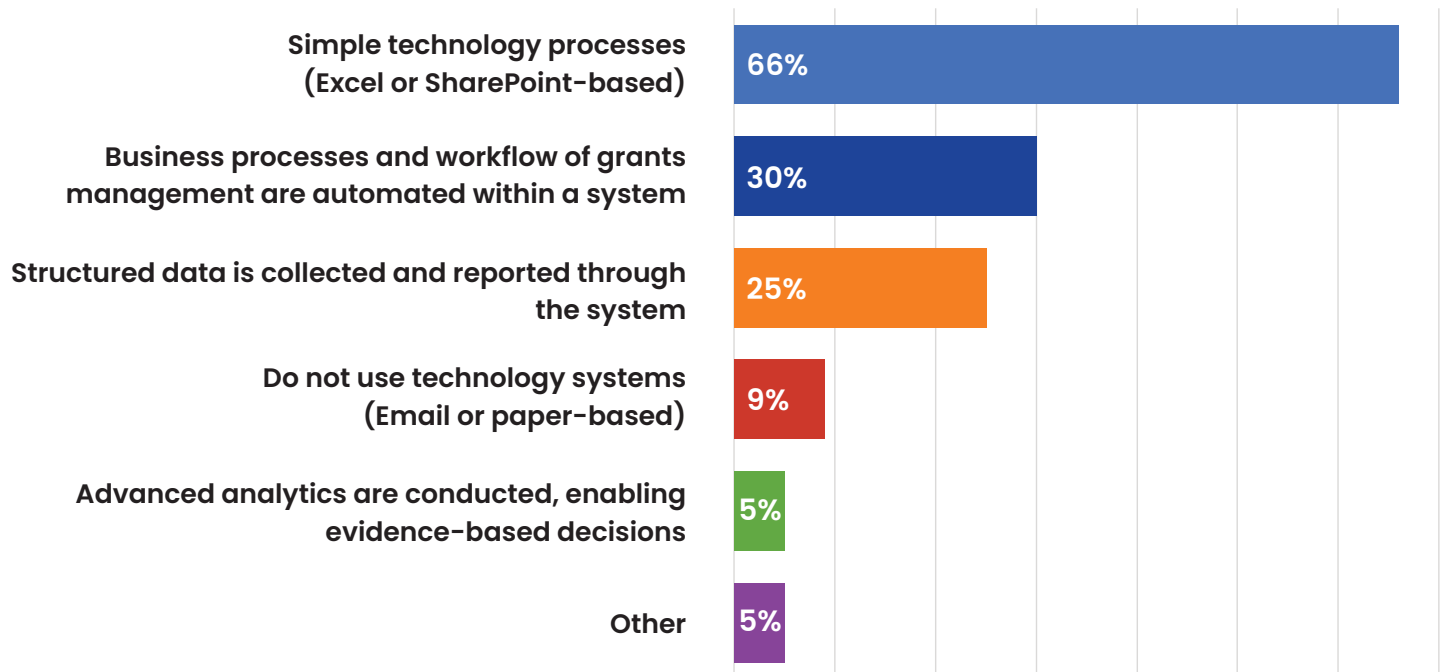
¹⁹ [U.S. General Services Administration, Grants Quality Service Management Office \(Grants QSMO\) Marketplace.](#)

²⁰ [U.S. General Services Administration, Federal Integrated Business Framework \(FIBF\) Grants Management.](#)

Among grantors, 37% of respondents use simple (e.g., Excel or SharePoint) or no technology systems, and only 7% of grantors implement advanced analytics. Our survey showed the following technology usage for grantors:



Recipients reported even less advanced technology use in preparing applications and managing grant dollars. A majority (75%) use simple or no technology systems. Our survey showed the following technology usage for recipients:



Grantors and recipients are missing opportunities to scale funding with the help of advanced technology solutions. Outdated systems also drive noncompliance. In the last several years, GAO has stated the critical importance of system modernization for organizations like the Department of Homeland Security.²¹ GAO also has highlighted the risk in outdated systems to allow compromised data²² and affect reporting under the DATA Act.

Recommendations:



Grantors should improve advanced analytics capabilities to support evidence-based decision-making, as well as enhance recipients' customer experience. Making advanced analytics and automated workflows available to recipients enables improved grant portfolio management, data-set analysis, and reporting.



