

July 2009

GRANTS
MANAGEMENT

Grants.gov Has
Systemic Weaknesses
That Require
Attention



GAO

Accountability * Integrity * Reliability



Highlights of [GAO-09-589](#), a report to congressional requesters

GRANTS MANAGEMENT

Grants.gov Has Systemic Weaknesses That Require Attention

Why GAO Did This Study

In response to the Federal Financial Assistance Management Improvement Act of 1999, the Office of Management and Budget (OMB), among other things, developed Grants.gov as the central grant identification and application portal for federal grant programs. OMB oversees the initiative and named the Department of Health and Human Services (HHS) its managing partner. Grants.gov officials have acknowledged noticeably degraded system performance, and grantees have reported difficulties submitting applications that have in some cases led to late or incomplete submissions and lost opportunities for both grantees and populations served. Through analysis of agency documents, a Web-based survey of federal grant-making officials, and interviews with agency officials and grantee associations, this requested report examines (1) the benefits of Grants.gov and applicant experiences with submitting applications, (2) the governance structure of Grants.gov, and (3) the range of agency policies for processing Grants.gov applications.

What GAO Recommends

GAO is making four recommendations to OMB to develop Grants.gov system performance measures, guidance clarifying the governance structure, a structured means for applicant input, and uniform policies for processing grant applications. OMB and HHS generally agreed with our findings and recommendations.

[View GAO-09-589](#) or [key components](#). For more information, contact Stanley J. Czerwinski at (202) 512-6806 or czerwinski@gao.gov.

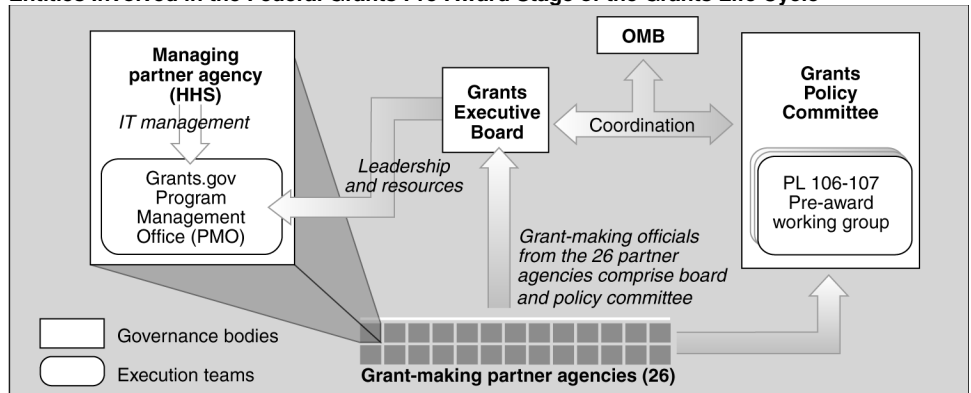
What GAO Found

Grants.gov has made it easier for applicants to find grant opportunities and grantors to process applications faster, but applicants continue to describe difficulties registering with and using Grants.gov, which sometimes result in late submissions. Grants.gov customer service staff do not always resolve these issues, especially during off-peak hours and peak submission periods.

Clear roles and responsibilities for the Grants.gov oversight entities and coordination among them are critical, yet insufficient, and there are no written policies for how these entities are to work with each other. HHS's Chief Information Officer and the Grants Executive Board (GEB) share responsibility for approving major initiatives and funding for Grants.gov, but there is little evidence that GEB-approved funding for Grants.gov is considered in HHS's review of Grants.gov as an IT investment. This created a disconnect between the services Grants.gov is to provide and the funding needed to purchase them. Untimely payment by the 26 agencies that fund Grants.gov also negatively affects system performance. After informing agencies that it was unable to pay its vendors, the Grants.gov Project Management Office (PMO) developed a system shutdown plan and implemented the first step—it eliminated Web site updates and moved all notices to the Grants.gov blog. Grants.gov also lacks performance measures for important aspects of the system. Finally, grantees lack a structured forum for input on the Grants.gov system and standardized governmentwide grant application policies, limiting grantees' ability to affect a system designed, in part, to streamline the grants application process and ease applicant burden.

Disparate agency policies on important aspects of processing applications—such as the criteria for granting appeals for late or incomplete applications and for what constitutes a timely application—burden applicants and sometimes puts applications submitted through Grants.gov at a disadvantage compared to applications submitted through other means, such as other electronic systems or the USPS.

Entities Involved in the Federal Grants Pre-Award Stage of the Grants Life Cycle



Source: GAO analysis of OMB data.

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Abbreviations

AAU	Association of American Universities
AOR	authorized organization representatives
CCR	Central Contractor Registration
CFO	Chief Financial Officers
COGR	Council on Governmental Relations
CPIC	Capital Planning and Investment Control
CSR	customer support representative
D&B	Dun & Bradstreet
DUNS	Data Universal Numbering System
EPA	Environmental Protection Agency
FACA	Federal Advisory Committee Act
FDP	Federal Demonstration Project
GEB	Grants Executive Board
GSA	General Services Administration
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
IRS	Internal Revenue Service
MPIN	marketing partner identification number
NGP	National Grants Partnership
NIH	National Institutes of Health
NSF	National Science Foundation
OCIO	Office of the Chief Information Officer
OMB	Office of Management and Budget
PMO	Program Management Office
POC	Point of Contact
USPS	U.S. Postal Service

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United States Government Accountability Office
Washington, DC 20548

July 15, 2009

The Honorable George V. Voinovich
Ranking Member
Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Edolphus Towns
Chairman
Committee on Oversight and Government Reform
House of Representatives

The Honorable Stephen F. Lynch
Chairman
Subcommittee on Federal Workforce, Postal Service, and the
District of Columbia
Committee on Oversight and Government Reform
House of Representatives

The Honorable Danny Davis
House of Representatives

Grants.gov¹ serves as the central grant identification and application portal for more than 1,000 federal grant programs that fund, for example, training, research, planning, construction, and the provision of services in areas such as health care, education, transportation, and homeland security. However, since Grants.gov's inception, the Grants.gov system administrators have acknowledged the technical limitations of Grants.gov; more recently, they acknowledged noticeably degraded performance, and applicants have reported difficulties in submitting applications through Grants.gov. In some cases, these issues have led to late or incomplete applications and lost opportunities for both grantees and the population that may have benefited from the grantee's programs and services.

In early March 2009, the Office of Management and Budget (OMB) highlighted the critical nature of Grants.gov by stating that the

¹<http://www.grants.gov/>.

implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)² could be hampered by the failure of Grants.gov, which had already been experiencing noticeably degraded performance. Noting that Grants.gov was at significant risk of failure because of the expected increase in application volume from Recovery Act grants, OMB instructed agencies to identify alternative methods for accepting grant applications to reduce demand on Grants.gov's limited resources.³ At least 10 agencies are temporarily accepting some or all applications through alternative methods⁴ during the Recovery Act peak filing period, which is expected to continue through August 2009. However, the expectation is that agencies and grantees will return to their reliance on Grants.gov for submitting applications as fiscal year 2010 approaches.

This report responds to your request to examine applicant experiences submitting grant applications through the Grants.gov Web site. To accomplish this, we reviewed the 1) benefits of Grants.gov and applicants' experiences when submitting applications; 2) governance and accountability structure of Grants.gov, especially with respect to setting policy and resolving performance issues; and 3) range of agency policies for processing Grants.gov applications, including late and incomplete applications. This report follows our April 2009 report on Grants.gov Recovery Act issues,⁵ in which we provided our initial observations on improving grant submission policies to help minimize disruptions to the grants application process during the Recovery Act's peak filing period.⁶

²Pub. L. No. 111-5 (Feb. 17, 2009). Recovery Act funds are being distributed to states, localities, other entities, and individuals through a combination of formula and competitive grants and direct assistance. Nearly half of the approximately \$580 billion associated with Recovery Act spending programs will flow to states and localities affecting about 50 state formula and discretionary grants as well as about 15 entitlement and other countercyclical programs. For Recovery Act grant opportunity postings, see <http://www.grants.gov/applicants/recovery.jsp> (accessed as of July 6, 2009).

³Office of Management and Budget, *Recovery Act Implementation—Improving Grants.gov and Other Critical Systems*, M-09-14 (Washington, D.C.: Mar. 9, 2009). For other OMB guidance related to Grants.gov, see Office of Management and Budget, *Improving Grants.gov*, M-09-17 (Washington, D.C.: Apr. 8, 2009).

⁴Alternative methods for applying include agency-specific electronic systems (i.e., non-Grants.gov electronic systems run by a grantor agency), e-mail, fax, and mail.

⁵GAO, *Recovery Act: Consistent Policies Needed to Ensure Equal Consideration of Grant Applications*, [GAO-09-590R](#) (Washington, D.C.: Apr. 29, 2009).

⁶OMB estimated the peak filing period to be April to August 2009.

The information presented in this report is based on our review of policies and procedures related to grant applications from the Grants.gov Program Management Office (PMO) and federal grant-making agencies. We also examined documentation from the Department of Health and Human Services (HHS), the Grants Executive Board (GEB), the Grants Policy Committee, and OMB.⁷ We conducted a Web-based survey in December 2008 and January 2009 of 80 agency officials representing the 26 federal grant-making agencies and subcomponents within those agencies that have distinctive grant application submission and processing policies. Throughout this report, we call these organizations grantor agencies.⁸ Our survey contained questions on agency policies and practices with respect to competitive grant application submissions, and questions on agency experiences assisting applicants who submit applications through Grants.gov. To design the questionnaire, we interviewed agency grant officials and pretested the survey instrument with five grantor agencies to ensure that the questions were clear and unbiased and that the questionnaire could be completed in a reasonable amount of time. When the survey closed in late January 2009, we had received responses from 74 grantor agencies for a response rate of 92.5 percent.⁹ For more details on how the survey was constructed, administered and analyzed for this report, see appendix I. We also conducted interviews with officials from the Grants.gov PMO, HHS, GEB, the Grants Policy Committee, and OMB. To obtain more information from the grantee perspective on using Grants.gov and other application submission methods, as well as agency submission policies, we reviewed documents from several associations representing communities of grant applicants and interviewed staff from these organizations.

⁷The Grants.gov PMO is in charge of the day-to-day management of Grants.gov. HHS is the designated managing partner of Grants.gov and has lead responsibility for the initiative. The GEB consists of representatives from the 26 grant-making agencies and provides strategic leadership and resources to Grants.gov. The Grants Policy Committee coordinates all federal grants policy recommendations to OMB. OMB provides oversight and guidance to Grants.gov and the other 23 E-Government initiatives.

