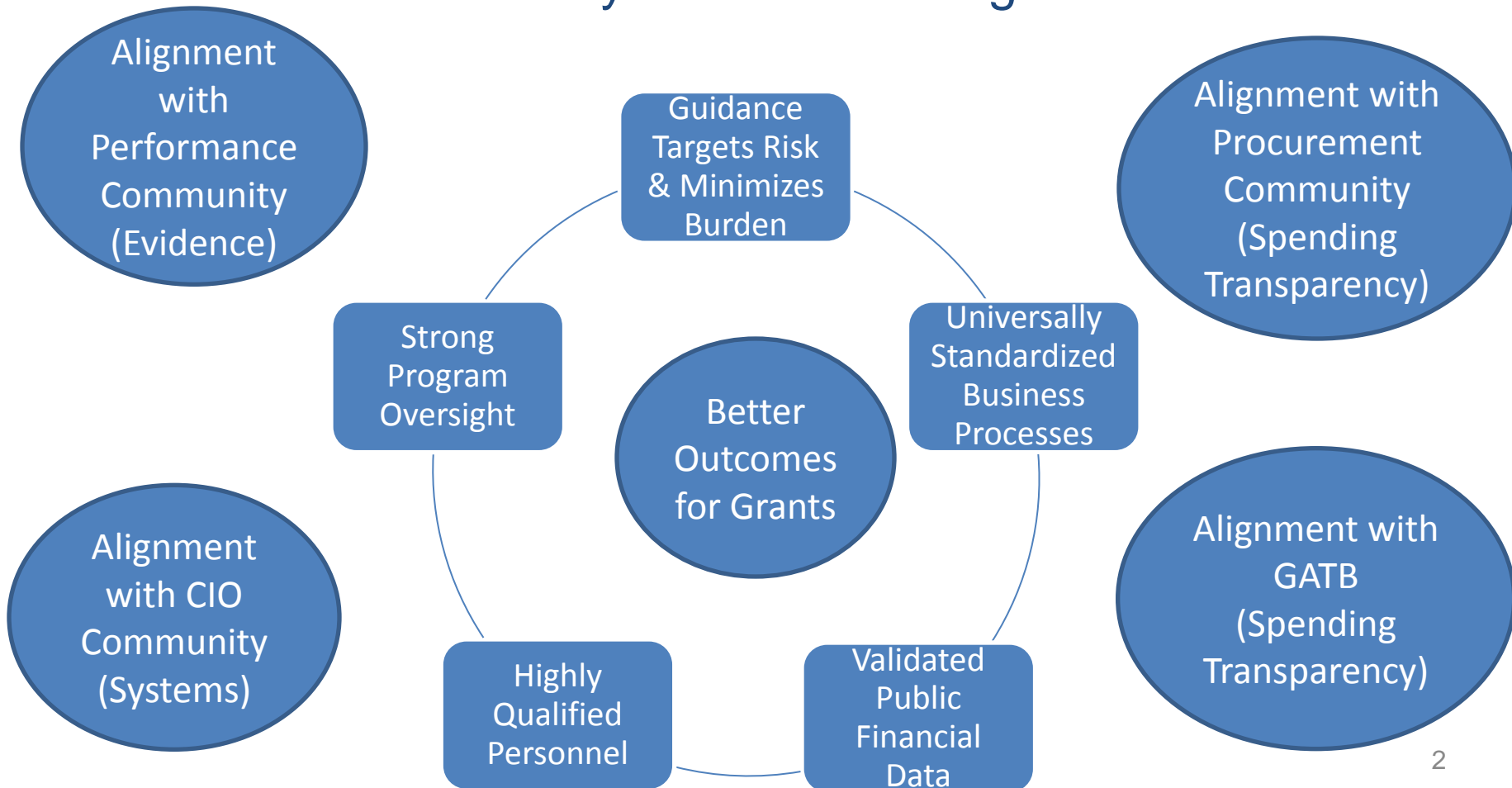# Improving Management of Federal Grant Dollars:
Council On Financial Assistance Reform (COFAR) Priorities for FY13-15

January 28, 2013

The Council on Financial Assistance Reform was established in 2011 as a governance body to provide policy level leadership for the Federal grants community.