Grantors and recipients should accelerate the adoption of technology solutions to automate higher-level functions, such as recipient risk assessment, single audit process management, and entity validation. Grants professionals, then, could more efficiently manage risks while reducing fraud, waste, and abuse.

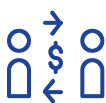



Agencies should identify and prioritize modernization opportunities that minimally disrupt operations but drive maximum output. Upgrades could include digital grant life cycle administration and management technology.

Bridging Technology Gaps


As grantors try to tackle the increasing volume of grants and regulatory requirements by upgrading technology, our survey showed they focus on improving a few core areas of the grants management life cycle.

Many seek solutions that provide administrative relief, simplify the grants life cycle, and facilitate informed decision-making. At the top of their wish list is technology that provides end-to-end transparency, including award progress tracking, multilevel approvals, and funds tracking. The wish list includes:




End-to-end transparency of grant life cycle
 **44%**



Status of funds
 **38%**

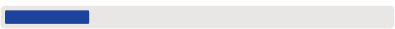


Recipient risk evaluation and scoring
 **38%**



Single audit
 **35%**



Applicant and entity verification and validation
 **22%**

²¹ U.S. Government Accountability Office, "Information Technology: DHS Needs to Continue Addressing Critical Legacy Systems," May 31, 2023.

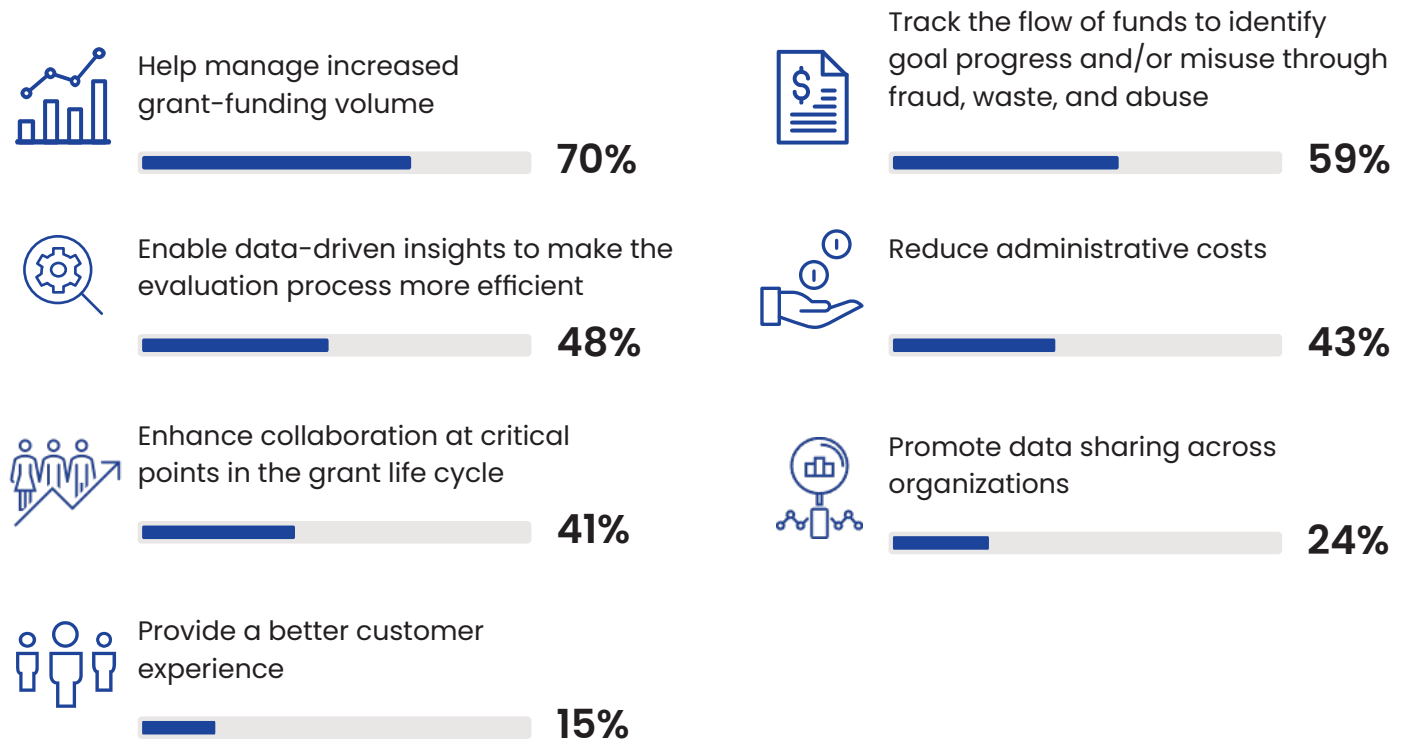
²² U.S. Government Accountability Office, "As Reporting Deadline Nears, Challenges Remain That Will Affect Data Quality," April 2017.