⁸We worked with officials from the 26 grant-making agencies to determine if policies on submitting and reviewing grant applications are centralized at the agency level or if they differ within an agency by subagency or program office. We then administered the survey at the level where policies are established in order to capture differences among and within the 26 grant-making agencies. We identified 80 “grantor agencies” that have distinctive grant application policies.

⁹The 74 responses we received were from all of the 26 grant-making agencies.

We conducted our work from May 2008 to July 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Over 1,000 federal grant programs are disbursed and managed by 26 federal agencies and other federal grant-making organizations. Because of concerns about the burden on grantees of the varying requirements imposed by these different grant programs, Congress enacted the Federal Financial Assistance Management Improvement Act of 1999, commonly referred to by the grants community and OMB as Public Law 106-107.¹⁰ Public Law 106-107 sought to improve coordination among federal grantor agencies and their nonfederal partners. It required federal grant-making agencies to streamline and simplify the application, administrative, and reporting procedures for their programs. The act also required OMB to direct, coordinate, and assist agencies in developing and implementing a common application and reporting system that included electronic processes with which a nonfederal entity can apply for multiple grant programs that serve similar purposes but are administered by different federal agencies. Our previous reports have reviewed several aspects of Public Law 106-107's implementation, including 1) what agencies did to implement the law; 2) the coordination among OMB, the agencies and grantees; and 3) grantees' views of areas where the goals of the law had not been met.¹¹

In response to Public Law 106-107, OMB, among other things, created Grants.gov (initially known as e-Grants). Grants.gov was included among the E-Government initiatives designated in OMB's 2002 E-Government Strategy.¹² The Grants.gov Web site was deployed with both the "Find" and

¹⁰Pub. L. No. 106-107 (Nov. 20, 1999). Although we focus on grants and cooperative agreements in this report, the law covers all types of federal financial assistance.

¹¹GAO, *Grants Management: Additional Actions Needed to Streamline and Simplify Processes*, [GAO-05-335](#) (Washington, D.C.: Apr. 18, 2005) and GAO, *Grants Management: Grantees' Concerns with Efforts to Streamline and Simplify Processes*, [GAO-06-566](#) (Washington, D.C.: July 28, 2006).

¹²Office of Management and Budget, *E-Government Strategy* (Washington, D.C.: Feb. 27, 2002).

“Apply” tools on October 31, 2003, and was meant, in part, to improve the announcement and application stages (together known as the pre-award stage) of the grant-making process for grantees.¹³ Almost all federal discretionary grant opportunities are posted to the Grants.gov Web site; applicants can search for grant opportunities by agency or across agencies using the “Find” mechanism.¹⁴ Many grant announcements include a link to application forms and instructions.

In order to log in and submit an application, first-time applicants must register with Grants.gov—a complex process involving multiple entities. Once registered, an applicant can log in and upload a completed application to Grants.gov.¹⁵ Grants.gov notifies the applicant by e-mail that the application was received and provides a tracking number and submission time stamp. Grants.gov then attempts to “validate” the application, which includes scanning for viruses and verifying the applicant’s eligibility to apply. If validation was successful, Grants.gov notifies the applicant by e-mail. If validation was not successful, Grants.gov notifies the applicant via e-mail that the application was “rejected due to errors,” and the application must be resubmitted. Grants.gov makes the successfully validated application available to the grantor agency and notifies the applicant via e-mail when this occurs.¹⁶ Once an application is completed by the grantee and successfully submitted through Grants.gov, it is then retrieved and reviewed by the grantor agency. The agency then determines which applicant(s) is awarded the grant. If a grantor agency determines that an application is late or incomplete, the applicant can often appeal this determination.

As with all E-Government initiatives, OMB established a management structure to oversee the initiative and to facilitate a collaborative working

¹³The five stages of the grant life cycle are: 1) announcement (pre-award), 2) application (pre-award), 3) award, 4) postaward, and 5) closeout.

¹⁴OMB requires agencies to announce all discretionary grants opportunities on Grants.gov; although agencies may apply for waivers from OMB. OMB does not require agencies to accept applications through Grants.gov.

¹⁵Applications must be downloaded to the applicant’s computer, completed, and uploaded to the Grants.gov system. Applicants are not required to be connected to the Internet when completing applications.

¹⁶The Grants.gov validation process is not designed to verify any agency-specific or grant-specific requirements; as such, an application that was validated by Grants.gov could be forwarded to the agency and still fail to meet criteria specified in a grant’s application instructions.

environment for Grants.gov. This management structure included a managing partner agency—HHS for the Grants.gov initiative—to manage the system and to coordinate agency involvement in managing and developing procedures supporting the use of the system. Because Grants.gov supports “governmentwide common solutions” it is included on OMB’s High Risk List, indicating it is to receive special attention from oversight authorities.¹⁷ The Grants.gov oversight and management structure includes an OMB portfolio manager, a managing partner agency, the GEB, and the Grants.gov PMO.

- **OMB Portfolio Manager.** Categorized as a “government-to-government” initiative, Grants.gov was assigned to the government-to-government portfolio manager within OMB’s Office of Electronic Government and Information Technology (Office of E-Government). The portfolio manager is to provide oversight and guidance to the initiative.¹⁸
- **Managing Partner Agency.** As managing partner for Grants.gov, HHS is responsible for managing Grants.gov; HHS is responsible for managing Grants.gov as an IT investment through the HHS’s Office of the Chief Information Officer (OCIO). OCIO is required to manage Grants.gov through HHS’s capital programming and budget process. The HHS Office of Grants provides departmental input to Grants.gov and other governmentwide grant initiatives, and key leadership and oversight on Grants.gov management and implementation.
- **GEB.** The GEB was established in 2002 at HHS’s request to help coordinate agency involvement in managing Grants.gov and consists of grant-making officials from the 26 partner agencies; the OMB government-to-government portfolio manager is a non-voting member of the board. The GEB’s role is to provide strategic leadership and resources to Grants.gov, including reviewing implementation and operational policies, the Grants.gov budget, and the level of financial contribution of each partner agency. The GEB charter states that it “will serve as an authoritative voice for the grant-making agencies, providing a governance body that can vote on proposals and deliverables as representatives of the

¹⁷Projects on OMB’s IT High Risk List are not necessarily at risk of failure; rather, because they meet certain criteria specified by OMB, they are to receive special attention from oversight authorities and the highest levels of agency management. “Program or program management office activities supporting governmentwide common solutions” is one criterion, as is “major systems formally designated as an E-Government or Line of Business shared service provider.”

¹⁸In addition, four other portfolios were designated: government-to-citizen, government-to-business, internal efficiency and effectiveness, and cross-cutting. Each portfolio had a manager and each of the initiatives was included under one of the five portfolios.

grant-making agencies.” The chair of the GEB in fiscal years 2008 and 2009 is a senior grants policy official from the Environmental Protection Agency (EPA).

Like many E-Government initiatives, Grants.gov is funded by voluntary contributions from its partner agencies. Memorandums of understanding between the Grants.gov PMO and the partner agencies lay out the amount and timing of the contributions to be made and the Grants.gov services to be provided. The GEB uses a funding algorithm—based primarily on the total dollar amount of each agency’s discretionary grant awards—to determine the contribution required from each of the 26 grant-making agencies. In a 2005 report, we reported that most of the 10 E-Government initiatives that were funded by voluntary agency contributions experienced shortfalls from their funding plans for fiscal years 2003 and 2004; in most cases contributions from partner agencies were made in the third and fourth quarters of those fiscal years.¹⁹

- **Grants.gov PMO.** Day-to-day management of the Grants.gov initiative and its budget is the responsibility of the Grants.gov PMO, which is located within HHS and is currently staffed by nine employees plus supporting contractor personnel. The PMO is also responsible for managing the process to update the standard grant application forms (SF 424 series) approved by OMB for governmentwide use.²⁰

The Grants Policy Committee, established by the Chief Financial Officers (CFO) Council,²¹ has overall responsibility for implementing Public Law 106-107. One of its goals is to “simplify federal financial assistance processes to make them more uniform across agencies and eliminate unnecessary burdens on applicants, grantees, and federal agencies.”²² Specifically, the Grants Policy Committee is to, among other things, coordinate all federal grants policy recommendations submitted to OMB, recommend uniform forms and formats for grant applications and post-award reports, recommend standard and streamlined federal-to-grantee

¹⁹GAO, *Electronic Government: Funding of the Office of Management and Budget’s Initiatives*, GAO-05-420 (Washington, D.C.: Apr. 25, 2005).

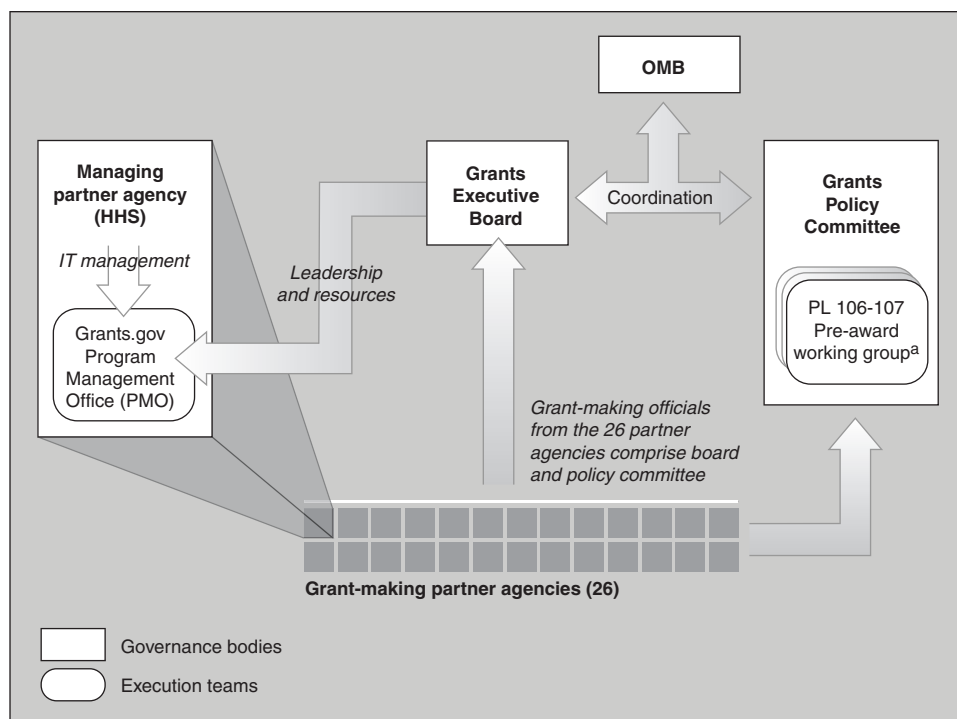
²⁰Some agencies use agency-specific grant application forms; the PMO is not responsible for managing the process to update these forms.

