2018 National Grant and Cooperative Agreement Recipient Uniform Guidance Implementation Survey
ACKNOWLEDGMENTS

AGA is proud to recognize our Corporate Partner Advisory Group’s (CPAG) Accounting & Auditing Committee for supporting this effort.

The mission of CPAG is to bring industry and government executives together to exchange information, support professional development, improve communications and understanding, solve issues and build partnership and trust, thereby enhancing AGA’s focus on advancing government accountability. The committee supports the CPAG mission by providing an objective, industry-neutral and ethical forum to collaborate on issues of common interest to government and the private sector surrounding financial systems and technology.

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Executive Summary

The Association of Government Accountants (AGA) Corporate Partner Advisory Group’s (CPAG) Accounting and Auditing Committee (AAC) conducted a nationwide survey of federal financial assistance recipients and awarding agencies to identify their challenges in implementing the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2CFR200), known as Uniform Guidance.

Those surveyed came from diverse organizations, backgrounds and levels of experience. Many respondents possessed little or no experience in formal grants management nor in the use of guides and established tools of the trade. Generally, respondents indicated that Uniform Guidance was helpful in raising the Single Audit Act threshold, consolidating requirements, and providing pre-award guidance. Respondents also indicated that future regulatory revisions or updates should provide more prescriptive requirements related to subrecipient monitoring, greater authority to waive required prior approvals, and higher prior approval dollar thresholds.

Survey respondents seek additional guidance and training at all levels from the following sources: the Office of Management and Budget (OMB), federal awarding agencies, pass-through entities, professional associations, and even the audit profession. The preferred method of training delivery is in-person, in an instructor-led classroom. Half of the respondents seek additional training from professional associations, such as AGA, while a similar number seek additional guidance from OMB. A significant number of respondents lack experience in various aspects of grants management, including financial, audit and program management. Lack of training in subrecipient monitoring was identified as a major challenge in Uniform Guidance implementation.

Nearly half of those who responded to questions on the adequacy of performance management guidance suggested federal awarding agencies provide more guidance. Specifically, they desired information on defining “outcomes” versus “outputs” and more precise guidance on the types of performance metrics to be reported.

While respondents clearly recognized the importance of internal controls, more than 54 percent stated that their organizations did not maintain well-documented processes. More than 62 percent of respondents indicated their business process documentation was not comprehensive. This presents another area in which awarding agencies and professional associations may offer assistance.

Other key areas of concern to respondents who seek additional guidance and training include adherence to procurement requirements; application of cost principles; and information on performance management and metrics.

This report suggests mitigations that can be shared with stakeholders, such as federal and pass-through awarding agencies, Congress, OMB, AGA members and participating entities. It also encourages a revival of efforts to develop and execute a governmentwide grants management certification program. This report recommends the Department of Health and Human Services (HHS) as an appropriate home for this endeavor, given its authority to provide governmentwide grants management services.
Introduction

The Association of Government Accountants (AGA) Corporate Partner Advisory Group’s (CPAG) Accounting and Auditing Committee (AAC) conducted a nationwide survey of federal financial assistance recipients and awarding agencies to identify challenges in implementing the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2CFR200), known as Uniform Guidance, an innovation in the field of grants management to consolidate and update numerous legacy sources of guidance from OMB circulars and common rules.

In developing the survey, AAC obtained input from:
- The Office of Management and Budget (OMB)
- The Government Accountability Office (GAO)
- Congress
- Offices of Inspector General (OIG)
- Federal awarding agencies
- Various professional associations such as the National Association of State Auditors, Comptrollers and Treasurers (NASACT), National Governors Association (NGA), AGA’s Intergovernmental Partnership, National Grants Management Association (NGMA), and National Academy of Public Administration (NAPA)
- State and local governments

This report is organized in sections, beginning with a description of the survey’s purpose and data collection methodology. Each subsequent section addresses one or more survey questions and the responses to it, followed by AAC analysis and recommendations. The final section presents committee conclusions and general recommendations. Appendix A provides a list of the survey questions. Appendix B presents respondents’ comments on recipient challenges. Appendix C offers respondents’ comments on guidance they have received. Appendix D provides open-ended respondent feedback.

Survey Purpose

The purpose of the survey was to gain a better understanding of common challenges in implementing Uniform Guidance and/or areas of non-compliance among recipients of federal funds. AAC seeks to understand whether opportunities exist to address identified challenges through measures such as training; clear and consistent regulatory interpretation; new, revised or additional guidance; and intergovernmental partnerships and tools. This report suggests mitigations, discussed later, that can be shared with stakeholders, such as federal and pass-through awarding agencies, Congress, OMB, AGA members and participating entities.

The AAC survey was conducted to:
- Assess the current state of industry implementation of the new regulations;
- Identify common barriers to meeting requirements of federally funded programs in areas such as internal controls, performance management, matching funds, indirect costs, risk management, transparency and core competency gaps;
- Formulate approaches to improve implementation by:
  - Identifying barriers to success, such as lack of automation, need for data analytics, change management and infrastructure gaps;
  - Recognizing training and technical assistance AGA could provide through conferences, workshops, forums and training programs;
  - Highlighting areas in need of revised or new governance/guidance from OMB;
  - Pinpointing assistance needed from federal and pass-through awarding agencies;
  - Achieving evidence-based results.
Survey Data Collection Methodology

The goal of the survey was to show a sample of recipient and awarding entities and their experiences in implementing Uniform Guidance regulations. Using input from stakeholders plus the corporate experience of the working group, AAC developed 35 questions (see Appendix A), including multiple choice and open-ended queries designed to elicit comprehensive respondent demographics and insights. The online survey was executed with Survey Monkey, which automatically tabulates results and captures open-ended responses.

Notification of the survey was accomplished through various outlets, including messaging to AGA members and corporate partners; direct contact with federal awarding agencies, professional associations and OMB; plus a presentation at AGA’s 2018 Professional Development Training (PDT). AGA also provided a link to the survey on its website.

The compiled results were shared with stakeholders for use in developing training and technical assistance, making changes in regulations and guidance, and/or crafting new guidance.

Respondent Demographics

(A Survey Question #1)

A total of 399 entities responded to the survey. They represent a mix of federal, state and local government agencies as well as educational, commercial and not-for-profit institutions, as shown in the following table. Nearly one third of respondents live in metropolitan areas with populations greater than 50,000.

<table>
<thead>
<tr>
<th>Type of Agency</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Government</td>
<td>48%</td>
</tr>
<tr>
<td>Local Government</td>
<td>22%</td>
</tr>
<tr>
<td>Other (including Federal Government)</td>
<td>9%</td>
</tr>
<tr>
<td>Educational</td>
<td>11%</td>
</tr>
<tr>
<td>Not-for-Profit</td>
<td>7%</td>
</tr>
<tr>
<td>Tribal Government</td>
<td>.75%</td>
</tr>
<tr>
<td>Commercial</td>
<td>2%</td>
</tr>
<tr>
<td>Territorial Government</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

The following table shows respondents’ annual expenditures of federal financial assistance. The last group is important, because those expending less than $750,000 fly under the radar of Single Audit Act (SAA) audits.

<table>
<thead>
<tr>
<th>Annual Federal Financial Assistance Expenditure</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than $100 million</td>
<td>18%</td>
</tr>
<tr>
<td>$10 — $50 million</td>
<td>11%</td>
</tr>
<tr>
<td>Less than $10 million</td>
<td>10%</td>
</tr>
</tbody>
</table>

If we extrapolate to $800B annual grant funding, that means up to $billions in grants may go without audit, and in some cases, no monitoring at all.

Also numbers are misleading. For example, a small dollar federally funded research program, that does not receive an audit because expenditures fall under the SAA threshold, may involve programmatic risks that could be identified through audits. The dollar value of risks that could be identified through audits can far exceed the largest number on an entity’s balance sheet. One could argue that an otherwise “clean” audit might be impaired by an unaddressed program risk that creates a “going concern” consideration unless mitigated. These types of issues may not come to the surface if an entity is not subject to audits and monitoring.

1 Calculations may not add up to 100% due to rounding.
Question #2 surveyed respondent years of experience in working with various elements of grants management (GM): Programmatic GM, Financial GM, Grant Auditing, Grant Accounting, Grant Budgeting, Grant Program Management, Grant Project Management, Grant Performance Management, Grant Costs Estimation and Assessment, and Grant Earned Value Management. The following table in Figure 1, provides survey results for each area.

**Figure 1. Respondent Years of Experience**

<table>
<thead>
<tr>
<th>Area of Grants Management</th>
<th>Respondents with more than 10 Years’ Experience</th>
<th>Respondents with No Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmatic Grants Management</td>
<td>28%</td>
<td>34%</td>
</tr>
<tr>
<td>Financial Grants Management</td>
<td>27%</td>
<td>32%</td>
</tr>
<tr>
<td>Grant Auditing</td>
<td>43%</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Survey Results**

This section highlights on areas of concern identified in analyzing survey responses. The following table contrasts the percentage of respondents with more than 10 years’ GM experience with those who have no experience in three GM areas. Given the federal government’s heavy focus on performance results for grant programs, the reported 34 percent of respondents with no experience in programmatic grants management is a concern.

In addition, a significant number of respondents reported no experience in the following areas:

<table>
<thead>
<tr>
<th>Grant Area</th>
<th>Respondents with No Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Management</td>
<td>38%</td>
</tr>
<tr>
<td>Project Management</td>
<td>46%</td>
</tr>
<tr>
<td>Performance Management</td>
<td>45%</td>
</tr>
</tbody>
</table>

Survey results also indicate a significant lack of experience in cost estimation and assessment as well as the use of earned value management (EVM) to administer projects:

- 36 percent of respondents had no experience in cost estimation and assessment;
- 86 percent were unfamiliar with the use of EVM.

