



Did you know that there are more than 24 federal agencies that obligated hundreds of billions of dollars to more than 17 different types of applicants, including state and local governments, private non-profits and small businesses?

With agencies obligating grant funds to so many different types of applicants, it is important that performance measures are in place to track how these applicants use the funds.

Peering through the Crystal Ball: How an Agency Can Proactively Manage a Grant Program's Success

Is your grant program meeting its intended goals? What actions are you taking to ensure the success of your grant program?

Grant-making agencies often grapple with how to determine whether their grant program is tracking toward its mission, and whether or not adjustments need to be made in order to meet its goals. Determining the success of the grant program does not happen at one point in the grant life cycle, but occurs throughout the life cycle, from Pre-Award through Closeout. An agency can benchmark performance measures throughout the life of a grant to determine the success of its grant program. Grant-making agencies routinely collect data points that may not individually allow the agency to improve decision-making, but when aggregated can aid both the agency and recipients in successful execution in the use of funds. Agencies should develop an approach for determining which performance measures are pertinent, weigh their importance, and aggregate the information using full life cycle tracking of the recipients. Through comprehensive tracking of a recipient's performance measures, agencies will be able to implement effective monitoring strategies throughout the grant's life cycle and make sound management decisions that improve successful oversight and execution of grant funds.

What Clues to Look for: Determining Performance Measures to Leverage

Before an agency can evaluate a grant program through performance measures, it needs to determine which performance measures it should track by considering the following:



What performance measures are most pertinent to our grant program?



Are there performance measures from other areas of the agency that can be cross-leveraged for use in evaluating the grant program (e.g., other grant program)?



What value does our agency place on a recipient's scoring against these performance measures?



What effect will negative performance outcomes have on the recipient's ability to receive future funding from the agency?

There are several performance measures that can be tracked for any grant program, based on traditional application information, regulatory/statutory requirements, etc. Below are some of the common data points on performance measures that are collected as part of the grant life cycle:



Outcome-Focused Measures/Agency Priorities:

Agencies can tie the success of a grant through review of the desired outcome of the grant. For example, a more skilled workforce can be determined by measuring how many PhD candidate-level students obtained their degree.



Recipient Demographics:

As part of the grant applications, recipients must designate information on their organization, including the type of applicant (state/local, tribal, private nonprofit, etc.), where the applicant is located, the applicant's area of expertise (healthcare, law enforcement), etc.



Number of Amendments:

The number of adjustments made to the grant award can be an indication of the recipient's ability to use the allotted funds in the agreed-upon timeframe.



Results of Past Monitoring Activities:

Agencies perform enhanced monitoring activities (site visits, desk reviews, single audits) to review a recipient's financial documentation as well as observe programmatic progress. The results of these enhanced monitoring procedures are maintained within a recipient's file.



Timeliness of Performance/Financial Reporting:

The timing of submission of financial and progress reports can be tracked to determine a recipient's compliance with grant program regulatory requirements.

All too often, agencies collect the required statutory/regulatory performance data and not the performance measures that focus on the outcomes of their specific grant program. In addition to the commonly collected grant performance measures, agencies should consider tracking additional performance measures that are specific to the needs of their grant program and office priorities, such as the following:

- Schedule or cost variances
- Frequency and timing of drawdowns
- Tracking of administrative expenses

Decipher Your Future: How to Leverage Performance Measures to Improve the Grant Program

Once agencies have identified relevant performance measures and determined a methodology for prioritizing importance of these measures, agencies can track these metrics to develop a comprehensive profile of each recipient. This profile can be leveraged to actively monitor the success of the grant program from pre-award through closeout. The following table outlines some ways that the recipient's profile will improve the success of the grant program:

Grant Program Improvement Techniques

Solicitation Modifications and Grant Program Outreach

Through an analysis of grant performance measures, agencies will be able to determine whether the grant program is meeting its objectives. For example, an analysis of performance measures for a grant program open to underserved communities may find that it consistently received applications from the same group of applicants. This analysis will allow the agency to refine the applicant requirements outlined in the solicitation and/or improve communication to the underserved communities this grant program aims to support. The use of grant performance measures can help promote diversity, equity, and inclusion of grant recipients to meet program objectives.



How can Guidehouse Help?

Guidehouse supported a strategic planning initiative to establish the Notice of Funding Opportunity (NOFO) Transformation Framework to guide the development of recipient activities and outcomes for inclusion in future solicitations. The NOFO transformation allowed the agency to target funding for applicants based on organizational capacity, reducing overlap, and duplication of efforts.

Pre-Award Risk Evaluation

The use of profiles allows agencies to better evaluate the recipient risk prior to the obligation of funds. By developing a profile of a recipient based on its history receiving funding, agencies can make an informed decision that can reduce the obligation of federal funds to recipients who routinely do not meet the grant program's objectives. Conversely, if recipients are required to receive funding via statutory requirements but are still deemed high risk, a comprehensive recipient profile can help agencies determine what special terms and conditions are placed on the grant award prior to the obligation of funds.



How can Guidehouse Help?

Guidehouse developed a Pre-Award Risk Assessment Tool that uses machine learning to analyze large datasets, detect patterns, and predict outcomes to inform grant-making agencies in their decision processes. This tool was used to fully automate risk assessment checks into the agency's application review process, reducing the time to perform a risk assessment.

Increased Monitoring

Through leveraging a data-driven profile of the recipient, agencies can implement stronger monitoring procedures on recipients that is targeted on qualitative and quantitative factors rather than through random sampling. These stringent monitoring procedures will not only aid the agency by providing greater oversight of funds, but also supports the recipients through additional technical support that might be required in order to achieve their goals.



How can Guidehouse Help?

Guidehouse supported an agency in the development of a post-award monitoring program that evaluates drawdowns for documentation compliance and improper payments. This program allows the agency to identify and recover improperly used funds in an effort to confirm that grant funds are used for their intended purpose.

Conclusion

Agencies collect a number of data points on grant recipients throughout the life of a grant. Individually, these data points may not provide much insight on the grant program's success, but together these performance measures allow agencies to determine whether the grant program is achieving its intended goals and meeting office and departmental priorities. Agencies must develop an approach for determining which performance measures to leverage, weigh the measures, and create comprehensive profiles of each recipient. Through these profiles, agencies can determine what measures they can take to make improvements to their grant programs. Through the use of performance measure evaluation, agencies can better safeguard funds while also meeting the objectives of the communities they wish to serve.