

The Changing Federal Grant Management Landscape

02.19.2015 **Jeff Friedman, Director of eGovernment Business Development, State and Local Government Solutions Group**



One of the chief tenets of our [Microsoft CityNext initiative](#) is to help state and local governments use modern technology and tools to increase efficiency and reduce costs. With \$600-plus billion of expenditures by state and local governments coming from federal grants, one of the biggest opportunities for municipalities to modernize is through technologies that make the grant and contract

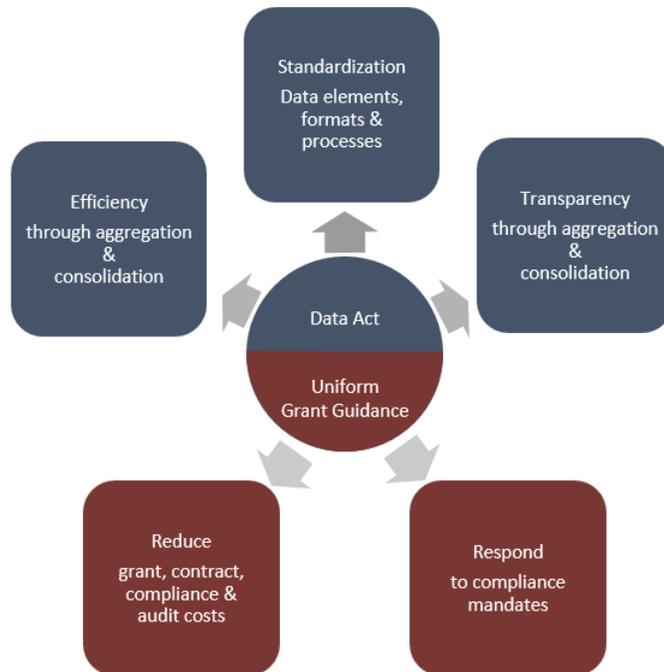
management process more efficient and cost-effective. This is especially true since the Digital Accountability and Transparency Act (the DATA Act) became law last May, followed by the December 2014 implementation of the Office of Management and Budget (OMB) issuing Uniform Grant Guidance.

[One news source](#) explained that the DATA Act “expands the USASpending.gov platform to include detailed and uniform financial data on grants, awards, procurement and other spending.” Our colleagues at [GrantVantage](#), who offer an integrated Outlook and cloud-based solution designed to streamline, automate and standardize the process of managing grants, succinctly calls the recently enacted law and OMB compliance requirements “a new federal grant assistance paradigm.”



So how do the DATA Act and Uniform Grant Guidance change the grants management landscape for state and

local governments and grant recipients? GrantVantage says the federal government's enhanced emphasis on documentation, standardization, transparency and efficiency:



- Increases grant and contract administrative costs
- Establishes new compliance mandates
- Reduces discretionary grant decision-making
- Escalates audit and compliance costs
- Requires increased investments in information technology as well as human capital and personnel training.

But they are quick to add that “despite the serious challenges the implementation of the DATA Act and the Uniform Grant Guidance present ... and the sheer scale of changes in grants management policies, state and local governments ... can and must successfully overcome the new compliance problems.” Here’s how:

- Contain higher administrative compliance costs by focusing on innovative, systemic, government-wide solutions. “The most feasible solution is to combine all grant and contract management processes and compliance requirements in a single,

efficient and flexible ... platform to track and administer costs," says GrantVantage.

- Address existing data maturity and personnel skills gaps, focusing on unification of data formats across state and local agencies.
- Develop and implement uniform information management processes for state and local agencies that administer federal grant funds, ensuring close alignment to the DATA Act and program specific OMB reporting requirements.
- Invest in infrastructure, applications and vendor management that will standardize and simplify reporting across and within state and local government agencies. While compliance costs may increase in the near-term, having multiple agencies tasked with the same initiative will significantly reduce costs in the long-term.
- Create a well-designed readiness plan, providing step-by-step guidelines for successfully implementing new grants management policies, with CIOs and CFOs working in unison to facilitate the transition.

With the DATA Act being implemented incrementally by 2020, now is the ideal time for state and local governments to put the grant administration process at the top of their modernization to-do list. [Microsoft CityNext](#) and our partners stand ready to team with companies like GrantVantage and other innovators to provide the modern grant and contract management technology and tools needed to increase efficiency, reduce costs and ensure compliance with the DATA Act and Uniform Grant Guidance.