Moreover:

- 33 percent of respondents had more than 10 years’ experience operating under legacy guidance;
- 45 percent had more than 10 years’ experience in grant financial management.
Analysis

Federal financial assistance funding has surpassed government contracting nearly two to one. While contracting is governed by Federal Acquisition Regulation (FAR) and administered by highly trained specialists, nearly $800 billion of federal financial assistance is administered, in many cases, by those who are least qualified to do it. The reason for this divergence is the scarcity of certified grants management practitioners. There are currently only about 300 Certified Grants Management Specialists in the world.

No governmentwide training and certification regimen, like that found in the Department of Defense acquisition field, has been instituted. The Defense Acquisition Workforce Improvement Act of 1990 (DAWIA) requires the Secretary of Defense to maintain education and training standards, requirements and courses for both civilian and military acquisition staff. Defense Acquisition University courses, required to meet education and training standards, are commonly referred to as “DAWIA curricula.” Similarly, Acquisition Career Field Certification, awarded upon meeting such standards, is often referred to as “DAWIA certification.”

Forty-three percent of survey respondents had more than 10 years’ grant accounting experience, while 13 percent had no experience. This level of familiarity with grants could be the result of the heavy focus on CFO Act audits over the past 20-plus years.

Given that EVM is an industry-accepted tool used in the management of large-scale projects and typically required for complex, federally funded projects and operations, lack of exposure to EVM is disconcerting.
Greatest Challenges
(Survey Questions #4–5)

Question 4 asked respondents to list three Uniform Guidance elements for grants that present the greatest implementation challenges for their organizations. Question 5 requested a short explanation of the challenges identified in Question 4.

Survey Results

When asked to identify the three Uniform Guidance elements that present the greatest implementation challenges for their organizations, respondents indicated problems with monitoring, pre-award requirements, and application of cost principles. Procurement and reporting (financial and programmatic) were also cited for presenting a high degree of difficulty. The following table highlights key results.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Cited by # of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring award recipients and subrecipients</td>
<td>48%</td>
</tr>
<tr>
<td>Understanding cost principles</td>
<td>39%</td>
</tr>
<tr>
<td>Procurement</td>
<td>27%</td>
</tr>
</tbody>
</table>

Several reasons were given for complications in monitoring recipients and subrecipients at the state and local levels, including:

- A lack of training and guidance on monitoring;
- Staff shortages that inhibit robust monitoring regimens;
- Confusion in identifying subrecipients versus sub-contractors.

Several direct respondent explanations, taken from the survey, are provided below:

- The cost principles are vague;
- All areas present a challenge;
- Difficult to apply Uniform Guidance to all types of costs so, many entities interpret cost principles in different ways; need more program-specific examples;
- Challenge getting processes in place;
- Educating program staff on changes; getting buy-in & communication.

The complete list of challenges cited is found in Appendix B.

Analysis

In working with various federal awarding agencies, such as the Office of Justice Programs (OJP), Department of Health and Human Services (HHS), National Science Foundation (NSF) and others, AAC members noted disparate positions on the role of federal awarding agencies in training its recipients. Some, such as NSF, rely on applicants to be prepared with the requisite skills and experience to execute federally funded programs and prefer to share information through outreach activities rather than training. Other awarding agencies consider it their fiduciary duty to assist recipients in program implementation and administration in order to achieve success. For example, OJP is well known for its Regional Financial Management Seminars and its Financial Guide, which was recently elevated to departmental guidance status. Clearly, survey results show that respondents need training. Freeform responses to this report (in the appendices) indicate respondents would welcome more training and guidance.

Recommendations for the Monitoring Challenge

Many respondents stated they do not have the resources or time to train staff on grant monitoring requirements. It should be noted that training tools and strategies are available to assist with monitoring recipient and subrecipient compliance with award requirements:

- The United States CFO Council offers online webinars and tools with guidance on grant monitoring for use at the state and local levels (https://cfo.gov/july-2016-uniform-guidance-promising-practices-in-implementation/).
- Organizations such as AGA provide free access to tools (https://www.agacgfm.org/Tools-Resources/Intergov/Home.aspx) and also provide training support for federal, state and local government staff.

One strategy to mitigate staff shortages that impede monitoring is to conduct pre-award screening of potential recipients and subrecipients. The federal awarding agency and pass-through entities are required to conduct pre-award assessments to identify which entities are adequately prepared to execute and comply with grant requirements (see http://go.usa.gov/x34dF). Such recipients and subrecipients should require only routine, adequate post-award monitoring by the awarding agency. Prior to the execution of agreements, government agencies and prime recipients should consider their ability to monitor grant recipients or subrecipients that receive high-risk assessments.

If done correctly, pre-award assessments save time, money and other resources throughout the grant performance period. Pre-award screening tools and strategies are available at the cfo.gov and grants.gov...
sites, which also include links to additional resources. The following link (https://cfo.gov/grants/training/) provides guidance on risk assessments, under Module 5 – Risk Management.

The distinction between subrecipient and contractor is defined in 2 CFR, section 200.331, which states: “in determining whether an agreement between a pass-through entity and another non-federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement.” In general:

- A contractor provides the grant recipient with goods or services similar to those provided other customers during the normal course of business; such goods or services are ancillary to the federal program.
- A subrecipient partners with the grant recipient to carry out a portion of a federal award, which usually entails programmatic decision-making and execution of program activities.

Tools developed in conjunction with AGA assist grant recipients in determining whether an entity should be considered a contractor or subrecipient. These tools include checklists (see http://go.usa.gov/x34mJ), reference materials, articles and videos, available to grant recipients at the sites mentioned above.

**Recommendations for the Cost Principles Challenge**

Survey responses include several comments about cost principles being too vague or being interpreted differently by various funding agencies. Although variations exist in the way a specific cost is recognized in different circumstances, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances, either as a direct or an indirect facilities and administrative cost.

Grant recipients should follow the definitions for direct costs (2 CFR, subsection 200.413) and indirect costs (2 CFR, subsection 200.414), as presented in 2 CFR, Part 200, Subpart E, with the focus on determining if a cost is allowable, reasonable and allocable to the award (2 CFR, subsections 200.403 - 405). The grant recipient should make inquiries and obtain guidance from its awarding agency representative on any costs that may be questioned as unallowable, unnecessary, unreasonable or not allocable to the grant, and the recipient should confirm a mutual understanding in writing. Furthermore, the grant recipient should have in place a financial management system that ensures all incurred costs are supported by adequate documentation and are incurred during the allowable timeframe. Training on cost principles is available by accessing the following link (https://cfo.gov/grants/training/) and scrolling to Module 4 – Cost Principles.

**Recommendations for the Procurement Challenge**

For procurement, the main concerns stem from uncertainty about procurement: 1) whether states should follow state rules or federal requirements; 2) when procurement requirements are not uniform across agencies.

Part of the confusion centers around 2 CFR, Part 200, Subpart D, subsection 200.317, which declares that a state must follow the same policies and procedures it uses for procurements from its non-federal funds. In other words, a state must follow its own procurement rules and regulations when making procurements using federal funds. Subsection 200.317 goes on to say that all other non-federal entities, including subrecipients of a state, will follow 2 CFR 200.318, General Procurement Standards, through 2 CFR 200.326, Contract Provisions.

The key distinction is found in subsection 200.318(a), in which the non-federal entity is instructed to use its own documented procurement procedures. These reflect applicable state, local and tribal laws and regulations, provided the procurements conform to applicable federal law and the standards identified in this part. Simply put, entities below the federal level must follow their own procurement procedures, so long as they are the same or more conservative than federal regulations and do not violate state, local or tribal rules and regulations.

For example, if federal standards set the level of a micro-purchase at $3,500, with rules for competition associated therewith, the non-state entity may not set the level of a micro-purchase at an amount greater than $3,500 or incorporate competitive features that violate federal requirements. The remainder of the subsection 2 CFR 200.318 through 200.326 defines the federal standards that set the minimum requirements.

Additional training on the administrative requirements, including those for procurement, may be found at the following link (https://cfo.gov/grants/training/) and accessing Module 3 – Uniform Guidance Administrative Requirements.
Survey Results

In Question 6, organizations that receive awards from more than one awarding agency were asked if they receive conflicting directives from those agencies on implementing Uniform Guidance for grants. Most respondents (68 percent) stated they did not receive conflicting guidance from awarding agencies.

However, in Question 7, when asked if the guidance they receive is adequate, only 55 percent of respondents replied affirmatively — a noticeable drop.

Some comments reprinted in Appendix B effectively say, “My federal awarding agency does not offer guidance.”

Analysis

With more than half of respondents stating they received adequate guidance, survey results indicate a large percentage of award recipients may be uncertain about the correct implementation of Uniform Guidance for grants. Respondents’ narrative comments may be found in Appendix C.

Respondents consistently stated that Uniform Guidance for grants was not specific enough to drive their decision-making on compliance with grant awards. This was not an unexpected response, as the Uniform Guidance regulations are not meant to provide detailed implementation procedures at the recipient level. Instead, regulations delineate requirements that must be met to satisfy myriad laws related to grant-making, such as the Grants and Cooperative Agreements Act, the Cash Management Act, and so on. While certain regulations are problematic, conflicting or unclear guidance from different entities was consistently cited as troublesome along with guidance that did not agree with auditor interpretations.

Respondents indicated that different federal agencies provide conflicting guidance. Also, because grants management information is not shared uniformly among state and local personnel, financial and programmatic personnel are not familiar with nor understand one another’s roles and responsibilities and do not work together collaboratively. The lack of uniform and adequate knowledge among an entity’s internal stakeholders impedes successful execution of grants management.

Uniform Guidance is not designed to provide the specificity some grant recipients want or need. It is designed to provide the framework for managing federal grants. From that perspective, grant recipients should not look to Uniform Guidance to fully address unique situations or circumstances; they should use it as a reference that outlines general requirements.