Over the next 12-18 months, collaboration and transparency will be the top focus of grantors trying to bridge their technology gaps, with an emphasis on creating more accountable decision-making, award status updates, approvals, and fund disbursements. When asked to rank their priorities, the survey results highlighted the following actions:

1. Enhance collaboration at critical points in the grant life cycle.
2. Improve the ability to handle increases in the volume of grant funding.
3. Reduce administrative costs.
4. Systematically track the flow of funds to identify goal progress and/or misuse through fraud, waste, and abuse.
5. Promote data sharing across organizations.
6. Enable data-driven insights to make the evaluation process more efficient.
7. Provide a better customer experience.

Recipients, meanwhile, most want technology solutions to help manage increasing amounts of grants funding. They also want solutions that deliver more transparency in the flow of funds to support planning.

The survey revealed recipients find current technology does not address their needs. They would prefer solutions to:



Grantors and recipients agree: Technology solutions that facilitate data-driven insights make the overall evaluation process more efficient.

Recommendations:



Grantors and recipients should work to earn buy-in from senior leadership on technology investments by demonstrating how automation could help grantors manage increased grant volume without adding staff.



Organizations should leverage funding from legislation like the IIJA, which provides billions for state and local governments to modernize their technology infrastructure.²³



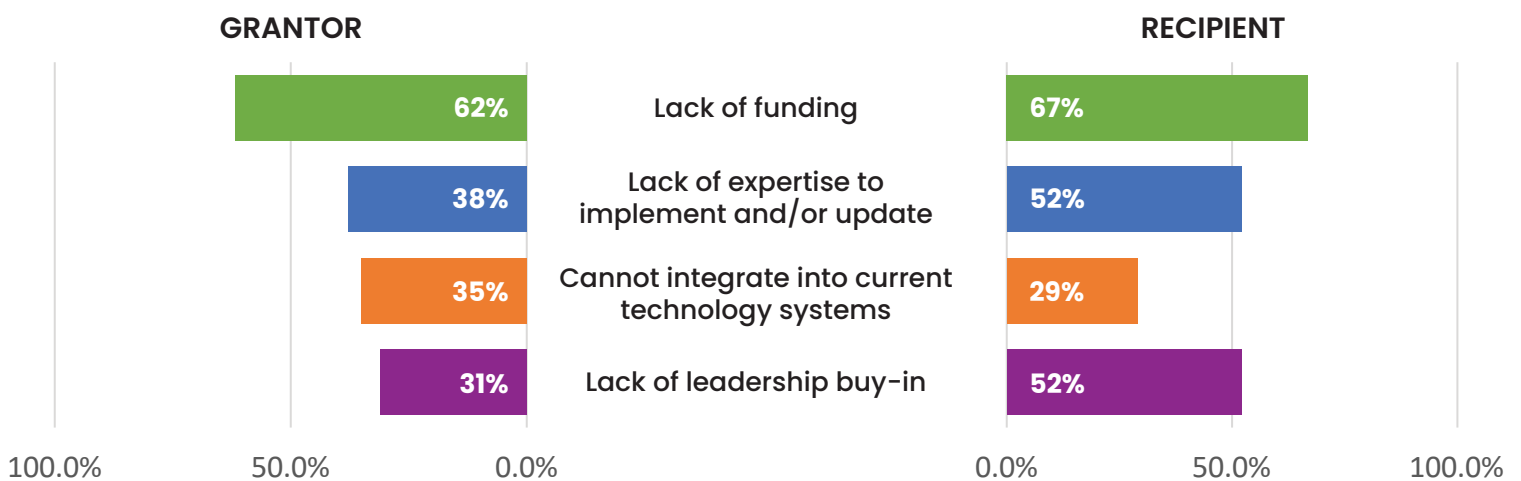
Grantors and recipients should focus on technology that improves efficiency and accuracy to help their organizations scale grant programs and reporting.