Strong Controls Yield Better Outcomes

How do we ensure that Federal grant dollars are being used efficiently to achieve our goals?

Alignment with Performance Community (Evidence)

Alignment with Procurement Community (Spending Transparency)

Alignment with CIO Community (Systems)

Alignment with GATB (Spending Transparency)

Guidance Targets Risk & Minimizes Burden

Strong Program Oversight

Better Outcomes for Grants

Universally Standardized Business Processes

Highly Qualified Personnel

Validated Public Financial Data

Guidance Targets Risk & Minimizes Burden: Revised Guidance in OMB Circulars Implemented

Challenge

- Overlapping complex guidance
- Inefficient use of oversight resources

Proposed Deliverable

- By January 2013 Propose Guidance
- By December 2013 Finalize Guidance

Return on Investment

- Leverage first year of COFAR's work
- Reduce burden for Federal staff and recipients through clear guidance
- Re-allocated audit resources better target risk for stronger financial integrity
- Provides grants community with robust set of comprehensive guidance similar to FAR for procurement

Universally Standardized Grants Business Processes: Data Collections Streamlined

Challenge

- Over 700 distinct grant related forms approved in OMB database
- Inefficient use of recipient and Federal resources to comply with guidance

Proposed Deliverable

- By June 2013 issue standardized award notice, closeout data, and certifications
- By December 2013 issue revised standardized post-award data: PPR, RPPR, other as needed (incorporate data needed to support decisions based on evidence)
- By June 2014 issue revised standardized pre-award data (incorporating Do Not Pay)
- By December 2015 allow any non-standard form approvals to expire

Return on Investment

- Deliver on historic mandate from PL 106-107, and demonstrates continued progress to Congress
- Reduce reporting costs for recipients and Federal agencies (minus possible one-time system change costs)
- Reduce significant IT costs for recipients of multiple grants (minus possible one-time system change costs)
- Supports efforts to validate public financial data and GATB strategy (see next slide)

Validated Public Financial Data:
Public Spending Data Aligned to Core Financial Data

Challenge

- Lack of control totals to verify accuracy of spending data and financial data and accountability to stakeholders
- Lack of high quality information on which to base program management decisions
- Inability to adequately satisfy requests for information

Proposed Deliverable

- By February 2013 publish guidance on leveraging financial data oversight and internal controls for spending data (implemented by January 2014)
- By October 2014 publish payment information repository (Treasury)

Return on Investment

- Builds on grants-focused business process standardization to deliver governmentwide spending transparency dividends.
- Ensure accuracy of financial and spending data
- High quality information on which to base program management decisions
- Streamlined ability to report required information
- Aligns information across spending spectrum including both assistance and procurement per GATB strategy

Highly Qualified Personnel:
Grants Professionals Are Trained and Certified

Challenge

- Lack of consistent standards for qualifying people to perform the grants management function
- No governmentwide core training required of people performing the grants management function

Proposed Deliverable

- By September 2013 establish core competencies for grants managers
- By September 2013 develop baseline body of knowledge as a shared resource
- By September 2013 establish governmentwide resource repository for federal grants professionals
- By September 2014 provide training for core competencies
- By September 2015 establish certification standards

Return on Investment

- Reduce financial risk of grants through staff competency
- Consistency across government allows for a deep and growing pool of talent and career opportunities
- Leverages work done by Leading EDGE group
- To ensure consistent knowledge base and professionalization (using the procurement community paradigm as an parallel example), provides grants community with standard set of competencies and core training for grants managers