Recommendations

Grant awards generally provide agency-specific requirements within the grant agreement and the agency’s grants guidance manual. This link (https://cfo.gov/grants/training/) provides a summary of the legal order of precedence of the underlying guidance for grants in Module 1 – Laws, Regulations and Guidance.

To guard against misunderstandings in executing grant awards, grant recipients should consider the following suggestions for ensuring compliance with grant requirements and protecting against common misunderstandings or conflicting directives:

1. Review the grant agreement requirements and independently research all unanswered questions about them. This research should include recent single audit or other financial audit reports for similar awards by the funding agency, with a focus on audit report findings and recommendations.

2. Use the award kick-off meeting to ask the designated funding agency representative about any issues that are unclear or appear to conflict with the recipient’s understanding of Uniform Guidance. Also inquire about prior audit findings for similar awards and how they were resolved.

3. If the agency representative cannot provide clear guidance, then identify and request to speak with another individual from the awarding agency with the knowledge and decision-making authority to address recipient concerns.

4. Obtain responses in writing and confirm in writing your understanding of the responses. Place the written responses in permanent grant files for later retrieval, if needed.

5. Include internal and subrecipient stakeholders with both programmatic and financial perspectives in the discussions and clarifications.

6. Periodically check-in with the funding agency representative to ensure grant requirements are being met.

7. If possible, prepare a grant requirements checklist and perform an internal audit or assessment to identify significant deviations from or non-compliance with the requirements. Establish procedures and timelines for corrective action.

Complete resources for assistance with federal grants can be found on websites dedicated to grants management, located at: https://www.grants.gov/web/grants/home.html and https://cfo.gov/grants/grants-resources/. General training about grants may be found at: https://cfo.gov/grants/training/.
In conducting the survey, AGA asked respondents about the effectiveness of Uniform Guidance. The purpose of Questions 8 and 9 was two-fold: to identify the three most beneficial attributes of the guidance and to determine improvements needed in OMB codification of grant management requirements.

**Question 8 Survey Results**

When asked to name the top three requirements of Uniform Guidance that save time, reduce burden, and prevent waste or audit findings, survey respondents overwhelmingly cited the attributes presented in Figure 2 as most beneficial:

- Increase of the single audit threshold to $750,000
- Consolidation of regulations; ‘One Stop Shop’ for federal requirements
- Pre-federal award requirements

**Question 8 Analysis**

The new guidance increases the threshold for requiring a single audit from $500,000 to $750,000 in federal expenditures. OMB estimates the change will eliminate approximately 5,000 single audits per year due — a clear benefit cited by many respondents. In addition, the lowest level threshold for Type A programs was increased from $300,000 to $750,000. This matches the single audit threshold and may reduce confusion in implementing the new guidance.

Survey respondents overwhelmingly cited the consolidation and standardization of existing regulations as a major benefit. This is no surprise, as this was certainly an important goal of OMB in pursuing this major revision. The idea of a “one stop shop” for federal requirements benefited most grant recipients and oversight agencies, as noted in the survey.

Respondents also indicated that federal pre-award requirements that takes applicant risk into consideration helps mitigate potential risk to the federal awarding agency.

**Question 9 Survey Results**

In contrast to previous responses, answers to Question 9 about which three areas of Uniform Guidance should contain greater detail, recipients identified the following, as presented in Figure 3.

**Figure 3. Uniform Guidance Could Go Further**

- Subrecipient monitoring
- Procurement regulations
- More authority for pass-through entities to waive prior approval

**Question 9 Analysis**

**Areas in Which More Detailed Guidance is Needed**

**Subrecipient Monitoring**

Subrecipient monitoring was cited as the top area in which Uniform Guidance could go further. This is clearly an area where pass-through entities are challenged and where more guidance could be provided to clarify regulations. Specifics cited by survey respondents related to monitoring procedures and clarifying roles, responsibilities and actions needed to adequately oversee grant performance.

In addition, respondents proposed greater authority for pass-through entities to waive prior approval requirements. One respondent even asked when a pass-through entity should cease funding a subrecipient for consistent non-compliance with guidance. This is obviously a challenging area in Uniform Guidance, suggesting all levels involved in the grants process would benefit from increased training and assistance from federal awarding agencies in:

- Assessing financial and programmatic risks of non-compliance by subrecipients;
- Assessing the overall risk of each subrecipient;
- Developing and implementing a monitoring plan based on that risk assessment;
- Following-up on corrective actions to address identified control weaknesses.

AGA 2018 Uniform Guidance Implementation Survey Results
Procurement Policies and Procedures

Another area in which Uniform Guidance could offer more detail relates to procurement. Many respondents identified this area as the one with most room for improvement, especially in the areas of policies, procedures and procurement systems approval.

Local jurisdiction procurement regulations codified as law create one area of difficulty for state and local government recipients. They are legally bound to adhere to their local regulations, even when they contradict federal regulations or set different approval levels. Many recipients must compare the two sets of regulations, federal versus local, and attempt to set policy compliant with both. In addition, many state and local recipients are challenged by the timing and release of Uniform Guidance updates, because they can require major revisions to subrecipient grant award procedures or, at a minimum, thorough analysis of existing contracts to ensure they remain compliant.

Comments noted in the survey, as well as the collective experience of our corporate partners, indicate procurement standards were one of the more significant changes resulting from Uniform Guidance. While procurement requirements most closely follow the previous OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments, Uniform Guidance introduced more defined policies and standards for procuring goods and services. In the new requirements, an entity must have documented procurement policies to ensure they conform with Uniform Guidance plus any existing state regulations. In accordance with 2 CFR, Part 200.318, the entity must also maintain records to sufficiently detail the history of the procurement, including rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for contract price.

A significant amount of formal documentation is required to meet procurement standards outlined in Uniform Guidance, beginning with required organizational policies and procedures, through individual contract award and oversight activities at the recipient level. Some recipients asked for policy examples that demonstrate compliance with new regulations. Others asked for targeted training and decision flowcharts to assist them in interpreting the approval process.

Prior Approval Waivers

Respondents indicated a need to increase prior approval thresholds. They suggested pass-through entities be given authority to waive prior approvals. This is an area OMB may want to take into consideration for future Uniform Guidance updates.
Survey Results

Survey Questions 10 through 16 focused on internal controls, business process documentation, and fraud awareness. Most respondents, approximately 87 percent, indicated that their organizations maintain a system of internal controls that meets standards required by grant agreements. About the same number of respondents (approximately 86 percent) said they applied internal control standards to financial, administrative and program-related operations.

Sixty-three percent of respondents stated that their organization’s management understood federal implementation guidelines provided by the GAO Standards for Internal Control in the Federal Government (or Green Book) or by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and other benchmarks considered by auditors when auditing grant and cooperative agreement programs. However, when asked about challenges in meeting standards, the highest percentage of responses noted a lack of:

1. Adequately trained and experienced staff;
2. Detailed guidance;
3. Funding for IT systems.

Respondents also cited challenges in meeting standards because of their entity’s small size and lack of a proper tone at the top, plus controls related to subrecipients.

While a significant number of respondents said their organizations had internal control systems, 54 percent said they lacked well-documented processes, especially related to federal awards. In addition, 62 percent of respondents said their business process documentation was not comprehensive, lacking key controls and end-to-end process narratives or flowcharts to guide administration of federal awards.

More than 77 percent of respondents said more information on prevention and detection of fraud, waste and abuse would benefit their organizations.

Analysis

While the GAO Green Book, COSO, grant agreements, and state and local laws require internal controls to monitor administration of federal awards, no clear guidance exists on the makeup of appropriate controls, the required level of documentation around those controls, and the assessment of staff comprehension of internal controls. Clarification of guidance around internal controls is important for the protection of the organization and the individuals responsible for compliance.

For example, the GAO Green Book provides internal control standards and guidance for agencies to use when administering grants and cooperative agreements. However, guidance from the federal government to prime recipients of federal awards is not as clear regarding internal control standards for financial and compliance aspects of a grant. Furthermore, state and local laws, ordinances or procedures may be inconsistent with federal guidance, thereby requiring correct interpretation of controls to monitor grant programs.

Federal agencies rely upon OMB Circular A-123, Management’s Responsibility for Enterprise Risk Management and Internal Control, for internal control implementation guidance. Absent any other guidance from OMB or federal awarding agencies, auditors are likely to use this as a benchmark when auditing recipient systems of internal control.

Recommendations

The varying nature of grant recipients, in size and scope of mission, creates a need for internal control guidance specifically designed for recipients of federal financial assistance, large and small. This is an area in which OMB could take the lead, supported by professional associations such as AGA and the American Institute of Certified Public Accountants (AICPA), to provide continuing education. Input from the audit community would be welcome also, as indicated by responses to other survey questions discussed later in this report.

Strong internal controls are important to prevent and detect errors, fraud, waste and abuse. Finding fraud, waste and abuse can lead to serious consequences for an organization responsible for administering grant funds. More than 77 percent of respondents said more information about the prevention and detection of fraud, waste and abuse would benefit their organizations. Additionally, a better understanding of penalties associated with fraud, waste and abuse will help organizations understand and communicate the importance of guarding against such activities.
Implementing Audit Requirements
(Survey Questions #17–23)

Questions 17 through 23 explored experiences in implementing audit requirements of Uniform Guidance. Many recipients of federal financial assistance are subject to requirements of the Single Audit Act. Some experienced organizations routinely pass with flying colors, while others are caught by surprise. Still other entities struggle with findings and ensuing corrective actions that can linger for years.

Survey Results

Survey respondents said common grant-related audit findings reported by their organizations were related to:

- Activities that were allowed or unallowed;
- Allowable costs/cost principles;
- Unsupported costs (lacking documentation);
- Time and effort record keeping;
- Internal controls;
- Compliance;
- Subrecipient monitoring.