²¹The CFO Council—the CFOs and Deputy CFOs (DCFO) of the largest federal agencies and senior officials of the Office of Management and Budget and the Department of the Treasury—work collaboratively to improve financial management in the U.S. Government.

²²See http://www.cfoc.gov/index.cfm?function=grant_governance (accessed July 6, 2009).

business processes, facilitate greater community input and outreach in streamlining federal financial assistance and collaborate with the GEB on Grants.gov and other streamlining issues. The committee's pre-award working group is responsible for developing policy proposals for streamlining and simplifying the pre-award stage of the grants life cycle. Figure 1 illustrates the various entities involved in the grant pre-award stages at the federal level.

Figure 1: Entities Involved in the Federal Grants Pre-Award Stage of Grants Life Cycle



Source: GAO analysis of OMB data.

^aThe other Grants Policy Committee working groups are: 1) post-award, 2) mandatory, 3) audit oversight, 4) training and certification, and 5) electronic (new as of May 8, 2009).

The E-Government Act of 2002 and the Clinger-Cohen Act of 1996 are relevant to Grants.gov as an IT investment.

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- **E-Government Act of 2002.**²³ In implementing this act, OMB's Office of Electronic Government and Information Technology is responsible for, among other things, providing overall leadership and direction to the executive branch on electronic government and oversight of governmentwide implementation of information technology, including monitoring and consulting on agency technology efforts.
 - **Clinger-Cohen Act of 1996.**²⁴ Among other things, Clinger-Cohen requires agencies to better link their IT planning and investment decisions to program missions and goals and to implement and enforce IT management policies, procedures, standards, and guidelines. The act also requires that agencies engage in capital planning and performance and results-based management.²⁵ OMB's responsibilities under the act include establishing processes to analyze, track, and evaluate the risks and results of major capital investments in information systems made by executive agencies. OMB must also report to Congress on the net program performance benefits achieved as a result of these investments.²⁶

In response to the Clinger-Cohen Act and other statutes, OMB developed a policy and a Capital Programming Guide for the planning, budgeting, acquisition, and management of federal capital assets that direct agencies to develop, implement, and use a capital programming process to build their capital asset portfolios.²⁷ Among other things, this guidance directs agencies to

- evaluate and select capital asset investments that will support core mission functions and demonstrate projected returns on investment that are clearly equal to or better than alternative uses of available public resources,
- institute performance measures and management processes that monitor actual performance and compare it to planned results, and
- establish oversight mechanisms that require periodic review of operational capital assets to determine if mission requirements have

²³Pub. L. No. 107-347, Dec. 17, 2002, codified at 44 U.S.C. §§ 3602(a)-(g).

²⁴Pub. L. No. 104-106, Division E, Feb. 10, 1996, codified at 40 U.S.C. §§ 11101-11704.

²⁵40 U.S.C. §§ 11312 - 11313.

²⁶40 U.S.C. §§ 11302 - 11303.

²⁷This policy is set forth in OMB Circular A-11 (section 300) and in OMB's Capital Programming Guide (supplement to Part 7 of Circular A-11).

changed and whether the assets continue to fulfill those requirements and deliver their intended benefits.

Grants.gov Offers Benefits, but Cumbersome Registration Requirements and Uneven System Performance Burden Applicants and Create Potential for Late Submissions

Grants.gov offers benefits to grantees and grantor agencies alike. Grantees and grantor agencies reported the benefits of the “Find” feature, noting that a single, searchable source for all federal grants makes it easier to find grant opportunities, especially for similar activities offered by different agencies. Grantor agencies also reported that the find feature allows them to reach a larger, more diverse pool of applicants than before.

The “Apply” feature of Grants.gov allows applicants to avoid some steps necessary for paper applications, such as making multiple photocopies. Some grantor agencies report that Grants.gov eliminates the need to develop an agency-specific electronic system or allows them to process applications more quickly because they no longer need to manually enter application data. Use of the Grants.gov “apply” feature has grown considerably since October 2003. Of the 489,252 total submissions received between October 2003 and September 2008, more than three quarters were processed in fiscal years 2007 and 2008.²⁸ Sixty-four percent (47) of the 74 grantor agencies responding to our survey—including the National Institutes of Health (NIH), the agency with the largest number of Grants.gov submissions (see table 1)—said they require the use of Grants.gov for most to all of their applications.²⁹

²⁸ Grants.gov processed 180,861 submissions in fiscal year 2007 and 202,366 submissions in fiscal year 2008.

²⁹ On March 9, 2009, OMB instructed federal grant-making agencies to identify alternate methods for accepting grant applications during the Recovery Act peak filing period, which is estimated to last from April through August 2009.

Table 1: Top 10 Grantor Agencies by Grants.gov Submissions, Fiscal Year 2008

Grantor agency	Number of Grants.gov submissions
National Institutes of Health (HHS)	101,000
Department of Defense	12,458
Department of Education	8,861
National Endowment for the Arts	6,544
National Endowment for the Humanities	5,481
Health Research Services Agency (HHS)	5,150
Office of Justice Programs (Department of Justice)	4,840
Cooperative State Research, Education and Extension Service (U.S. Department of Agriculture)	4,818
U.S. Department of Housing and Urban Development	4,732
Administration for Children and Families (HHS)	3,892

Source: As reported by GAO survey respondents.

Note: We did not verify the accuracy of reported numbers.

Grants.gov Registration Is Complex and a Common Reason for Late Submissions

Before submitting an application through Grants.gov, grantees must first register—a complex and sometimes lengthy process. The GEB established the registration process to ensure that only authorized applicants apply on behalf of an organization.³⁰ According to the Grants.gov PMO, the registration process should take 3 to 5 business days but can take 2 weeks or more for some applicants. We previously reported applicant issues with the registration process in July 2006.³¹ Table 2 highlights key steps and time frames in the registration process.

³⁰ Applicants applying as individuals (not as part of an organization) must also register with Grants.gov before applying for grants but follow different procedures to register and then can only apply for grants open to individuals. In our survey, 32 percent (24) of the 74 respondents stated that they offer grants to individuals.

³¹ See [GAO-06-566](#), p. 19-21. This report discusses grantee difficulties with multiple Data Universal Numbering System (DUNS) numbers, the Central Contractor Registration process, and the time it takes to complete the registration process.

Table 2: Key Steps and Time Frames in the Grants.gov Organization Registration Process

Steps	Estimated time required and considerations
Obtain DUNS number from Dun & Bradstreet (D&B) ^a	<p>Typically 1 business day.</p> <ul style="list-style-type: none"> Requires organization information to be submitted to D&B via phone or Internet.
General Services Administration's (GSA) Central Contractor Registration (CCR) ^b	<p>Typically 1 to 2 business days. (Can take 2 weeks or more.)</p> <ul style="list-style-type: none"> Requires DUNS number. Requires an employer identification number (EIN) from the Internal Revenue Service (IRS). An EIN must be obtained from IRS if the organization does not already have one. It may take 2 to 5 weeks for a newly assigned EIN to become active for purposes of registering with CCR. Requires CCR to check the organization information provided against the IRS data on file; delays could result if there are inconsistencies. Establishes organization's E-Business Point of Contact (POC) who creates a unique identification number for the organization called the marketing partner identification number (MPIN). Only the E-Business POC can authorize individuals to submit for the organizations as authorized organization representatives (AOR).^c
Obtain username and password	<p>Typically 1 day.</p> <ul style="list-style-type: none"> Requires DUNS number. Requires complete and active CCR registration. Requires CCR registration to be updated annually to be valid. Requires AOR to create profile on Grants.gov, which will serve as the electronic signature when submitting grants.
Register with Grants.gov to establish an AOR	<p>Typically 1 day. (Can vary because it depends on the E-Business POC.)</p> <ul style="list-style-type: none"> E-Business POC receives e-mail from Grants.gov asking him/her to log in using MPIN and confirm the AOR. This takes about 24 hours from when the E-Business POC responds to the Grants.gov request for authorization. AORs cannot submit an application until the E-Business POC responds to Grants.gov with a confirmation of their AOR status. Grants.gov advises the AOR to verify that the organization's E-Business POC has confirmed them as authorized to submit grant applications for the organization through Grants.gov.

Source: GAO presentation of Grants.gov and CCR information.

Notes: See http://grants.gov/applicants/get_registered.jsp (accessed as of July 6, 2009) for complete details of the registration process and links to the entities described here.

^aThe federal government uses DUNS numbers, which identify an organization, to track how federal grant money is allocated.

^bCCR is operated by GSA.

^cAORs are the only people who can apply for grants through Grants.gov on behalf of an organization.

The Grants.gov PMO and grantor agencies widely acknowledge Grants.gov registration delays and strongly advise applicants to allow 2 to 3 weeks to complete the registration process. In our survey, 37 of the 74 grantor agencies cited difficulties with the overall registration process as one of the top three reasons that applicants gave for late applications. Applicants may not realize that, although they can download and complete an application without registering, in order to upload the application to Grants.gov—that is, actually submit the application—they must register. In contrast, applicants who can e-mail or mail paper applications do not need to register with Grants.gov before submitting an application.³² Grantee and agency officials noted that they only use some of the applicant verification information required for Grants.gov registration, such as the DUNS number, once an applicant is to receive a grant award. According to HHS officials, in January 2009 the PMO recommended to the GEB an alternative process that would defer the applicant verification activities to the agency level, but the GEB elected to stay with the existing registration process. In commenting on a draft of this report, OMB officials said that since 2003, OMB has required all grant applications, regardless of whether they are submitted through Grants.gov or some other means, to include a DUNS number. Table 3 describes common reasons for applicants' late submissions.

³²In our survey, 20 of 74 grantor agencies (27 percent) reported that they always allow paper applications and 32 of 74 grantor agencies (43 percent) have accepted e-mailed applications.

Table 3: Top Reasons for Applicants' Late Submissions as Reported by Grantor Agencies for Fiscal Years 2007 and 2008

Reason for late submission ^{a,b}	Total responses
Applicant had overall difficulty with the registration process.	37
The Grants.gov system was unresponsive, and the application would not upload.	37
The applicant did not understand error messages generated by Grants.gov.	20
Technical issues with the applicant's computer prevented him or her from submitting the application.	19
The applicant was unable to receive timely assistance from the Grants.gov contact center.	12
The DUNS number provided by the applicant could not be verified by Grants.gov.	10
The applicant was unable to obtain e-Business POC authorization.	9
The applicant claimed that attachments submitted through Grants.gov were not transmitted to your organization, resulting in an incomplete or untimely application.	9
The applicant did not find the assistance provided by the Grants.gov contact center to be useful.	8
The applicant did not realize his or her application was late.	8
The applicant could not identify the organization's e-Business POC.	4
Personal reasons were given for late applications (e.g., death in the family).	3
The EIN number provided by the applicant could not be verified.	1
Natural Disaster.	1
Other ^c	22

Source: As reported by GAO survey respondents.