Strong Program Oversight:
Reduce Unclean Audit Opinions

Challenge

- Many major Federal programs receive repeated "unclean" audit opinions from the same grantees
- Lack of prompt follow-up actions lead to unresolved audit findings
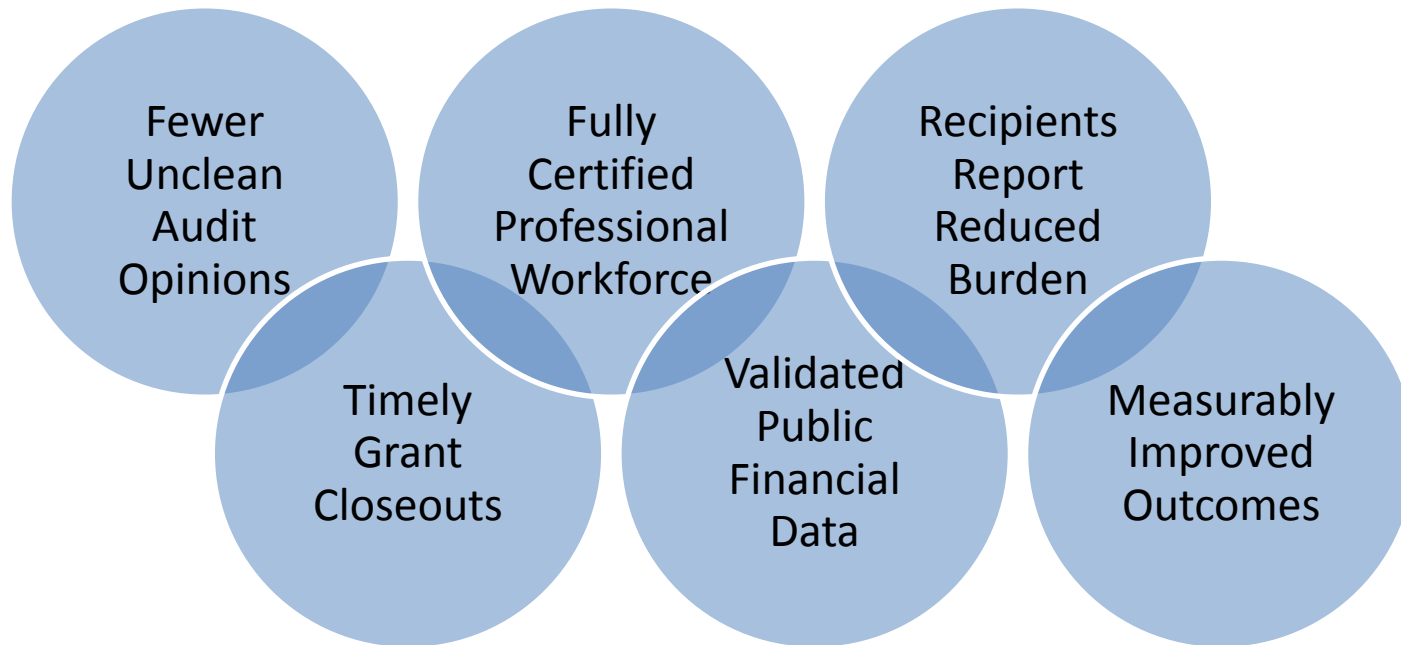- Unresolved audit findings increase the risks to program integrity

Proposed Deliverable

- By January 2013, identify high risk programs for COFAR agencies and establish a baseline for the first subset of programs for "unclean" audit opinions and outstanding audit findings. COFAR will select the first subset of programs.
- By March 2013, each agency identifies the findings causing material non-compliance.
- By June 2013, each agency follows up and develops corrective action plans for outstanding audit findings.
- By December 2013, issue guidance developed by COFAR on program monitoring for Single Audits. COFAR will identify the second set of high risk programs.
- By June 2014, measure the reduction in "unclean" audit opinions on the first subset of programs. COFAR will review the results.

Return on Investment

- Stronger oversight and reduced risks on major programs
- Reduce potential for improper payments

Indicators of Successful Management of Grant Dollars

Fewer Unclean Audit Opinions

Fully Certified Professional Workforce

Recipients Report Reduced Burden

Timely Grant Closeouts

Validated Public Financial Data

Measurably Improved Outcomes

Next Steps

By February 2013

- **Publish circular reform proposal**
- **Publish guidance on USAspending data quality**
- **Identify high risk programs for audit oversight**

By December 2013

- **Issue final circular reform**
- **Issue guidance on program monitoring for Single Audits. Identify the second set of high risk programs**
- **Finalize business process and data standards for post award**
- **Develop competencies, body of knowledge, and resource repository for grants professionals**

By June 2013

- **Develop corrective action plans for outstanding audit findings for selected programs**
- **Finalize business process and data standards for award notice, closeout, and certifications**

Draft timeline is notional and subject to change as work progresses.