Most organizations (70 percent) reported receiving no audit findings related to non-compliance with the Uniform Guidance (also reflected in the results of Question #18). However, the results of Question #17 showed 22 percent of respondents reported compliance-related findings.

The survey revealed that most awarding agencies follow up on audit findings. However, nearly 40 percent of respondents reported inadequate guidance from their awarding agency on the audit follow-up process.

Another significant survey result showed that more than half of respondents have not taken advantage of the cooperative audit resolution process.

Analysis

The commonality in findings reflects inexperience and lack of training in many organizations. Suggested causes include, but are not limited to, new and/or inexperienced staff, agency compliance with its own internal and/or state requirements over federal requirements, and misinterpretation of requirements.

Most organizations appear to have some processes in place to reduce findings related to accounting functions, such as cash management, equipment and real property management, financial reporting, etc. Effective accounting functions and proper internal controls should reduce opportunities for fraud, waste and abuse.

Recommendations

Question #17 showed 22 percent of respondents reported compliance-related findings. These organizations should begin to engage in audit readiness activities to minimize the risk of future audit findings. These activities include:

- Identifying programs that have expended $750,000 or more, which would require an audit;
- Confirming that the schedule of expenditures agrees with the general ledger;
- Ensuring that supporting documentation for expenses incurred is complete and stored in an organized fashion for ease of assembly when needed.

More than half of respondents said they have not taken advantage of the cooperative audit resolution process. This process can help organizations reduce audit findings and ensure proper corrective action plans are implemented to prevent lingering problems. The large number of inexperienced organizations managing grants and their unfamiliarity with resources available to assist them also may have influenced responses to this question.


Given that more than half of respondents are not taking advantage of cooperative audit resolution, it was not surprising to find that organizations seem unaware of existing guidance. This may stem from not knowing about available resources or not having proper guidance from the awarding agency to take advantage of the cooperative audit resolution process.

Nearly 40 percent of respondents reported having inadequate guidance on their awarding agency’s audit follow-up process. In these instances, organizations should review AGA’s CAROI guide to gain an understanding of their awarding agency’s audit follow-up process and begin the compliance review process, even if they have not received any notifications. With regards to audit findings, proactive behavior is always better than reactive behavior. To improve results, organizations should first become familiar with AGA’s CAROI guide and then ask their awarding agencies about webinars, seminars or other training events offered to increase their understanding of audit follow-up requirements.
Survey questions about guidance from federal awarding agencies on reporting project performance sought to discover whether recipients and those entities involved in the grants oversight process received adequate guidance and, if not, which areas were lacking. In addition, the survey sought descriptions of any challenging aspect of implementing Uniform Guidance, especially concerning the newly revised cost principles.

**Survey Results**

Almost 200 survey respondents answered Question 24; the responses are presented in Figure 4.

**Figure 4. Adequate Guidance from Federal Awarding Agencies**

Have you received adequate guidance from your awarding agency regarding how to report project performance?

- Yes: 40%
- No: 60%

Over 50 percent of those answering Question 24 said guidance from their federal awarding agency was adequate. This is encouraging, especially in the early years of implementation. It should be noted that the revised guidance is just as new for federal agencies as it is for recipients.

Respondents cited the following areas, presented in Figure 5, in which guidance on performance reporting from their federal awarding agency was lacking.

**Figure 5. Federal Awarding Agency: Areas Where Guidance is Lacking**

If the answer to the preceding question is ‘No,’ please check the area listed below where guidance is lacking:

- Unclear regarding definition of “outputs” vs. “outcomes”: 20%
- Unclear as to what metrics should be reported: 40%
- Other (please explain): 20%

**Analysis and Recommendations**

Survey respondents reported guidance from federal awarding agencies was lacking in two main areas: 1) performance metrics; and 2) the definition of “outputs” versus “outcomes” in reporting performance measures. These responses are not surprising, as performance reporting has always been a challenge at all levels of government. Since the establishment of the National Performance Review and the Government Performance and Results Act of 1993, entities have struggled with what to measure, how to measure and capture results, and how to report those results to the public and to oversight agencies. The difference between outputs and outcomes is a common area of confusion for those new to government performance reporting.

Professional Associations should provide training on development of performance metrics and performance measurement focusing on distinguishing between “outputs” and “outcomes”. Awarding agency program offices should include in their awards specific requirements for performance measurement and clearly define the performance metrics to be captured and reported in periodic progress reports.
Question 26 asked grant recipients and oversight agency personnel to describe particularly challenging aspects of implementing cost principles. The results shed light on common problems: lack of training in this area and inadequate information and guidance from federal awarding agencies.

To help summarize these results, the survey identified common barriers to implementation of Uniform Guidance, proposed mitigation for these barriers, and then specified entities responsible for that mitigation strategy (e.g., OMB, federal awarding agencies, or AGA as a professional association).

This three-phased approach is depicted in Figure 6 below:

**Figure 6. Three-Phased Approach**

**Survey Results**

From survey results in the areas of performance reporting, several patterns emerged, as presented in Figure 7:

**Figure 7. Common Barriers and Mitigation Strategy in Performance Reporting**

**Analysis and Recommendations**

Rather than simply share survey results, this report also identifies and recommends strategies to mitigate acknowledged barriers. Common among survey respondents is an overwhelming desire for improved guidance and training. To address this challenge, training content areas and potential providers are pointed out to benefit the grants community.

Performance reporting is one of the top areas cited as a challenge for the grants community. The Government Performance and Results Act (GPRA) made this type of reporting mandatory for federal agencies and provides a useful framework that many state and local agencies follow. AGA has facilitated training in this area through local chapter activities as well as annual Professional Development Training (PDT) events. They offer great learning opportunities for members of the grants community who may be new or in need of help in implementing the new standards, especially for performance reporting.

In addition, the Certified Government Financial Manager (CGFM) certification focuses on content specifically relevant to performance reporting at the federal, state and local levels. CGFMs could be called upon to serve as instructors for their local chapters and as mentors for new staff assigned to grants performance reporting in their organizations.

The survey requested descriptions of any challenging aspects of implementing cost principles in an organization. Overwhelmingly, respondents noted a lack of training and resources for accountable personnel to confirm that costs were allowable, reasonable and allocable in accordance with the cost principles. A great need exists for access to training in this area, along with examples of proper application of cost principles.
Survey Results

Nearly 400 people participated in this survey. Of these respondents, 225, or 56 percent, did not respond to Question 27 (“How many sub-awards does your organization manage?”) Only the remaining 174 who shared their experiences with sub-awards are represented in Figure 8 below.

Figure 8. Percentage of Sub-Awards Managed by Respondent Organizations

When asked about the types of monitoring (Question 29), 189 respondents answered as follows:

<table>
<thead>
<tr>
<th>Type of Monitoring Conducted</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal desk reviews and site visits of subrecipients</td>
<td>48%</td>
</tr>
<tr>
<td>Informal reviews only</td>
<td>15%</td>
</tr>
<tr>
<td>Combination of both informal and formal reviews, based on needs of the grants program</td>
<td>11%</td>
</tr>
<tr>
<td>Not Applicable (No subrecipients)</td>
<td>26%</td>
</tr>
</tbody>
</table>

One respondent indicated adequate procedures were in place, but employees lacked training or experience to perform desk reviews. In addition, due to reductions in travel funds, it has become necessary to pursue alternatives to on-site visits that serve the same monitoring purpose. Typically, it is necessary to conduct such periodic reviews to ensure that grants funding is being utilized for its intended purpose.

For Question 30, of the 185 respondents, 45 percent said they had received adequate guidance from their awarding agencies on how to monitor their subrecipients. The remaining 55 percent indicated they had not received adequate guidance from their awarding agency on subrecipient monitoring.

Analysis and Recommendations

The awarding agency and their grant recipients should review 2CFR200, Section 330, Subrecipient and Contractor Determinations, concerning subrecipient monitoring and management criteria. These two groups should also ensure that proper control measures are in place to preclude issues later, such as improper payments, fraud, waste, etc.

According to the President’s Management Agenda (PMA) Cross-Agency Priority (CAP) Goal 8: Results-Oriented Accountability for Grants,2 grant funders and recipients spend 40 percent of their time using antiquated processes to monitor compliance, instead of using data and analytics to monitor results. One objective of this CAP Goal is to modernize efforts to achieve impact, mission-driven results, and measurable outcomes for the taxpayer.

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2 President’s Management Agenda https://www.whitehouse.gov/omb/management/pma/
In 2017, GAO Report #GAO-17-90 provided six recommendations to the Corporation for National and Community Service (CNCS) to improve its efforts towards a risk-based process for monitoring grants and its capacity for monitoring grantee compliance. These include:

1. Complete a benchmark effort to assess scoring process and criteria to further develop a risk-based approach to grant monitoring. Also, use information from this effort to:
   a. score the indicators so the riskiest grants get the highest scores;
   b. revise the assessment indicators to meaningfully cover all identifiable risks, including fraud and improper payments;
   c. document decisions on the way indicators are selected and weighted.

2. Establish and implement a policy to ensure all active grants in a fiscal year, including those awarded after the annual assessment, are assessed for potential risk.

3. Review monitoring protocols, including the level of information collected to oversee subrecipient activities, such as criminal history checks, and enhance protocols, as appropriate.

4. Establish activities to systematically evaluate grant monitoring results.

5. Develop and document a strategic workforce planning process.

6. Create an employee development program, with updated critical competencies for grant monitoring, and establish a training planning process linked to agency goals and these competencies.

These six recommendations could be leveraged by other organizations with no risk-based process already in place.

According to this CAP Goal, federal agencies can maximize the value of grant funding through the application of a risk-based, data-driven framework that balances compliance requirements with successful results for the American taxpayer.