^aWe asked survey respondents, "From the following list, what are the 3 most common reasons given by applicants for submitting late applications for the period covering FY07-FY08?" and provided a list of 15 answers (including an "other" category) from which respondents could choose. Total response is the number of grantor agencies that cited this as the first, second, or third most common reason for late submissions, not the number of times these reasons resulted in late applications. Of the 74 survey respondents, 68 cited a first most common reason, 66 cited a second most common reason, and 66 cited a third most common reason. Percentages of respondents answering the question are not provided because a respondent can answer more than one category.

^bSeveral of the reasons listed are external to the Grants.gov system and beyond the control of the PMO.

^c"Other" reasons, cited 22 times by 11 grantor agencies, included: not applicable (9); no late applications (4); applicant confusion over grant submission notice (3); no feedback mechanism from users to grantor organization (3); external factors not listed (1); multiple factors from list (1); and file too large to submit (1).

Grants.gov System Performance Has Limited Applicants' Ability to Submit Timely and Complete Applications and Has Increased Applicant Burden

In our July 2006 report and during the course of this review, we identified continuing system unresponsiveness and other intermittent system problems that at times limited applicants' ability to submit timely, complete applications and that increase applicants' burden. As shown above in table 3, system unresponsiveness is a top reason that survey respondents gave for late applications. This problem primarily arises before the deadline for a large grant or on days with numerous grant closings, when the number of log-ins increases significantly. As the system becomes overtaxed, grantees reported that they were experiencing delays with (1) logging-in, (2) uploading applications,³³ and (3) determining if the upload was successful. Applicants noted that they sometimes spend hours or days trying to log-in, submit, and confirm receipt of their submissions. In an effort to address system slowness, in February 2009 the PMO upgraded the system to increase the capacity for simultaneous logins from 300 to 2000 users, but applicants continued to report problems with application submission and logging-in, including after Recovery Act grants were posted in March 2009. In mid-April 2009, Grants.gov performed another upgrade that allowed applicants to track the status of their applications without logging into Grants.gov; this was intended to improve overall system performance and the ability to meet the demands of Recovery Act submissions. Afterward, Grants.gov reported that it successfully received 30,000 applications over an 8-day period from April 20 to 27; nearly as many applications as it received during March 2009. Still, on April 27, 2009, the closing date of a large NIH Recovery Act grant and 28 other grant opportunities,³⁴ the Grants.gov blog³⁵ reported that the Grants.gov system was unable to receive applications for about 2 hours.³⁶

³³The Grants.gov submission process differs from web-based applications, which are completed and saved while the applicant is connected to the Internet and do not have to be uploaded.

³⁴Grants.gov reports that on April 27th it processed 8,392 applications. At that time, this was the largest one day submission total for the system, surpassing the April 24th record high of 5,973.

³⁵The Grants.gov PMO runs a blog that reports at least daily on system performance. See <http://grants-gov.blogspot.com> (accessed as of July 6, 2009.)

³⁶On April 27, 2009, at 10:55 p.m. on the Grants.gov blog, the PMO reported, "at approximately 7:45pm, April 27th, the portion of the Grants.Gov system that manages the intake of new applications suffered technical difficulties due to the unprecedented number of new applications received today. The immediate result was that users could not submit grant applications through Grants.gov for about a two-hour period from 7:45 pm to 9:45 pm EST (Eastern Standard Time). Grant opportunity search capability, and processing of applications that had already been submitted before the failure, continued to function normally."

Both HHS and OMB told us that the problem was quickly identified and corrected, and that no applications were excluded as a result of the system outage. Further, as a result of the upgrade, the backlog of applications to be validated rapidly increased, and it took 5 or more days to validate applications; the problem was reported to be resolved one week later.

Other reported intermittent system issues include software version incompatibilities, missing and corrupted applications, and unexplained error messages. In some cases, such system issues resulted in late or incomplete applications or confusion about the status of applications.

- **Software incompatibility.** In late 2007 and 2008, Grants.gov experienced problems transitioning to a new forms software package. Applications prepared using an older version of the software were incompatible with the newer version used by Grants.gov and, when uploaded, were rejected. For example, in February 2008 a large state university's application for an approximately \$250,000 grant to provide educational assistance to communities in Africa was rejected for this reason. The grantee was unable to resubmit the application before the application deadline and was unable to compete for the grant.
- **Missing and corrupted attachments.** We also identified instances when grantees were unaware until after the deadline that attachments to their applications were corrupted or not received by the grantor agency, again resulting in missed opportunities to compete for grants.³⁷ In 2008 two organizations applying for \$100,000 to \$250,000 grants to provide health services in rural communities were denied consideration because attachments were not successfully transmitted to the grantor agency, and despite evidence that they had submitted the attachments with their application.
- **Unexplained error messages.** Between July 2008 and January 2009 applicants received unexplained error messages that left many grantees unsure if their applications had been received or not. Applicants were left without a "work around" for up to a week at a time as the Grants.gov PMO and the IT contractor sought to understand the cause of the error messages. In commenting on a draft of this report, OMB officials told us that these problems have not recurred.

³⁷ Although Grants.gov sends e-mail communications to applicants notifying them when their application is "validated" and transmitted to the grantor agency, applicants have no way of knowing the contents or condition of the documents received by the agency.

Applicants Experiencing Difficulties Described Contact Center Assistance as Mixed

The Grants.gov contact center, grantees' primary source of assistance with the Grants.gov system, is not always able to help grantees, especially during off-peak hours and peak submission periods. The contact center can be reached by phone Monday through Friday from 7 a.m. to 9 p.m., eastern time (except federal holidays) or by e-mail; the Grants.gov Web site generally accepts applications 24 hours a day, 7 days a week. The PMO has encouraged applicants to submit applications during off-peak times to limit the strain on system resources. Grants.gov users had mixed views on the quality of the service provided by the contact center service; some said it was good while others described it as inconsistent. Specifically, some users commented that: 1) the contact center was unable to solve their problems, 2) the contact center incorrectly directed callers to the grantor agency, and 3) they had difficulty reaching the contact center during peak submission periods.

In April 2009, the start of the Recovery Act peak application period, the contact center was especially strained. Grants.gov officials and applicants reported very high call volume and long wait times—sometimes 30 minutes or more—because of the large numbers of applicants seeking assistance. Although calls may be escalated to PMO staff or the IT contractor, given the staff size, this is a limited option on high volume days. Fewer than half of the 74 agencies responding to our survey have help desks of their own, and those that do may have more limited hours than the Grants.gov contact center and are not intended to have in-depth knowledge of Grants.gov system problems.

Delays in reaching the contact center are especially problematic because they could hamper an applicant's ability to support a request for an appeal. When applicants cannot submit timely applications because of Grants.gov technical problems, grantor agencies may request the applicant's case number that was given to them by the Grants.gov contact center; this helps them to obtain details of the case and confirm the technical problem.³⁸ In February and March 2009, the overall customer satisfaction rate was 89 percent and 87 percent respectively (the target level is 90 percent or greater). From January to April 2009 the contact center failed to meet several of its other performance goals, such as the percentage of callers responded to within 30 seconds (i.e., service level) and the percentage of

³⁸When an applicant calls the contact center, the customer service representative assigns a case number and attempts to resolve callers' issues. A grantor agency can use the case number to obtain the case notes from the PMO.

Accountability and Responsibility for Grants.gov Performance among the Grants.gov Governance Entities Is Unclear

callers abandoning their attempt to reach the contact center (i.e., abandon rate).³⁹ In April and May the PMO increased the number of phone lines and customer support representatives (CSR), and in May the contact center surpassed its goals for all three measures.⁴⁰ Contact center customer satisfaction statistics are not collected on callers specifically seeking assistance with the registration process or submitting an application.

As the day-to-day manager of the Grants.gov Web portal, the Grants.gov PMO has primary responsibility for ensuring that the website is operating properly and that its customers—applicants and grantor agencies—are supported during the submission process. However, we found that the PMO has been inconsistent in its efforts to meet these responsibilities. Both grantees and grantor agencies stated that the PMO is at times slow to identify and address system problems, leaving grantees frustrated and uncertain of how to proceed when submitting applications. Identifying problems has been challenging for the PMO until very recently because system performance has been monitored anecdotally; that is, through manual checks and customer complaints. In March 2009, the PMO reported the use of new software to examine user volume and in early June 2009 installed software to monitor system performance.

Grantees and grantors also described problems with the adequacy of system fixes; in some cases the problem was not fully resolved or new problems arose as a direct result of the fix. For example, on the Grants.gov blog in February 2009 the PMO noted that applicants were having difficulty when logging in to the system. Shortly thereafter, the PMO reported the problem had been resolved; however, several grantees commented on the blog that they were still receiving the error messages and could not login. In another case, when Grants.gov transitioned to a new forms software package to address applicant issues with the original software, grantees began to experience rejected application submissions for applications completed using the new software. The PMO subsequently determined that older versions of the forms software were incompatible with the new forms. In addition, end users also reported that the system's

³⁹During that time frame, the contact center's service level ranged between 26 and 72 percent (the target level is 85 percent or higher). The abandon rate ranged between 6 and 29 percent (the target level is less than 5 percent).

⁴⁰The overall satisfaction rate in May 2009 was 92 percent, the service level was 88 percent, and the abandon rate was 2 percent.

slowness increased after the software change reportedly because the larger file size created when using the new software meant that more system resources were needed to transfer applications. Some agencies responded to these problems by delaying their adoption of the new software or even reverting to forms constructed using the old software.

Grants.gov lacks performance measures to track important aspects of its performance. OMB described Grants.gov as a “cannot fail” system and defined failure as system unavailability, poor performance to the point of diminished usability, loss of data integrity, or any combination of the three. Grants.gov’s only performance measures that address system performance are tied to customer satisfaction. Information for these metrics is collected from a voluntary on-line survey that “pops up” when grantees use Grants.gov. In May 2009, the customer satisfaction score for the 3,690 respondents surveyed was 53 out of 100.⁴¹ Moreover, customer satisfaction of respondents whose primary reason for visiting Grants.gov is to submit an application—the area of Grants.gov in which problems are most likely to occur—is unknown because the survey does not specifically measure it.