Grantors can turn to Grants QSMO Marketplace for technology solutions. Non-Marketplace IT investments should align with its Seven Guiding Principles for Grants Technology Modernization:

1. Central focus on customer experience and improved mission delivery.
2. Adoption of business and data standards.
3. Adherence to security and technology standards.
4. Making purposeful and strategic investments.
5. Commitment to balancing innovation with stability of operations.
6. Employment of Agile development of interchangeable, interoperable solutions.
7. Use of data as a strategic asset.

What's Impeding Technology Modernization?



“Everybody says, ‘Oh, I have this system. It’s on life support. I need a new system.’ But I think we’re picking up and moving the same requirements instead of figuring out new requirements. I think that’s the big thing. As we start to employ technology, we’re not really using it to its fullest extent.”

– Grantor

²³ Government Technology, “The Executive’s Guide to IIJA Funding for Technology,” September 12, 2022.

Part IV: Conclusions and Takeaways

The growth of grants over the last decade is expected to continue.

Grant programs have not only grown in dollars spent, but also expanded in the complexity of their requirements and regulations. The intricacies will only intensify as grant programs try to address critical topics like equity and climate change.

How can grants professionals advance grants management? In light of our survey results, we recommend the following steps to prepare:



Streamline and Standardize the Grants Management Life Cycle

Building a more effective, equitable future for federal grants management will require advances in all three areas of this report's focus: people, processes, and technology. As these areas are intertwined, improvements in each one will benefit the others. These changes cannot happen in silos. Grantors and recipients must work together to address shortcomings. While this work will require dedication and resources, it will provide a significant return on investment.



Create Data-Sharing Guidelines for Data-Driven Decision-Making

Leveraging data in decision-making is essential. Create processes for data sharing, build lists of available data-sets, and reward data-driven programs. Organizations can look to existing standardization guidance and centralized databases to ease the burdens of these tasks.



Tackle Duplicative Reporting

Grantors must prioritize regular reviews of duplicative reporting to eliminate unnecessary burdens on recipients. Recipients would no longer need to send the same information to different agencies because their grant programs require slightly different formats, and it would improve the timeliness and accuracy of applications and reporting. With streamlined reporting guidelines, recipients could spend less time reporting and more time focusing on the grant projects they run.



Upgrade Antiquated Technology

While insufficient funding may impede new technology implementation, inefficient technology increases avoidable costs for grantors and recipients. Organizations should leverage available funding, including IJA funds, to upgrade grants management technology. These investments will reduce human resources costs so grantors and recipients can more easily achieve program metrics.



Overhaul Customer Experience to Attract More Applicants

Recipient experience matters. It can shed light on burdens that can prevent qualified would-be recipients from completing applications. Grantors should closely examine complex processes, unclear guidance, and the lack of standard definitions and requirements, and take steps to eliminate these obstacles. Solutions include streamlined communications and improved response times to recipient questions.



Look Ahead to Future Grants Management Trends

Even as grantors and recipients work to tackle current grants management challenges, some emerging trends will present new obstacles. Be prepared.



Eliminate Bias Through Transparency

Current attention on assisting diverse communities and recipients, driven by Executive Orders, the Justice40 Initiative, and more, spurs grantors to reach new recipient pools. Recipients prioritized the changes they would like to see grantors make:

- Develop clear, equitable prequalification guidelines.
- Practice transparency and clear communication in the grant announcement and evaluation processes.
- Eliminate potential biases in the review process.



Get Started on Climate-Related Grants and Reporting

The federal effort to reduce greenhouse gas emissions and report climate risks may lead to changes in grants management in tracking and reporting sustainability, mitigation, and resilience. However, only 33% of grantors are currently working on more robust disclosures of climate-related risks for recipients. Grantors should begin to develop a strategic plan with agencies to integrate climate-related reporting into the grants process.

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This online survey was conducted by AGA and Guidehouse in March and April 2023. It draws on the responses of 142 grants professionals across federal grantors and grantee organizations. Eleven in-depth qualitative interviews were also conducted.



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