It is important to note that Uniform Guidance contains subrecipient monitoring requirements applicable governmentwide. Primary grant recipients can utilize these requirements, which outline how to monitor subrecipient activities and evaluate risk of noncompliance with federal statutes, regulations, and the sub-award’s terms and conditions. This process enables primary grants recipients to ensure that sub-award funds are used only for authorized, compliant purposes and that performance goals are achieved. Also in accordance with PMA CAP Goal 8, awarding agencies should develop monitoring requirements that ensure recipients spend less time on administrative compliance and more time focused on achieving program results.

The 186 respondents were equally divided when asked if their organizations have written policies and procedures covering subrecipient monitoring, including corrective action follow-up. Awarding agencies must ensure that subrecipient policies and procedures are clearly identified in the grants agreement document. In addition, the agency program manager must ensure adequate monitoring is in place to confirm compliance with Uniform Guidance regulations. The agency should communicate any successful policies (best practices) used by one set of grant recipients to other grant recipients. Also, according to the GAO Standards for Internal Control in the Federal Government, Principle 16 “Perform Monitoring Activities,” management should establish and operate activities to monitor the internal control system and evaluate results. Key attributes include establishment of baseline internal control system monitoring and evaluation of results.

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Guidance from Whom, and What Type?  
*(Survey Question #32)*

**Survey Results**

Respondents were asked who should provide additional directions on Uniform Guidance implementation. Their responses are tabulated in the following table.

<table>
<thead>
<tr>
<th>Source of Guidance</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Awarding Agencies</td>
<td>45%</td>
</tr>
<tr>
<td>OMB</td>
<td>29.5%</td>
</tr>
<tr>
<td>Single Audit Act Auditors</td>
<td>12.9%</td>
</tr>
<tr>
<td>Prime Recipients</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

When asked to specify preferred forms of guidance, fully 50 percent of respondents requested more guidance in the form of training from professional associations. Respondents would also like to see tools (16 percent) and advisories (13 percent) from these same institutions. All results are represented in Figure 9.

The following table ranks the preferred forms of guidance.

<table>
<thead>
<tr>
<th>Form of Guidance</th>
<th>Preferred by x% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training from professional associations</td>
<td>50%</td>
</tr>
<tr>
<td>Formal implementation guidance from OMB</td>
<td>42%</td>
</tr>
<tr>
<td>Changes to Uniform Guidance</td>
<td>22%</td>
</tr>
<tr>
<td>Training from SAA auditors and OIGs of awarding agencies</td>
<td>33%</td>
</tr>
<tr>
<td>Uniform Guidance implementation training from federal awarding agencies</td>
<td>22%</td>
</tr>
<tr>
<td>Tools from professional associations</td>
<td>16%</td>
</tr>
<tr>
<td>Advisories from professional associations</td>
<td>13%</td>
</tr>
<tr>
<td>Policy guidance from federal awarding agencies</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Figure 9. Most Preferable Forms of Guidance**

![Graph showing the most preferable forms of guidance](image)

<table>
<thead>
<tr>
<th>Guidelines</th>
<th>Guidance (OMB Memorandum)</th>
<th>Office of Inspector General (e.g., fraud indicators, what to expect in an audit, etc.)</th>
<th>Single Audit Act Auditors (e.g., what to expect in an audit)</th>
<th>Professional Associations</th>
<th>Prime recipient who provides your sub-award</th>
<th>Federal awarding agency</th>
</tr>
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</table>

**Analysis**

While some respondents stated a preference for training from their SAA auditors, it should be noted that auditors should appropriately consider independence in the course of providing any suggestions to their clients.

Twenty-two percent of respondents said they would like to receive Uniform Guidance implementation training from their federal awarding agencies, which, as noted earlier, runs contrary to the position of some agencies. Notwithstanding this position, this survey demonstrates that a training need exists.

**Recommendations**

Greater awareness is needed about the useful tools AGA has created and published for agencies, including:


Survey Results

The majority of respondents (65 percent) said they would like to receive formal, in-person, instructor-led classroom training. The next most popular preferences include instructor-led webinars and e-learning. These findings concur with our workgroup’s anecdotal experience, which shows the importance of peer exchange in formal classroom training and live interaction with subject matter expert instructors. The modality of such training is important as well. Classes often include role playing, which helps to imprint concepts being taught. Figure 10 below provides respondent answers to the question about training format preferences.

Figure 10. Training Format Preferences

Most respondents (81 percent) were not aware that OMB published Grants 101 training on its website, indicating a need for greater outreach by the government and professional associations.
The good news, according to survey respondents, is that the Uniform Guidance is helpful. It raised the Single Audit Act threshold, consolidated requirements, and provided pre-award guidance. At the same time, respondents felt guidance could better communicate subrecipient monitoring and procurement requirements, and it could give authority for pass-through entities to waive prior approval requirements.

It is clear from the results of this nationwide survey that recipients, awarding agency staff, and auditors would welcome further Uniform Guidance implementation support. It is apparent that those who took the survey come from diverse organizations, different backgrounds, and varying levels of experience. Many respondents have little or no experience in formal grants management or the use of established tools and guides.

Consistent with governmentwide audit findings, the survey shows subrecipient monitoring is still an area for more training, resources and tools. Prime recipients require the most help with subrecipient monitoring. Many respondents who conduct monitoring said it could be improved. Nearly half of the respondents lacked subrecipient monitoring guidance from their awarding agencies. Most lacked formal documented policies and procedures on the subject.

Based on survey findings, most entities are engaging in audit readiness, but a clear need exists for OMB to encourage grants managers to take advantage of cooperative audit resolution and available tools to increase successful closure.

Nearly half of those who responded to questions on the adequacy of performance management guidance said their federal awarding agencies should provide more guidance. Specifically, they want information on defining outputs versus outcomes and more specific guidance on the performance metrics to be reported. Members of the survey team have noticed federal funding opportunity announcements that only require reporting on outputs, while both output and outcome reporting should have been required. Performance reporting is clearly one of the top challenges for members of the grants community and an area in which AGA and federal awarding agencies could offer more training and guidance.

With 39 percent of respondents reporting difficulty in understanding cost principles, and 27 percent reporting difficulty in executing compliant procurements, the field clearly needs hands-on implementation guidance.

Most respondents stated that their organizations had good internal controls. However, 54 percent said their organizations did not have well-documented processes; and 62 percent indicated their business process documentation was not comprehensive.

Audit and grants management professionals often say, “If it is not documented, it didn’t happen.” This is another area for OMB to take the lead by adding the condition of prospective recipients’ control documentation to pre-award risk assessments. OMB and federal awarding agencies could also determine the percentage of administrative funds within federal awards that may be dedicated to upgrading business process and control documentation.

Some awarding agencies expect recipients to have the infrastructure to support execution of their federal awards and sub-awards. Award recipients may range from inexperienced grassroots operations dedicated to social needs to advanced educational and research organizations with many years of experience. The amount and quality of business process and control documentation in the central administrative components of sophisticated business operations tends to fall off the farther away from those offices the grant-funded work takes place (i.e., small dedicated teams focused on program execution rather than administrative compliance.) Given the new internal control requirements of Uniform Guidance, auditors, too, must take a new and deeper look at the condition of recipient process and control documentation during their audits.

Results that show one-third of respondents receive conflicting guidance from federal awarding agencies beg the questions: Should all guidance go through an OMB clearinghouse to ensure consistent application of Uniform Guidance? Or would this create a bottleneck? With today’s advances in social media, perhaps apparent conflicts could be raised to a group charged with resolution at the speed of business.

Over time, trends will identify Uniform Guidance areas that need further clarification and/or simplification. Trends will also show areas for OMB to address in interim guidance and more formal regulatory updates. Uniform Guidance is not a “one and done” document.

The health of any profession depends on the constant “care and feeding” of its professional workforce. Experience gained in implementing Uniform Guidance must be captured and interpreted. Only then can policy and guidance be updated, along with ongoing and long-term continuing education. At worst, we risk headline-worthy catastrophic program or financial failures, such as cost overruns, inefficiencies, lack of measurable program results, fraud, waste or abuse in federally funded projects.

Half of the survey respondents want grants management training from professional associations. Many also desire tools and advisories from these same organizations. Survey respondents would even welcome guidance from their auditors. CFO Act agencies and their auditors have matured in their relationships, thus the audit experience has become
more collegial and cooperative, with a mutual goal of effective planning and communication throughout the process. The grants management industry would benefit from promotion of a similar ethos.

Forty-two percent of respondents seek more guidance from OMB. While a focus on audit-like compliance may have been appropriate in earlier days of grants administration, OMB must move into “managing” the business of grants. Perhaps a rotation program to bring experienced grants managers into the agency for defined periods of time would infuse and inform guidance for practitioners facing everyday challenges. While technology can help streamline grants administration, resources are needed to support governmentwide grants administration. Spurred by the focus of PMA CAP Goal 8, the time is now to request resources that will yield maximum benefits in the long term.

Training and Certification Recommendations

More than 60 percent of respondents want classroom, instructor-led training. A comprehensive solution should include all modes of communication and outreach. It is important not to use a band-aid approach to the respondents’ call for help. A comprehensive, long-term approach is needed, as discussed below.

The PMA highlights the need for results-oriented grants accountability and depends on a knowledgeable, well-trained workforce. In taking the initiative to “re-imagine grants,” HHS identified training as a key success factor.

Legislative, regulatory and procedural changes for grants and integration of technology make existing grants management training only marginally effective in preparing for the re-imagined administration of grants. Four critical challenges faced in the effort include:

1. Outdated information from legacy programs;
2. Training that is not specific to the audience or their objectives;
3. Inconsistent transfer of knowledge across agencies and roles;
4. Lack of governmentwide professional certification for federal and recipient grants managers.

Regardless of whether awarding agencies believe it is their responsibility to train recipients or not, the grants community is asking for help. Recipients and awarding agency staff need consistent, reliable, timely guidance. Based on this survey, however, it appears that Uniform Guidance is implemented differently by different awarding agencies.