Untimely Agency Contributions Have Adversely Affected Grants.gov Operations

The Grants.gov PMO relies on voluntary contributions from the 26 grant-making agencies to operate (see fig. 2); however, agencies do not always pay in a timely manner, negatively affecting system performance and, according to PMO officials, making it more difficult to plan for the future. For example, in December 2008 Grants.gov had received only 2 percent of agencies’ fiscal year 2009 contributions; by the end of March 2009—halfway through the fiscal year—Grants.gov had only received 37 percent of their annual contributions. Unable to pay its vendors, the Grants.gov PMO developed a system shutdown plan and implemented the first step of the plan—it eliminated Web site updates and moved all notices to the blog. In February 2009, the PMO said that unless it received its unpaid contributions by April 2009, it would be unable to renew software licenses and would shut down Grants.gov.⁴² In April 2009, OMB notified agencies

⁴¹The customer satisfaction score averaged around 55 out of 100 from April 2008 to January 2009, but has been between 50 and 53 since then. The score does not represent the percentage of Web site visitors who were satisfied; rather, it is an index that is derived from multi-item satisfaction questions and weightings that are designed to maximize causation between the drivers of satisfaction and satisfaction outcomes.

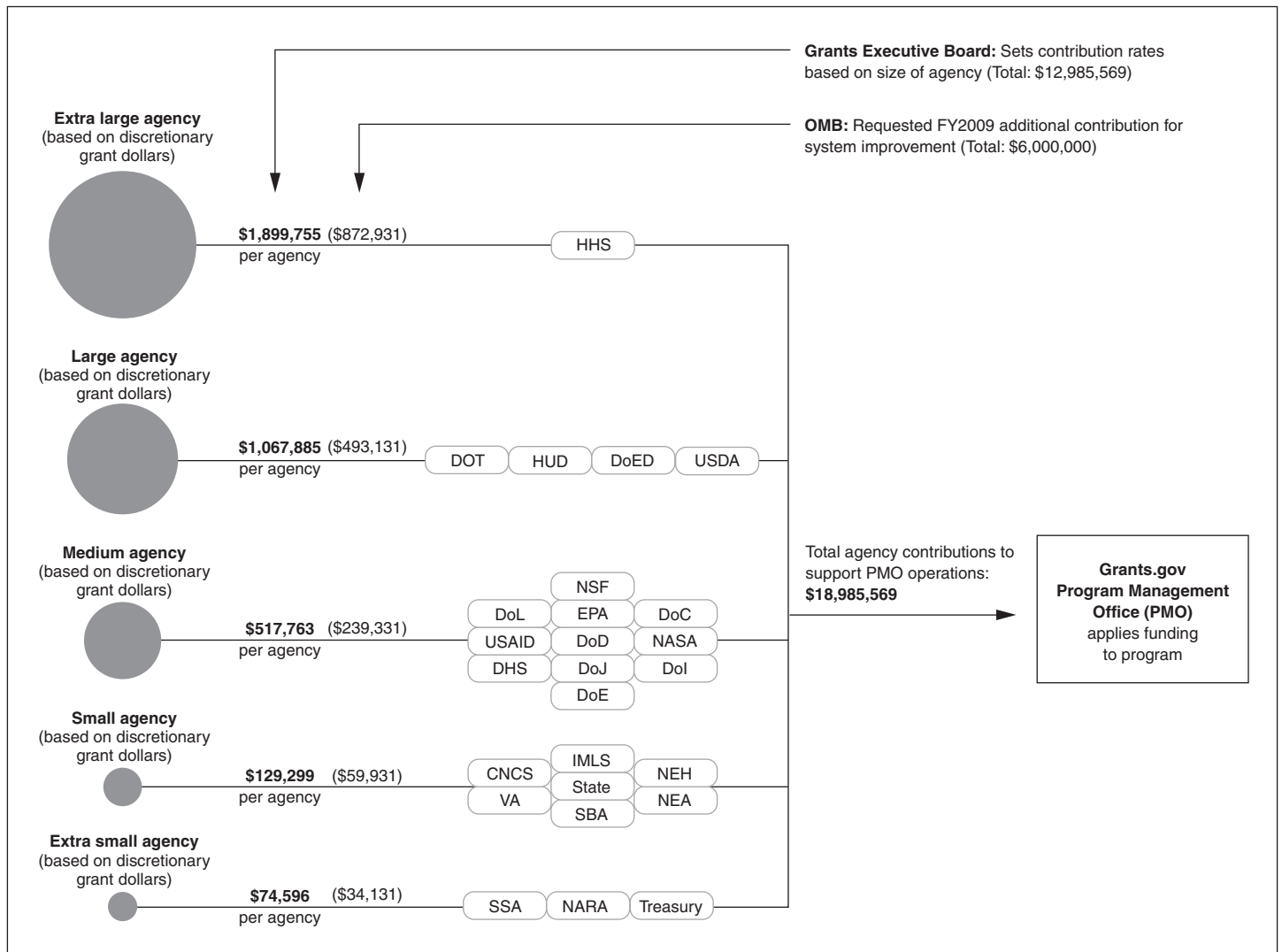
⁴²By April, the PMO received a sufficient amount of agency contributions to renew the licenses.

that absent immediate improvements, Grants.gov would be unable to handle the influx of Recovery Act grant applications and requested agencies to immediately submit any unpaid fiscal year 2009 contributions and to provide additional funding to support system improvements.⁴³ As of June 26, 2009 the PMO received 88 percent of the total 2009 contributions and 72 percent of the total requested additional funding. According to OMB, reasons for late or nonpayment include internal agency issues and congressional limitations on agencies' use of funds for E-Government initiatives.⁴⁴

⁴³Office of Management and Budget, *Improving Grants.gov*. M-09-17 (Apr. 8, 2009).

⁴⁴For example, since Fiscal Year 2006 agencies may not make funds available for OMB's E-Government initiatives until 15 days after OMB submits an E-Government funding report to the House and Senate appropriations committees and until the committees approve the availability of these funds. OMB officials told us that they generally submit this report to Congress after the first quarter of each fiscal year. Also, at least one agency has, in some years, not paid its Grants.gov contributions because its appropriations subcommittee directed it not to.

Figure 2: Grants.gov Partner Agency Funding Structure, Fiscal Year 2009



Source: GAO presentation of Grants.gov and OMB data.

Note: The GEB categorizes agencies as extra small, small, medium, large, and extra large based on the agency's total discretionary grant award dollars. That is, agencies with larger total discretionary grant dollars contribute more to Grants.gov, and agencies with smaller total grant award dollars contribute less to Grants.gov. As the largest grant-making agency, HHS contributes the most funding. Since fiscal year 2007, the annual Grants.gov budget has been between about \$13 to \$13.4 million. The 26 agencies in figure 2 are the: Department of Health and Human Services (HHS), Department of Transportation (DOT), Department of Housing and Urban Development (HUD), Department of Education (DoED), United States Department of Agriculture (USDA), National Science Foundation (NSF), Department of Labor (DoL), Environmental Protection Agency (EPA), Department of Commerce (DoC), United States Agency for International Development (USAID), Department of Defense (DoD), National Aeronautics and Space Administration (NASA), Department of Homeland Security (DHS), Department of Justice (DoJ), Department of the Interior (DoI), Department of Energy (DoE), Institute of Museum and Library Services (IMLS), Corporation for National and Community Service (CNCS), Department of State (State), National Endowment for the Humanities (NEH), Department of Veterans Affairs (VA), Small Business Administration (SBA), National Endowment for the Arts (NEA), Social Security Administration (SSA), National Archives and Records Administration (NARA), and Department of the Treasury (Treasury).

The GEB selected Grants.gov's funding model after considering several different alternatives. OMB staff said that they monitor the funding status of all E-Government initiatives and that they ask program managers to notify them of any funding issues that could potentially affect performance. OMB staff stated that they recognize the challenges the PMO faces in compelling agencies to pay on time, but that with proper management such risks can be greatly mitigated. They added that other E-Government initiatives face similar challenges but still run successful systems with higher levels of customer satisfaction, such as Business Gateway (www.business.gov) and GovBenefits (www.govbenefits.gov).

Coordination among Grants.gov Governance Entities Is Inconsistent

Given the number of entities with management and oversight responsibilities for Grants.gov, clear roles and responsibilities for each and coordination among these entities is critical. For example, the GEB and HHS's OCIO share responsibility for reviewing and approving major changes to, and funding for, the Grants.gov system, but there is little evidence that the GEB-approved funding for Grants.gov is considered in HHS's review of Grants.gov as an IT investment. In accordance with OMB's guidance on Planning, Budgeting, Acquisition, and Management of Capital Assets,⁴⁵ HHS—as the Grants.gov managing partner—is to manage Grants.gov as an IT investment through HHS's Capital Planning and Investment Control (CPIC) process, which includes reviewing and approving Grants.gov's budget and major initiatives. However, the annual fiscal year 2008 Grants.gov status report—the documentation provided to us by the OCIO as evidence of OCIO's CPIC oversight of Grants.gov—

⁴⁵OMB Circular A-11, Part 7.

discusses neither major operating changes, such as the GEB-approved July 2008 decision to move to “cloud-based computing”⁴⁶ nor concerns about Grants.gov’s fiscal difficulties. As early as 2002, Grants.gov noted that concerns about lack of timely contributions could hamper Grants.gov’s ability to complete project milestones but the 2008 status report notes this risk as medium, and the status as managed.

Officials from the PMO and HHS acknowledged that Grants.gov governance could be improved; it appears that some progress has been made in this area. PMO officials told us that since December 2008 they have had more interaction with the OCIO’s office and that in March 2009, a former OCIO official became the acting Grants.gov program manager. However, an official in HHS’s Office of Grants (the office responsible for Grants.gov) told us that Grants.gov has matured considerably since its inception in 2003 and would benefit from a better defined governance structure. For example, she noted that HHS’s role as managing partner is not well-defined and that while more clarity would benefit Grants.gov, the managing partner role should be flexible enough to permit it to evolve over time as circumstances change. Others have also noted the need to better define the relationship among and responsibilities of the Grants.gov governance bodies. For example, in the fall of 2008 the National Grants Partnership (NGP) sent specific recommendations to the Obama-Biden Transition Team highlighting the need to better coordinate the activities of Grants.gov with the policy recommendations of the Grants Policy Committee.⁴⁷

There are no written policies or procedures for how the OCIO, the Grants.gov PMO, and the GEB are to work with each other to ensure system performance, resulting in confusion about roles, responsibilities, and accountability; and concerns about duplication of efforts that could

⁴⁶“Cloud computing” refers to an arrangement in which an organization pays a service provider to deliver IT applications, computing power, and storage via the Internet. For Grants.gov, a change to “cloud computing” means outsourcing its IT system, including hardware and related software, and having its IT services managed and delivered from a Web-based platform rather than owning them and having them managed by an in-house contractor as it currently does. Cloud computing would still require the Grants.gov PMO to manage the system through a contractor and applicants would still upload submissions to the Grants.gov system.

⁴⁷See National Grants Partnership, *Presidential Transition Report* (Washington, D.C.: November 2008). The NGP was established in 2004 to bring together government and non-government individuals with an interest in improving the grants process in the United States.

hamper short-term efforts to make urgent improvements to Grants.gov and longer-term efforts to improve service. OMB's March and April 2009 memos to executive branch agencies on improving Grants.gov included steps to prevent an impending Grants.gov system failure, but these memos did not seek to clarify the roles of the various governance entities. The memos also noted that GSA—the governmentwide facilitator of E-Government solutions—would work with HHS to initiate immediate improvements to the Grants.gov system and assist with alternatives for select agencies while also identifying longer-term approaches to improve Grants.gov service delivery; this resulted in concerns about the future of Grants.gov. In commenting on a draft of this report, OMB clarified that GSA has taken on a parallel effort to conduct a pilot system as a “proof of concept” and is not working with HHS on the Grants.gov system or building an active alternative system. They further noted that they have clarified GSA's role with all parties, including HHS and the GEB, in follow-up discussions.⁴⁸ Finally, OMB said that it is clear to OMB that HHS is the entity responsible and accountable for the operation of Grants.gov, and that the PMO and GEB merely support HHS in managing the system.

Grantees Continue to Lack Opportunities to Provide Structured Input on the Grants.gov System

Grantees lack opportunities to provide upfront, structured input on Grants.gov, which limits the ability of Grants.gov governance entities to obtain valuable customer input on a system meant, in part, to ease applicant burden. GEB bimonthly meetings are closed to the public, and the HHS OCIO does not have a forum for obtaining external input on Grants.gov. Instead, the GEB and HHS OCIO rely on the PMO to provide information on system performance and issues affecting Grants.gov. The PMO has an Integrated Change Board that considers proposed changes to Grants.gov, but none of its members are grantees.⁴⁹ The Grants.gov blog and Grants.gov quarterly stakeholder Web casts allow limited two-way communication between the PMO and grantees while the Grants.gov blog provides daily information on system status, but neither of these provide for regular, systematic grantee input on issues such as proposed technical changes, system performance, funding, and governance.

⁴⁸OMB also noted that GSA, through the Integrated Acquisition Environment has been working steadily with the Grants.gov PMO to ensure that the system includes the current and correct information from the Catalog of Federal Domestic Assistance. GSA manages this catalog for OMB.

⁴⁹In a comment on the blog one user suggested the use of a change control board composed of key stakeholders in agencies and grantee organizations as a structured way to provide input to Grants.gov.

In our 2006 report on grantees' concerns with efforts to streamline grants management, we said that some Grants.gov technical issues may have been resolved more quickly if communication with grantees had been greater and concluded that Grants.gov has no systematic way to get grantees' views as it develops and proposes changes.⁵⁰ Grantee associations continue to echo those sentiments and are still seeking opportunities to discuss their concerns about Grants.gov. For example, in March 2009 the Association of American Universities (AAU) and the Council on Governmental Relations (COGR) wrote a joint letter to OMB requesting a meeting to discuss the need for short- and long-term enhancements to Grants.gov, especially in light of anticipated problems with Recovery Act applications.⁵¹ According to OMB officials, OMB and COGR have twice been in contact and are in the process of scheduling this meeting. COGR officials and officials from a major research university also contacted us and discussed their concerns.⁵²

The PMO has taken some steps to get the perspective of the grantee community. In May 2007, the Grants.gov program manager described plans to involve end-users (both grantees and grantors) as changes were made to the Grants.gov system⁵³ and noted that the PMO would implement these plans once OMB approved the plan and ensured that it would comply with the Federal Advisory Committee Act (FACA).⁵⁴ In February 2009, the Grants.gov program manager met with officials from the Federal

⁵⁰[GAO-06-566](#).

⁵¹See <http://www.aau.edu/search/default.aspx?searchtext=Grants.gov> (accessed July 6, 2009). AAU is a nonprofit organization of 62 leading public and private research universities in the U.S. and Canada; COGR is an association of more than 175 U.S. research universities and their affiliated academic medical centers and research institutes.

⁵²The NGP also noted the lack of non-federal representation on the Policy Committee. See NGP, *Presidential Transition Report*.

⁵³The Grants.gov program manager at the time told us that there were plans in the works to create a team consisting of 10 representatives reflective of the end user community, including states, not-for-profits, research entities, housing entities, tribal organizations, educational entities, local government, and large, medium, and small federal agencies. The group was meant to address the issues we raised in our 2006 report on grants streamlining, specifically, to solicit the assistance of the grant community and to build in end user acceptance of Grants.gov system changes.

⁵⁴FACA, 5 U.S.C. Appx §§ 1-15, imposes a number of requirements on committees or similar groups of nonfederal employees that are established or utilized by the President or federal agencies in the interest of obtaining advice or recommendations, such as: filing a charter, advance notice of public meetings, keeping meeting minutes, and public availability of records.

Demonstration Project (FDP),⁵⁵ a grantee association representing academic research institutions and others, to obtain informal input on issues that FDP constituents encounter with Grants.gov as well as how Grants.gov could be improved. After that meeting the program manager confirmed the PMO's intent to create a user group that could give systematic, across-the-board input on Grants.gov issues. He said that this type of input is important because applicant groups have the most exposure to using the system and are often the most knowledgeable about what problems exist and how to address them. However, he noted that it was difficult to reconcile the goals of Public Law 106-107, which calls for input and advice from the applicant community, with FACA's requirements for agencies seeking to obtain advice and recommendations from nonfederal employees. Both agency and OMB officials have described these requirements as restrictive.

As we have previously reported, federal agencies have a reasonable amount of discretion with regard to creating committees, drafting their charters, establishing their scope and objectives, classifying the committee type, determining what type of advice they are to provide, and appointing members to serve on committees. Further, we have said that members appointed to advisory committees as representatives—as opposed to special government employees—are expected to represent the views of relevant stakeholders with an interest in the subject of discussion, such as an industry, a union, an environmental organization, or other such entity.⁵⁶ GSA has promulgated regulations for federal agencies to follow when implementing FACA.⁵⁷ These regulations explicitly note that groups assembled to provide individual advice rather than group consensus (e.g., public town hall style meetings or meetings of experts where they are not expected to reach consensus but rather share individual opinions and advice) are not subject to FACA requirements.

⁵⁵FDP is an association of federal agencies, academic research institutions with administrative, faculty and technical representation, and research policy organizations that work to streamline the administration of federally sponsored research.

⁵⁶GAO, *Federal Advisory Committee Act: Issues Related to the Independence and Balance of Advisory Committees*, [GAO-08-611T](#) (Washington, D.C.: Apr. 2, 2008).

⁵⁷41 C.F.R. §102-3.40.

Disparate Agency Policies for Processing Grant Applications Can Result in Different Treatment for Applications Submitted through Various Means

Grantor agencies vary in the closing times they set for their grant opportunities. While Grants.gov accepts applications until midnight eastern time on a grant's closing date, about one-third of the responding grantor agencies we surveyed had grant opportunity closing times before midnight—often between 4 p.m. and 5 p.m. eastern time.⁵⁸ For example, NIH, the largest grantor agency, has a 5:00 p.m. local time closing time for all its grants. This presents problems for applicants using Grants.gov for two reasons. First, applicants could receive confirmation that an application was successfully submitted to Grants.gov, but the application can still be deemed late by the grantor agency. Second, Grants.gov officials have told applicants to submit applications during off-peak hours (i.e., before 11:00 a.m. and after 8:00 p.m. eastern time) when the Grants.gov system is not experiencing overload issues.⁵⁹ Some agencies unofficially provide applicants leeway on meeting the deadline closing time. For example, two grantor agencies said that though they do not advertise the fact to applicants, they will accept applications that arrive by midnight of the deadline date although the official closing time is earlier.

Different closing times across agencies reportedly caused confusion among applicants. Several association representatives told us that it would ease applicant burden if there were a universal deadline across the federal government. Several suggested that agencies should coordinate their deadline times with Grants.gov so that it is not possible for a late application to be accepted by the Grants.gov system. Despite some discussions about this issue by agency representatives on the Grants Policy Committee—which has responsibility for recommending standard and streamlined federal-to-grantee business processes—it has been unable to come to agreement on a standard governmentwide closing time. Several of the agency officials we spoke with stated that there is no technical reason why a standard closing time could not be set.

⁵⁸ Grants.gov officials told us that in rare cases application deadline times are written into a grant's authorizing legislation.

⁵⁹ For example, on April 6, 2009, a day on which Grants.gov received an exceptionally large number of submissions, almost one-third of the 3,555 applications received were submitted between 3:00 p.m. and 6:00 p.m. eastern time.

Agencies Have Different Policies for Determining the Timeliness and Completeness of Grants.gov Applications

Agency policies vary in determining whether applications submitted through Grants.gov are timely and complete. This sometimes results in applications' being deemed late or incomplete, even though an applicant may receive confirmation from Grants.gov that the application was successfully submitted. These policies may not apply to applications submitted outside of Grants.gov.

- **Timeliness.** Of the 74 grantor agencies responding to our survey, more than 60 percent (47) said that they determine whether an application is timely based on the time the application was submitted to Grants.gov; 16 percent (12) said they determine whether an application is timely based on the time the application was validated by Grants.gov.⁶⁰ However, validations can take up to 48 hours after an application is successfully submitted and on some occasions may take longer;⁶¹ this has resulted in late submissions.⁶² For example, in 2006 a university whose application failed the validation process was unable to resubmit the application before the deadline and lost about \$1 million in grant funding. As a result, the university was unable to continue a program serving over 200 inner-city youth that it had administered for 12 years. In contrast, applications submitted by e-mail or mailed in hard copy are not subject to Grants.gov validation. Instead, agencies use other means to establish the timeliness of these submissions. For example, the postmark⁶³ or the arrival date is often used to determine the timeliness of paper applications.
- **Completeness.** Some agencies require applicants to submit attachments to the grant application in a particular file format; however, the Grants.gov system cannot determine whether an application is in the correct format or as discussed earlier, if attachments are properly transmitted to the agency. For example, NIH requires applicants to submit attachments in Pure Edge or Adobe PDF file formats, and cautions applicants that other file formats are not acceptable, even though Grants.gov appears to accept these other formats. The National Science Foundation (NSF) may also

⁶⁰Six respondents said that they used another indicator to determine timeliness, and nine did not answer the question.