Anecdotal comments as well as the real-world experience of our corporate partners indicate a great deal of confusion surrounds Uniform Guidance implementation. Objectives for initiatives funded through grants have not changed. But the rules have changed, presenting a challenge for grants administration. Failure to fully implement requirements presents risk to continued funding and to the reputation of both grantor and grantee. Failure to contextualize those requirements can obscure outcomes desired and delivered as a result of funds granted.

The lack of “uniform” implementation of 2CFR200 piques the memory — Wasn’t there once an effort to create a governmentwide certification in grants management? Indeed, in the late 1990s, HHS created a grants management professional development program, followed by efforts to create a grants management certification for HHS professionals. It was supposed to professionalize the grants management practice and elevate the profession to a defined level of proficiency and knowledge. Sweeping reforms in the form of an updated Uniform Guidance and the DATA Act rendered those efforts obsolete, yet they created an opportunity for improvements in HHS’ Re-Imagining Grants management vision.

Comments of those surveyed, such as the following, highlight the importance of a well-trained workforce with a guiding set of professional standards:

“The challenges with subrecipient monitoring and risk assessments are the lack of guidance given in the regulations. It states risk assessments ‘as needed,’ [which] could be interpreted in different ways by an organization or auditor. Furthermore, it states assessments are done per award. If an entity is passing through funds and making annual awards to a continuing project, it does not clearly explain if that is considered a new award or continuation award. Another challenge with subrecipient monitoring is the staff time that it takes to complete it, with limited staff and the need to hire additional staff to handle monitoring. Then, staff need to be trained, and policies and procedures need to be developed, so it takes time to get it fully implemented.”

– AGA survey respondent
The marketplace offers grants management training from the perspective of Uniform Guidance and related general implementation guides. These existing programs lack two discriminators:

1. Material is prepared at such a high level that distinctions among grants management roles at the entity level (grantor, pass-through entity, recipient) are generalized or underserved. This obscures effective measurement of program outcomes.

2. At the individual level, available training does not target specific audience segments distinguished by experience, organizational role, or scope of responsibilities. This results in an overall outcome of awareness of the requirements, but it leaves gaps in application and sustainment of a Re-Imagining Grants management structure.

Individual courses and certificate programs by reputable commercial entities and professional associations incorporate instructional design elements in their learning objectives, instructional methods, and lesson outlines. However, each of these offerings is targeted to a body of knowledge and point-in-time certification. They also lack the authority to support a clearly defined career progression, with knowledge-transfer building the individual grants management professional's career path. Based on the experience of AGA Corporate Partners, much of the existing grants management training is generally not well received by grants professionals, as it lacks the rigor of instructional design and is fraught with inconsistent, less than professional delivery (i.e., PowerPoints delivered by untrained instructors.) Grants managers generally take the training because it is the only option available to them.

Point-in-time certification programs serve as a benchmark for individual knowledge. Without the context of a defined career path with identified competencies and career progression milestones, there is no assurance that the knowledge transferred by these programs provides the outcomes appropriate for the individual grants professional.

Typically, grants managers are selected from among a variety of professions. They may be project managers, doctors, lawyers, first responders, researchers, Ph.Ds., accountants, or they may have risen through administrative ranks. Despite grant spending outstripping contract spending almost two-to-one, the field of grants management lacks the type of certification that exists for other fields. For example, in acquisitions, one might earn the Defense Acquisition Workforce Improvement Act (DAWIA) certification. In contrast, the existing grants certification, the Certified Grants Management Specialist (CGMS), merely targets low- to mid-level practitioners. Not widely held, according to the National Grants Management Association, with approximately 300 people certified, the CGMS is a good first step in grants management career progression, but more is needed.

OMB has long looked to HHS, the largest federal awarding agency, to establish government-wide grants certification. But none of the past initiatives has come to fruition, due to competing initiatives and attrition. Clearly, in light of unprecedented growth in grants programs and related funding, the codification of grants administrative requirements, and attrition rates from the “graying of the workforce” leaving agencies bereft of institutional knowledge and experienced staff, the time has come for increased professionalization in the grants community, built upon established, widely-recognized certification. By taking up this mantle, HHS could provide a standard lexicon, established practices, implementation guidance, and continuing education, all of which will lead to a more constant application of Uniform Guidance. Success depends on a grants management professional development and certification program to build and sustain a strong workforce.

The key to successful grants management is a proven methodology and approach that supports all aspects of the grant life cycle, from pre-award activities through post-award monitoring and oversight to closeout. Some states, including Arizona, Maryland, Nevada and Rhode Island, maintain a centralized grants office at the very highest level of their executive branch. The grants office for Maryland is part of the governor’s office; the one in Arizona is a stand-alone agency, while the other two (in Nevada and Rhode Island) are part of the state OMB. Each of the four states takes a very different approach to managing and overseeing federal funds. At the moment, Arizona is the only state to have truly implemented a full lifecycle, automated grants management system for pre-award, post-award, subrecipient management, audit and closeout. Meanwhile, Hawaii passed legislation authorizing a coordinated approach to federal funds management.

The recent government shutdown, the fourth longest in U.S. history, elucidates the need for continued due diligence, compliance, governance, and greater accountability. Because grants comprise such a large portion of federal spending, making the best use of this money and managing it carefully is critical to the success of key programs across government.

To help wade through all of the challenges identified by the survey, it is recommended that OMB, federal awarding agencies, and professional associations like AGA should build upon collaborative forums, where federal, state, local and non-profit organizations come together to share best practices and find common ways to address their challenges. OMB should champion the development of a government-wide grants management certification for federal awarding agency and recipient entity staff.
Appendix A: Survey Questions

1. What type of entity do you work for? Where is it? What is the total annual federal financial assistance expenditure?
2. Describe your experience in grants management?
3. How many years of your grant-related experience took place under legacy OMB Circulars, later replaced by Uniform Guidance?
4. In order of greatest concern, list three Uniform Guidance elements that present the greatest implementation challenge to your organization?
5. Please provide a short explanation of challenges listed in Question #4. (See Appendix B.)
6. For organizations receiving awards from more than one awarding agency: do you currently receive conflicting guidance from those agencies for implementing Uniform Guidance?
7. Is the guidance you are receiving adequate? If not, please explain.
8. What are the three best Uniform Guidance requirements for saving time, reducing burden or preventing waste and audit findings? Please explain below.
9. Which three areas of Uniform Guidance could go further (e.g., more authority for pass-through entities to waive prior approval; more specific guidance on obtaining procurement system approval, etc.)?
10. Does your organization have a system of internal controls that meet either COSO or GAO standards?
11. Does your organization apply the stated standards to financial, administrative and program-related (grant project) operations?
12. What is your greatest challenge in meeting stated standards?
13. Does your organization’s management understand that guidelines for implementing federal internal controls, which auditors may use as a benchmark to judge your controls system, also require an enterprise risk management (ERM) program, a critical organizational and strategic success factor?
14. Does your organization have well-documented, end-to-end business processes, especially in areas engaged in the execution of your federal awards (e.g., Budget-to-Execute (B2E); Record-to-Report (R2R); Procure-to-Pay (P2P); Acquire (property and equipment)-to-Retire (A2R); Hire-to-Retire (H2R); Propose-to-Report, the research business cycle, including research protocols, R&D, Tech-to-Market, and regulatory compliance (P2R); Propose-to-Close, the grant award management business cycle (P2C); Law-to-Enforcement (L2E); Construction Concept, Design & Build (C2B); etc.?
15. Is your business process documentation comprehensive? For example, do your documented end-to-end process narratives and flowcharts include: key controls; applicable laws, regulations and policies data flowing through systems; system interfaces; transaction, control and process owners, etc.?
16. Would your organization benefit from additional information on fraud, waste and abuse?
17. If your organization has incurred grant-related audit findings, in which areas, listed below, have you experienced findings?
18. Has your organization received audit findings related to non-compliance with Uniform Guidance?
19. Does your organization engage in audit readiness activities to limit chances of incurring audit findings?
20. Cooperative audit resolution means the use of audit follow-up techniques which promote prompt corrective action by improving communication, fostering collaboration, promoting trust, and developing understanding between the federal awarding agency and the non-federal entity. Has your organization taken advantage of the cooperative audit resolution process?
21. Does your organization have adequate guidance on cooperative audit resolution?
22. Most awarding agencies have an established audit follow-up process; for example, a notification that your organization has sustained an audit finding and that includes a request for details on your planned corrective action, implementation schedule and routine follow-up correspondence until the corrective action is in place and working. Does your organization have adequate guidance on your awarding agency’s audit follow-up process?
23. Have you and your staff received training in your awarding agency’s audit follow-up requirements?

24. Have you received adequate guidance from your awarding agency for reporting project performance?

25. If the answer to the preceding question is “No,” please select one of the following areas where guidance is lacking: 1) Unclear definition of “outputs” vs “outcomes;” 2) Unclear which metrics to report; 3) Other.

26. Please describe any aspect of implementing cost principles that challenged your organization (see Appendix B).

27. How many sub-awards does your organization manage?

28. Formal risk-based recipient and subrecipient monitoring programs have governance, a documented process that includes qualitative and quantitative risk factors and a criteria-based scoring mechanism. If your organization manages multiple awards or sub-awards, is a formal risk-based monitoring program in place?

29. If your organization manages multiple awards or sub-awards, what type of subrecipient monitoring does it conduct above and beyond routine review of financial and program reports?

30. Does your organization have adequate guidance from your organization and/or awarding agency on monitoring subrecipients?

31. Does your organization have written policies and procedures for subrecipient monitoring, including corrective action follow-up?

32. A. If you could choose further guidance for implementing Uniform Guidance, which of the following sources of information would you prefer? (Please indicate choices in order of preference; “1” for your first preference through “6” for your last; select N/A for all others.)