⁶¹For example, before a large closing day in late April 2009 validations were taking up to 5 days.

⁶²Although it was beyond the scope of our work to fully examine other agency-specific electronic systems, we found evidence that some of those systems have a registration process similar to the Grants.gov registration process; we could not determine if any had a similar validation process.

⁶³Agencies may specify the requirement of a U.S. Postal Service postmark or a dated receipt from a commercial carrier in their application instructions.

reject applications if the attachments are not in certain file formats. Applicants submitting paper applications do not have to be concerned about file formats or transmission problems. Association representatives told us that requiring different file formats is burdensome for applicants.

Agencies Differ in Notifying Applicants When and Whether Applications Have Been Successfully Submitted through Grants.gov

Although the Grants.gov system notifies applicants via e-mail when their applications have been accepted or rejected, there are no common requirements for grantor agencies to notify applicants whether they consider the applications to be timely and complete. More than half of the agencies responding to our survey (39 respondents) said they notify an applicant “immediately or almost immediately” when an application is late and will not be forwarded for content review. Forty agencies said that when an application had “missing elements,” they notified applicants “immediately or almost immediately.” For example, EPA’s grant submission policies state that an applicant must be informed that their application was rejected because of “a failure to meet the eligibility threshold” within 15 calendar days of receipt by the agency. According to EPA officials, 15 days is very early in the grant processing cycle, thus providing applicants sufficient time to appeal. In contrast, 13 respondents said that when an application is late they either wait until the time that the grant is awarded to notify applicants or do not notify applicants at all. Fourteen respondents said that when an application has “missing elements” they either do not notify applicants about incomplete applications or wait until the rejection letter goes out.⁶⁴ Lack of notice, or untimely notice, can eliminate an applicant’s chance to appeal a late or incomplete determination.

Further, an applicant’s ability to determine the timeliness and completeness of an application varies depending on how the application was submitted. For example, applicants who mail hard copies of applications know what they put into the envelope—and what it looks like—and can choose to track their applications through the U.S. Postal Service (USPS) or commercial delivery service. Conversely, applicants who submit their applications via e-mail or an electronic system have no way of knowing if their applications were successfully submitted unless the grantor agencies or electronic systems notify them. In addition, these applicants may be unable to determine if the entire contents of their application, including necessary attachments, were successfully submitted without corruption.

⁶⁴The remaining responses for these questions were “other” or “no response.”

Agencies Have Different Criteria for Considering Appeals, Sometimes Not Considering the Most Common Reason for Late Submissions

If a grantor agency determines that an application is late or incomplete, applicants can often appeal this determination; however, the criteria agencies use to determine whether they will consider an appeal vary. Our survey results and interviews indicate that being unable to register with Grants.gov is one of the most common problems experienced by applicants. However, more than half of the 23 survey respondents who provided data about appeals based on registration difficulties said that appeals on this basis were more likely to be denied than approved. In one case, an applicant provided evidence that he worked with the Grants.gov contact center to resolve a registration problem before the submission deadline, but as he was unable to register in time, this was not allowable grounds for appeal for a late application. On the other hand, most of the 27 survey respondents who provided data on appeals based on technical issues with Grants.gov, such as system slowness or unresponsiveness, said that these appeals were approved most to all of the time. For applications deemed incomplete, 50 of the 74 grantor agencies that responded to our survey said that an applicant can dispute or appeal at least some of the time if a submission is determined to be incomplete. Some of these agencies allow applicants to provide the missing information after the deadline, if that information is required solely for processing the application and will not affect the substantive content of the application. In contrast, 16 agencies said that applicants cannot appeal incomplete applications and that these applications will not be included during the competitive process.⁶⁵

Agencies Vary in the Extent to Which They Assist Applicants Facing Difficulties when Submitting through Grants.gov

In response to the recurring difficulties with the Grants.gov system, some agencies have made efforts to assist Grants.gov applicants by adjusting their policies on: 1) submission methods, 2) deadline grace periods, and 3) appeals processes.

- **Submission methods.** Of the 74 agencies responding to our survey, 47 normally require their grantees to use Grants.gov to apply for most to all grants. However, more than half of our respondents will accept applications through agency specific electronic systems, by e-mail, or mail, under at least some circumstances, such as when Grants.gov is

⁶⁵In other cases, the grantor agency would accept the application but it would receive a lower overall score during the review process.

experiencing system problems.⁶⁶ One grantor agency began requiring all applicants to submit a hardcopy of their application in addition to applying through Grants.gov to avoid system delays and other problems.

- **Deadline grace periods.** Some grantor agencies reject applications with a timestamp that is one second after the announced deadline; others have instituted a grace period. For example, the U.S. Department of Housing and Urban Development (HUD) officials told us that for fiscal year 2009 they implemented a one-day grace period for applicants who submit on time but fail the Grants.gov validation process; this allows applicants time to resubmit their applications. NIH has also instituted policies to accommodate applicants who encounter technical problems with Grants.gov, even if the process of resolving the technical issue extends past the due date.
- **Appeals processes.** Some agencies have also instituted formal appeals processes to specifically accommodate Grants.gov system issues. HUD established a “quality assurance review” process, published in the *Federal Register*, which states that applications submitted by grantees who followed all of the application procedures and were unable to apply successfully through Grants.gov because of unanticipated technical problems, the forms software package, or Grants.gov error messages will be considered.⁶⁷ NIH set up a system to hear and resolve complaints and appeals well before awards are made.

Grantees Continue to Lack a Means for Structured Input into Governmentwide Grant Application Policies

In a July 2006 report, we concluded that action was still needed to ensure that grantees have adequate input early in developing solutions on grants streamlining, and recommended that the Grants Policy Committee and the GEB develop and implement approaches to soliciting grantee input on an ongoing basis. As of October 2008, the Grants Policy Committee said they were considering how to involve the grantee community as policies are being developed. During our current review, grantee associations continued to express the need for early input into policies that could help streamline and standardize grants policies governmentwide, such as those mentioned in this report, in order to improve the grant application experience for applicants and reduce applicant burden.

⁶⁶On March 9, 2009, OMB required agencies to provide applicants an alternative to Grants.gov for submitting applications during the Recovery Act peak filing period, which is estimated to last from April through August 2009.

⁶⁷However, applicants who did not complete the registration process will not be considered.

Conclusions

The Recovery Act has highlighted the importance of Grants.gov in ensuring the flow of grant funds to struggling communities and organizations around the country. Over the past several months, OMB and the Grants.gov staff worked quickly to mitigate an impending system failure in the short-term. As the Grants.gov governance entities begin to consider longer-term improvements to Grants.gov, now is the time to reconsider whether Grants.gov's performance measurement efforts, its management structure, the current ad-hoc methods for obtaining stakeholder input, and disparate agency policies for processing grant applications will help or hinder Public Law 106-107's goals of simplifying and streamlining grant administration.

Grants.gov's performance measures do not provide a clear picture of system performance or how well applicants are being served. Absent measures that track the health of the system against OMB's definition of system failure, gaps in performance information will persist. However, collecting performance information is not enough; unless this information is used to inform decision making, the Grants.gov governance bodies will lack a valuable management tool for developing strategies to better achieve results.

GEB provides strategic direction and oversight, while HHS, as managing partner, is expected to take the necessary steps to resolve concerns and issues raised at GEB meetings. However, inconsistent coordination, unclear lines of authority, and confusion over roles and responsibilities have contributed to system unreliability at critical points in the application submission process and, if not addressed, could threaten distribution of Recovery Act grants in the short-term and risk the system's long-term performance. Finally, until HHS better links its review of Grants.gov as an IT investment with the GEB's review and approval of Grants.gov's budget and funding mechanism, HHS will have difficulty weighing the relative costs and benefits of Grants.gov and lack assurances that adequate funding is in place to support the level of capital investment desired.

As managing partner for Grants.gov, HHS continues to lack a systematic way to obtain grantees' views on proposed changes to the Grants.gov system; the Grants Policy Committee continues to lack such a mechanism as it implements policies to streamline federal-to-grantee business processes. If grantees remain isolated from the development of systems and policies that directly affect them, the systems and policies will be less effective, and opportunities to better streamline the application process will be missed.

Finally, inconsistent agency policies relating to, for example, application deadlines and notifications both increase applicant burden and, in some cases, disadvantage applicants who submit applications through Grants.gov as compared to applicants who submit applications using other electronic systems, e-mail, the USPS, or a commercial delivery service. Further, some agencies do not recognize Grants.gov registration issues and technical issues such as system unresponsiveness—problems identified by our survey respondents as among the most common causes of late applications—as a valid basis for appeal. On the other hand, some agencies have successfully modified their policies to reflect these types of applicant challenges; these efforts could be a starting point for considering consistent, governmentwide policies in these areas and could assist the Grants Policy Committee in its efforts to develop policy proposals for streamlining and simplifying the pre-award stage of the grants life cycle.

Recommendations for Executive Action

We are making the following four recommendations to the Director of OMB to increase the effectiveness and long-term viability of Grants.gov:

- OMB should (1) work with HHS to develop performance measures related to system availability, usability, and data integrity and (2) direct HHS and the Grants.gov PMO to review performance results on a regular and recurring basis and communicate decisions based on performance information to show that performance information is reviewed and acted upon.
- OMB should work with HHS to develop guidance that
 - ensures that the Grants.gov budget and funding model adopted by the GEB adequately supports the package of Grants.gov IT services approved through the HHS CPIC process;
 - clearly defines the roles and responsibilities of the GEB, HHS OCIO, and Grants.gov PMO with respect to Grants.gov, including how these entities are to coordinate with each other to resolve Grants.gov system issues; and
 - addresses GSA's role and specific responsibilities in developing approaches for longer-term Grants.gov solutions.
- OMB should work with HHS and other stakeholders as appropriate to identify and implement a Grants.gov “applicant user group” or other systematic, periodic approaches for obtaining grantees’ input on changes and improvements to Grants.gov system.
- OMB should work with HHS, the Grants Policy Committee, and other stakeholders as appropriate to identify and implement, to the extent permissible by law, governmentwide policies for processing grant applications, with the goals of minimizing applicant confusion and burden

and creating a level playing field for all application submissions, no matter the submission method. These policies could address

- criteria for what constitutes a timely and complete application;
- notifications grantor agencies provide applicants when an application has been received or been deemed late or incomplete;
- criteria for granting appeals for applications deemed late or incomplete; and
- the Grants.gov registration process.

In doing so, OMB should also ensure that grantees have a structured, ongoing means to provide input on the development and implementation of governmentwide grant application policies and procedures such as those mentioned above.

Agency Comments and Our Evaluation

We provided a draft of this report to the Director of the Office of Management and Budget and the Secretary of the Department of Health and Human Services. OMB staff provided us oral comments and generally agreed with our overall findings and recommendations. OMB staff stated that it is the responsibility of HHS as the managing partner agency to manage system requirements and development for Grants.gov, and that the PMO, GEB, and Grants Policy Committee are merely resources that HHS uses to assist it with its management responsibility. Given where Grants.gov is in its useful life cycle, OMB staff said that they do not foresee any system changes beyond those needed to keep the system stable and operational, and that Grants.gov should be in an operations and maintenance mode until requirements for a new system are developed. OMB staff also provided technical comments that were incorporated as appropriate.

In written comments, the HHS Acting Assistant Secretary for Legislation concurred with our overall findings and recommendations and suggested additions to our recommendation on governmentwide grant policies; we agree with HHS and clarified our fourth recommendation. HHS's written comments are reprinted in appendix II. Key comments include that "systemic issues remain regarding standardization of grants application policies and procedures across the federal government and the Grants.gov governance and funding model" and "the Grants.gov system funding model is institutionally biased against investing adequate resources in system improvements and could benefit from review." In addition, HHS provided an update on Grants.gov activities since April 2009 and said that operations have been essentially normal since that time, with NIH receiving more applications per hour than ever before through Grants.gov.

Technical comments and suggested edits were incorporated where appropriate.

We are sending copies of this report to the Director of the Office of Management and Budget, the Secretary of Health and Human Services, and other interested parties. The report also is available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions regarding this report, please contact me at (202) 512-6806 or by e-mail at czerwinski@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report are listed in Appendix III.

A handwritten signature in black ink that reads "Stanley J. Czerwinski". The signature is written in a cursive, flowing style.

Stanley J. Czerwinski
Director
Strategic Issues

Appendix 1: Detailed Survey Description

We conducted a Web-based survey of federal grant-making agency officials to obtain information on 1) agency policies and practices with respect to competitive grant application submissions, and 2) agency experiences assisting grant applicants who have had problems while using Grants.gov. Our background research indicated that agency officials are knowledgeable about agency grant application policies and have experience assisting grantees who are trying to submit applications through Grants.gov. We did not survey grantees because of the difficulty and resources needed to identify and sample the thousands of grantees who have submitted or attempted to submit applications using Grants.gov.

To design the survey, we reviewed documentation from the Grants.gov PMO and grant-making agencies and interviewed agency grant officials to gain an understanding of 1) agency grant application policies and procedures and 2) their knowledge of applicant experiences using Grants.gov. We worked with a social science survey specialist to design a draft survey instrument and then pre-tested the instrument with five grant-officials from five different agencies to ensure that the questions were clear and unbiased and that the survey could be completed in a reasonable amount of time. We made revisions to the survey instrument in response to each of the pre-tests and presented a final draft to the Grants Executive Board (GEB) members for expert review; they suggested minor changes that were incorporated.

To identify the population of federal “grantor agencies” to survey, we asked the 26 members of the GEB to identify all organizations within their agency that have established distinct grant application policies for competitive, discretionary grants and to provide us a contact person within the grantor agency who would be responsible for responding to the survey. This was necessary because policies for processing grant applications can be centralized at the agency level or can differ within an agency by subagency or program office. With knowledge of a particular agency, the 26 GEB members (or their designees) provided us contact information for officials from 86 grantor agencies, and the survey was provided to those individuals during the first week of December 2008. During December 2008 and January 2009, we sent three e-mail reminders to and in some cases telephoned nonrespondents, asking them to complete the survey. We eliminated six of the respondents from the population after discussions led us to determine that 1) their grantor agency does not offer competitive, discretionary grants or 2) we had received contact information for multiple respondents from the same grantor agency. The final population of 80 respondents represents the universe of grantor agencies with distinct grant application policies. When

the survey closed on January 29, 2009, we had received responses from 74 of the 80 grantor agencies that offer competitive grants for a response rate of 92.5 percent.

Data analysis of the survey was conducted by a GAO data analyst working directly with the GAO staff with subject matter expertise. Since this was a Web-based survey, respondents entered their answers directly into the electronic questionnaire, eliminating the need to key data into a database, minimizing error. When the data were analyzed, a second independent data analyst checked all computer programs for accuracy. Because this was not a sample survey, it has no sampling errors. However, the practical difficulties of conducting any survey may introduce errors, commonly referred to as nonsampling errors. For example, difficulties in interpreting a particular question, sources of information available to respondents, or entering data into a database or analyzing them can introduce unwanted variability into the survey results. We took steps in developing the questionnaire, collecting the data, and analyzing them to minimize such nonsampling errors. It should be noted that some grantor agencies' policies on the allowable methods for submitting applications currently differ from their original survey responses because of OMB's memo of March 9, 2009, instructing agencies to identify alternatives to Grants.gov for accepting grant applications during the Recovery Act's peak filing period, estimated by OMB to be April through August 2009.

Appendix II: Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF THE SECRETARY

Assistant Secretary for Legislation
Washington, DC 20201

JUN 26 2009

Stanley J. Czerwinski
Director, Strategic Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Czerwinski:

Enclosed are the Department's comments on the U.S. Government Accountability Office's draft report entitled, "Grants Management: Grants.gov Has Systemic Weaknesses That Require Attention" (GAO-09-589).

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

Barbara Pisaro Clark

Barbara Pisaro Clark
Acting Assistant Secretary for Legislation

Enclosure

**COMMENTS OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN
SERVICES TO THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO)
DRAFT REPORT ENTITLED, "GRANTS MANAGEMENT: GRANTS.GOV HAS
SYSTEMIC WEAKNESSES THAT REQUIRE ATTENTION" (GAO-09-589)**

HHS concurs with the overall findings and recommendations of the draft GAO Report.

Update on Grants.gov Activities since April 2009:

While the Report accurately reflects many of the performance problems faced by users of Grants.gov through early 2009, HHS has devoted tireless attention to the systemic weaknesses highlighted in the report to dramatic effect. Interim improvements to enhance system performance enabled Grants.gov to successfully handle the largest grant opportunity related to ARRA, NIH's Challenge Grant; receiving over 30,000 applications in an 8-day period in April; including 8,400 applications on April 27th alone. Although the GAO report accurately notes there was a short two hour period at the end of the day in which applications could not be received by the Grants.gov system, the problem was quickly identified and corrected, and no grantee applications were excluded due to the system outage. Operations have been essentially normal since that time. HHS is currently beginning implementation of a 60-day "boost" initiative that will further stabilize the Grants.gov system and increase its reliability and ability to sustain expected grant activity into the future.

Summary of Key Comments:

Page 24 and Page 31, Item 1: HHS believes that systemic issues remain regarding standardization of grants application policy and procedures across the Federal government and the Grants.gov governance and funding model. HHS concurs with GAO that it is important to develop a standard protocol for Federal grantors "accepting" grantee applications, and recommends establishing a standard process and approach for *submitting* grant applications which takes advantage of current technology and minimizes the number of different forms required. The multiplicity of application forms contributes to difficulty in defining system requirements, optimizing the capacity of the system, and running an efficient operations and maintenance program.

Page 32, Item 2a: Additionally, HHS observes that the Grants.gov system funding model, which requires devoting considerable resources throughout the entire fiscal year to collect annual funding contributions from 26 agencies, is institutionally biased against investing adequate resources in system improvements and could benefit from a review. One alternative could be a more established source of funding such as an annual appropriation in order to avoid the perpetual financial challenges associated with maintaining and upgrading this vital government-wide system.

COMMENTS OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES TO THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT REPORT ENTITLED, "GRANTS MANAGEMENT: GRANTS.GOV HAS SYSTEMIC WEAKNESSES THAT REQUIRE ATTENTION" (GAO-09-589)

HHS offers the following specific comments and edits for your consideration:

Grants.gov Registration is Complex and a Common Reason for Late Submissions

Page 11, Table 2: Registration delays are acknowledged and are due to the current mandate from the Grants Executive Board (GEB) to have the Grants.gov system verify the responsibility and authority of the applicant to submit an application at the time an application is submitted rather than later in the process (the pre-award stage). In January 2009, the Grants.gov Program Management Office (PMO) recommended to the GEB an alternative process that would defer the applicant verification activities to the agency level versus the Grants.gov system level. The GEB elected to stay with the existing registration process.

Reason for Late Submission

Page 12, Table 3: HHS recommends that GAO clarify that the reasons listed in Rows 4, 7, 10, 11, 12 and 14 on why prospective grantees submit late applications, are external to the PMO and the Grants.gov system and outside the scope of its control.

Accountability and Responsibility for Grants.gov Performance among the Grants.gov Governance Entities is Unclear.

Page 17, 2nd paragraph: HHS recommends that GAO update its text to indicate that following a year long transition, in March 2009, the Grants.gov PMO decommissioned the system/servers using the original forms software, "PureEdge," therefore future issues of this nature are unlikely.

Section on "Coordination among Grants.gov Governance Entities"

Page 20: While HHS believes that its current Capital Planning and Investment Control (CPIC) process is designed to ensure that Grants.gov is required to meet the same accountability and reporting requirements as enterprise HHS IT investments, HHS would agree that it is important to continue to enhance internal coordination within the Department.

Recommendations for Executive Action

Page 31, Item 1: One additional suggestion would be that the Executive Branch should work with Grants.gov governance entities and policy makers to streamline/standardize grant application processes, reduce the number of electronic forms used by prospective grantees, and identify concrete, functional system requirements that reflect user needs and take advantage of current technological advances.

**COMMENTS OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN
SERVICES TO THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO)
DRAFT REPORT ENTITLED, "GRANTS MANAGEMENT: GRANTS.GOV HAS
SYSTEMIC WEAKNESSES THAT REQUIRE ATTENTION" (GAO-09-589)**

Technical Comments

Page 12, line 7:

... "complete the application process" should be changed to "actually submit the application". For NIH, submission to Grants.gov does not complete the application process.

Page 14, end of first paragraph:

It is worth mentioning that the Grants.gov built the weekend after the April 27 deadline took care of the problem with slow application processing. NIH is receiving more applications per hour than ever before from Grants.gov.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Stanley J. Czerwinski (202) 512-6806 or czerwinskis@gao.gov

Acknowledgments

In addition to the contact named above, Thomas James, Assistant Director; Jacqueline M. Nowicki, Assistant Director; and Jennifer Ashford managed this assignment. Carolyn Boyce, James J. Burns, David Fox, Carol Patey, and James R. Sweetman, Jr., made major contributions. Cynthia Grant and Luann Moy provided methodological assistance; Shirley Jones provided legal assistance; and Donna Miller developed the report's graphics.

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