   1. Federal awarding agency
   2. Prime recipient who provides your sub-award
   3. OMB
   4. Professional associations
   5. Single Audit Act auditors (e.g., what to expect in an audit)
   6. Office of Inspector General (e.g., fraud indicators, what to expect in an audit, etc.)

   B. Check the box corresponding to the most preferable form of guidance from each source.

      1. Federal awarding agency
         a. ☐ Policy
         b. ☐ Training
         c. ☐ Guidelines

      2. Prime recipient who provides your sub-award
         a. ☐ Policy
         b. ☐ Training
         c. ☐ Guidelines

      3. OMB
         a. ☐ Guidance (OMB Memorandum)
         b. ☐ Changes to Uniform Guidance

      4. Professional Associations
         a. ☐ Training
         b. ☐ Guidelines
         c. ☐ Tools

      5. Single Audit Act Auditors (e.g., what to expect in an audit)
         a. ☐ Training
         b. ☐ Guidelines
         c. ☐ Advisories

      6. Office of Inspector General (e.g., fraud indicators, what to expect in an audit, etc.)
         a. ☐ Training
         b. ☐ Guidelines
         c. ☐ Advisories

33. Which of the following training formats do you find most helpful? (Please indicate “1” for your first preference and “5” for your last.)

   1. Instructor-led, in-person
   2. Instructor-led webinar
   3. E-learning program
   4. Guide or reference books
   5. Peer exchange
   6. Other

34. Are you aware that the 101 Grant Training Model is available on CFO.gov/Grants/Training?

35. Please provide any additional comments you would like to make. (see Appendix D)
Appendix B: Comments on Recipient Challenges

Respondents were asked to comment on their greatest challenges in implementing Uniform Guidance. The comments appear below, according to topic.

**Procurement**

Among narrative comments, procurement challenges were a common theme. There appears to be an opportunity to provide standard procurement models after considering variables, such as organizational size, type of program or project, and awarding agency. There also appears to be a need for financial management and program management staff to work more closely in executing the procurement function. In the past, agencies, such as the Office of Justice programs in the Department of Justice, published a procurement guide for its recipients. Perhaps OMB could use this opportunity to provide similar guidance to promote uniform application of procurement requirements. Individual comments follow:

- Procurement guidelines must be implemented in our countywide procedures, and each department must have its own written procedures.
- Procurement: we’ve encountered some non-traditional contracts that don’t seem to fit into the Claw (grant-funded GED classes at homeless shelters or prisons.) It seems there should be some exceptions for non-traditional purchases. We were told by our federal contact that subrecipients cannot have subrecipients, so everything the subrecipient spends money on is a contract (except payroll.) It has gotten very confusing.
- Our main difficulty has been with the micro-purchase limits, which were finally raised to $10,000. [We were allowed to implement] on June 20, 2018, through the exemption letter by OMB.
- There are lengthy time lags from the time we are awarded grants to the time we can procure services and goods. This is due to the many checks and balances in state government processes. Internal controls are done to a fault.
- Procurement involves federal and state requirements that the procurement professional and project manager must be familiar with. Disclosures are important but should not create such a burden to interfere with competition.
- Procurement: We have not submitted for an indirect cost rate yet, ...so we are at the mercy of federal agencies that do not want to pay us the rates that come out of our annual cost allocation plan. Post-award of grants causes our central accounting staff to monitor closeout of grant awards.
- There are multiple and conflicting requirements regarding procurement in the area in which I work, non-highway-related transportation grants.
- The greatest challenge with procurement is having our non-state subrecipients understand and follow the new procurement requirements. Risk assessment is a challenge because, as a small state, we know our subrecipients well and closely monitor everything anyway. This requires a lot of work on our part to ensure proper accounting and payments. I don’t know how larger states manage. I’m not sure how we would manage noncompliance, so that could be a challenge. As it is now, we do reimbursement only, so all expenditures are approved before reimbursement.
- Micro-purchases: $3,500 is a very low threshold, difficult. Time & effort reporting: both areas have guidance open to interpretation, can get conflicting info; hard to find training in these areas.
- Creating procedure manual for procurement as required by standard.
- Contracting and purchasing rules continue to be an issue for subrecipients. Messaging about the need for fair, open, documented competition and processes is still needed.
- I work at a small city with limited staff. Public Works staff is challenged with understanding why they have to go through the procurement steps. General training would be beneficial to ensure compliance.
- I work with small to medium-sized nonprofit organizations that need time and help for implementation to meet all the new standards. I’ve found procurement is often where the most changes are needed and not understood.
- The procurement requirement in 200.317 speaks to states following state rules [regarding] procurement with non-federal funds, but federal awarding agencies are saying that states must follow 200.318 and 200.319!
- Lack of training and simple guidance on all these items. Procurement is vague with little to no training provided, with the potential for huge implications.
- There’s a divide within our organization between procurement staff and grants management staff. Procurement staff require
a contract with all subrecipients but might not understand that risk assessments and monitoring are needed as well as contracts.

- Procurement and its various aspects prove a great challenge for the subrecipients we monitor.
- One of the biggest challenges we face, especially from a procurement standpoint, is that even though this made the circulars “uniform,” procurement requirements are not uniform across agencies. For example, FTA is more stringent than others.
- The lower procurement threshold has been a challenge and the late guidance on it if there will be exceptions.
- I am a finance person, but the procurement of goods and services related to some grants were not run by me, for my concurrence or to ensure they met grant requirements.
- Procurement requirements are too strict, as is compliance with indirect costs. No or little guidance on repayments or refunds.
- Systems not in place to track purchases lower than $5,000.

Cost Principles
Respondents, in general, called cost principles vague. This seems to offer an opportunity to provide more in-depth guidance.

- Difficult to apply Uniform Guidance to all types of costs, so many entities interpret cost principles in different ways; need more program specific examples.
- Cost principles, mainly indirect costs, are a major problem in HHS grants.
- As a newly established grant accountant, the categories identified above present directly related concerns. However, I am also concerned about the qualified costs.
- Aligning the challenges with established cost allocation systems and business practices established years ago.
- Many grantees do not understand the cost principles and audit requirements.
- Interpretation of some of the cost principles vary by donor; auditors are not yet well experienced in new guidelines.

Indirect Cost
A frequent challenge indicated by comments is the formulation of an indirect cost proposal likely to be approved by the cognizant agency. A lack of guidance regarding allocation of indirect cost among programs also creates a challenge. The following comments provide insight into these challenges.

- I feel there is still a great deal of confusion surrounding how to properly allocate indirect costs among programs at an organization.
- State and federal agencies are hard to deal with to get an indirect allocation plan approved. Some entities just prefer not to request reimbursement for it.
- Cost negotiators are too rigid with state governments. They approach negotiations as regulators rather than partners.
- Indirect cost changes are confusing. Real-life examples would be helpful when explaining.
- The inclusion of de minimis left states forced to allow subrecipients to use, with little guidance on how to manage. Same with risk assessments.
- With so many of our employees who work in multiple areas, grant and non-grant, finding acceptable ways to delineate the expenses in a direct cost is difficult.
- We do not use indirect costs and would like more information on the benefit of indirect versus direct costing for grant expenses.
- Federal agencies do not adhere to the 2CFR200 indirect cost principles in the same way. We face challenges across different federal agencies in the manner in which our federally negotiated indirect cost rate is applied.
- The main challenge is reporting the indirect cost and calculating the correct percentage.
- There’s much confusion regarding indirect costs. Most subrecipients are not of a size to adequately address the issue.
- Indirect costs are so fluid, it’s difficult to account for [them] in budgeting. Employee turnover makes managing financial aspects of a grant difficult. Auditors [with] little to no understanding of what they are auditing is also a concern.
More challenges cited:
- Cost accounting and indirect cost, per guidance;
- Still confusion on how cost allocation plans are treated;
- How to apply indirect costs; indirect costs approved for subrecipients; and subrecipient monitoring;
- Use of Indirect Costs;
- Getting an approved indirect cost rate;
- Tracking various cost sharing agreements between agencies;
- Allocating all costs to correct source;
- Working at the state with indirect cost rate not set, based on costs per year, then some federal grants won’t reimburse;
- Difference between cost allocation plan and indirect cost rate to be used on grants; and
- Subrecipients’ lack of knowledge on the development, negotiation and application of indirect cost rates; having state staff with the skill set necessary for oversight and monitoring.

Reporting

Based on respondent comments, time and effort reporting represents a challenge in two areas: 1) budgeting formulation, due to factors such as unknown turnover; and 2) tracking expenditures made under subrecipient awards by small organizations. Anecdotal comments point out some of these challenges below.

- For some grants, the financial part of the required reporting is a challenge; for all of our federal grants, audits and monitoring are a challenge.
- Many grants have conflicting or extremely complex requirements for monitoring and reporting. It would be helpful to consolidate reporting and monitoring requirements to be consistent across awarding agencies.
- Grant administrators seem to have [difficulty] reporting in a timely manner; we are having a difficult time formulating a records retention policy; and we have found it difficult to repay funds that should not have been drawn down.
- Time reporting requirements, actual time worked versus budgeted hours. Accurately reporting fringe benefits expenses to multiple Federal and state programs.

- There is more flexibility with time and effort reporting, but there is some unclarity in the UGG.
- Reimbursement requests are not always submitted [in a timely way], due to a lack of monitoring and a sense of urgency.
- There are various grants within our organization that the grants administrator is not aware of, so come SEFA, it is imperative that we report accurate information. Not being included in application process [keeps] finance [from having] its radar in order to track expenditures.
- Some tasks are decentralized, so trying to ensure all departments are in compliance can be difficult.
- We have inexperienced program managers who don’t necessarily understand the importance of reporting or the financial processes required to achieve their program goals.
- Our agency has a pigeon-hole approach to grants management. We don’t have a complete grants management system and, as such, maintaining accurate and standardized data is a challenge.
- It is sometimes difficult to get programs to submit required reports in a timely fashion, and they often do not entirely spend their grant funds, necessitating repayment of funds received up front. We currently are in the process of finalizing our internal records retention policy, which, when approved, will allow us to dispose of years’ worth of paper.
- Tracking multi-organization participation, monitoring the recipient and making sure they are compliant with requirements, and reimbursements have become substantively more difficult, due to increasing reporting requirements that are often above and beyond the ability to capture within existing financial systems.
- No one seems to be on the same page (agency to us) on what a commitment is and how it should be calculated.
- More challenges cited:
  - SEFA reporting at the end of the year;
  - Post-award tracking of dollars awarded; imposition of financial penalties for non-performance; tracking of penalties across the fiscal year;
  - Getting grant managers to understand the necessity to follow the financial reporting requirements, such as time and effort;
- Time and effort reporting;
- Good understanding of the new reporting rules for the schedule of awards;
- Multiple grants, same form; multiple agency interpretations and guidance for reporting; subrecipient understanding;
- Knowing what the feds want with grant application and end-of-year reporting;
- Understanding the process of financial reporting on federal grants; and
- [Knowing] what is allowed under grants/financial reporting requirements.

### Cash Management/Financial Management

Respondent comments on cash management and financial management challenges include:

- We request advances on our grant. Determining how much we will spend in 10 days so we don’t have to refund money back to the feds is challenging.
- Refunds received from subrecipients require us to revise old FFR reports. Also, we have had a lot of challenges related to the authorization of carryover funds.
- Several employees (outside of the fiscal office) do not accept that federal grants’ accounting requirements are different from how we conduct our locally funded projects. We apply for grants, even though we are not in a position to comply with the accounting requirements. So far, there has been no push back (e.g., from audits)…so I believe we’ll continue to do this until it becomes an official problem.
- Other challenges cited:
  - Improper payments to vendors or cost sharing issues;
  - Eligibility, records and compliance with specific provisions by subrecipients;
  - More reporting and more timely requirements for draw downs and financial reporting; and
  - Not given enough notice upon award as to reporting requirements; these arethrown out ad-hoc, it seems.

### Monitoring

Respondents reported challenges such as “lack of adequate staff to perform monitoring” and confusion regarding the definition of subrecipient vs. contractor. Other comments point to challenges that a decentralized entity faces when trying to verify reaching the threshold for a single audit. A common theme was lack of resources to conduct monitoring. This would seem to present an opportunity for OMB to require a certain percentage of grant funds be allocated to subrecipient monitoring. Narrative comments describing monitoring challenges are below.

- [Subrecipient] monitoring requires substantial time, both to educate some subrecipients [about] requirements and then do and document the work.
- Getting info from subrecipients can be a challenge, and we still struggle a little with what to ask for.
- The challenges with subrecipient monitoring and risk assessments are the lack of guidance given in the circular. It states risk assessments ‘as needed,’[which] could be interpreted in different ways by an organization or auditor. Furthermore, it states assessments are done per award. If an entity is passing through funds and making annual awards of a continuing project, it does not clearly explain if that is considered a new award or continuation award. Another challenge with subrecipient monitoring is the staff time it takes to complete it, with limited staff and the need to hire additional staff to handle monitoring. Then, staff need to be trained, and policies and procedures need to be developed, so it takes time to get it fully implemented.
- The different rules for non-state governments has been a challenge because we have to explain them to subrecipients. Most of our challenges revolve around subrecipients and ensuring they are following the rules.
- Monitoring has always been a challenge, due to limited staffing. Some requirements are overly onerous (e.g., EHP reviews, etc.). With limited local funding, it’s difficult to repay or refund federal funds.
- Subrecipient monitoring is a major challenge given limited resources. Procurement changes could present a problem due to the highly technical nature of some of our projects — continuity of research no longer being a sole source justification. Reporting for multiple organizations is a perpetual challenge.
Monitoring compliance is critical.

Despite relationships, [we] must maintain objectivity and become ‘nosy’ in pre-assessment. Personnel turnover at subrecipients is a constant challenge; also, their lack of appreciation for grants. Bidding processes are a hassle, but managing RFP/proposal process is tough, too.

Monitoring is a concern, due to the lack of staff in government. Many positions are being abolished or just not filled due to budgetary problems.

The federal awarding agency should provide a template for each CFDA to ensure §200.331(a) federal award identification for sub-awards is consistent and accurate.

Minimum expectations for subrecipient monitoring by pass-through entities is not documented well.

The definition of MTDC for the §200.414(g) de minimis indirect cost rate is too vague for FTA operating grants.

We have difficulty getting auditors to understand that we do not partake in procurement or cost sharing. We monitor a large number of subrecipients.

Reaching out to potential subrecipients is ineffective.

A lot of our subrecipient monitoring is done well after the transaction has occurred, during the SEFA schedule reconciliations of the prior year. We are a decentralized agency, so we don’t look at every office and how much we are giving collectively to subrecipients to see if we hit the single audit threshold. It seems the state as a whole should look at all pass-through funding to subrecipients and try to get coverage over those receiving more than $750,000, rather than parsing it out to each agency. Additionally, guidance is very unclear on [whether] we have to competitively announce sub-award funds. Our procurement office thinks all should go through the Request for Proposal process, which adds three to six months to our timeline of annual federal funds.

Having many sub recipients with requirements for monitoring may require more staff; same challenge with risk assessments: may need additional staff.

I work in the state controller’s office; therefore, I am not involved in the program side, only the financial reporting and auditing, such as single audit. We are responsible for the SEFA and need accurate reporting and subrecipient monitoring to produce that report.

There is a lot of confusion at the state level regarding who is a subrecipient and who is really a contractor. The two terms are used differently, and rules are not applied consistently across state departments. This confusion further trickles down to the local level, where federal funds are being passed through the state. The local level is contracting out the funds with various non-profit and for-profit agencies; however, the local agency believes they have a contracting situation, not subrecipient relationships with the non-profits and for-profits. We need some more clarification regarding monitoring: who should be monitored; how they should be monitored; examples of appropriate risk assessment; [ways] program and financial areas can work together to monitor subrecipients; and better… direction to localities regarding their contractor relationships and . . . responsibility to monitor funds they contract out (federal/state).

Monitoring subrecipients [of] federal grants can be difficult, especially when you have over 10 subrecipients to manage. Financial reporting [with] that many subrecipients also gets difficult [when] trying to figure out spend-down plans. Indirect costs are confusing; however, we don’t use them as a reimbursable item, only as a match item for our federal grants. Trying to explain cost sharing to non-financial people should be simple; however, most don’t understand the concept, even though it is very basic.

Monitoring subrecipients required new processes and evaluations. Multi-year projects with numerous subrecipients require additional management and time to process.

More challenges cited:

- Little concrete information on how to implement subrecipient determination and monitoring since 2CFR200 became effective; waiting for OIG audit findings, corrective actions, etc., from other entities to define;
- Implementing adequate procedures to ensure proper subrecipient monitoring;
- Enterprise wide consistency in reporting and tracking subrecipient monitoring and pre-award checklists;
- Making sure we are following all guidelines and have all policies in place;
- Testing controls and specific compliance with subrecipient monitoring and eligibility of individuals;
Subrecipient compliance;
Determining and monitoring a subrecipient relationship;
Understanding the responsibilities of the grant, both as the direct recipient or subrecipient; want more information on monitoring subrecipients;
Lack of knowledge on pre-award requirements; insufficient staffing levels to perform all post award requirements, especially those related to subrecipient monitoring; and
Subrecipient determination and monitoring follow-up.

Policy

The narrative comments in this area show an array of interpretations of Uniform Guidance. Most comments indicate it does not provide enough real-world examples and is subject to interpretation. Many of the comments below point out the challenges of implementing Uniform Guidance in state organizations.

- No guidance from federal or state government oversight agency.
- Policy changes at organizational level; leadership buy-in of the importance of written procedures and documentation.
- Getting processes in place.
- Most everything is run by program, and they don’t get it.
- Compliance.
- More guidance on financial management.
- The application and situation to apply Uniform Guidance.
- New rules requirement.
- Concerns in conjunction with supporting agencies and how they utilize the current ERP system.
- The different ‘Buy America and Buy American’ regulations between agencies.
- New administration is pushing for reduced admin requirements, which pushes against Uniform Guidance in some areas.
- Identification of and adherence to pertinent general provisions; creating a system/process of assurances that will maintain the integrity of the organization and its assets and that minimizes/eliminates risk of audit/performance corrective action.
- Understanding what is acceptable and having experienced personnel.
- Lack of understanding of definitions within various programs.
- Interpretation of rules and regulations with little to no guidance leave much to judgment.
- Typical state fiscal year and federal fiscal year differ.
- Understanding and implementing the new rules and regulations in these above areas.
- Checklists would be helpful.
- The federal government constantly changes performance indicators, sometimes after a grant concludes. The online reporting system is data-entry with no value to subrecipients. State systems, such as “DD Suite,” provided value for archiving, performance measurement, analysis and uniformity between states. Cost principles are not clearly documented for subrecipients.
- We have found very poor award information communication from the pass-through agencies re: CFDA number and FAIN.
- FAIN numbers change throughout year, so contracts have to be amended. State’s interpretation of financial capacity questionnaire done yearly or per award. Everyone reads federal guidance differently.
- Applying guidance to operations is easier said than done. Application is always more complex than the theoretical ideal.
- More than 50 percent of the staff can retire with at least 25 years of state service. Changes to improve processes are extremely hard when you work within an environment that doesn’t want to change with policies.
- Requirements are not clearly stated and are interpreted differently by differing funding agencies.
- At times, the guidance is a little difficult to follow because you have to move around to find related information or sections.
- Ensuring that program managers follow the rules is the biggest challenge.
At the federal government level, when distributing competitive grants, we have to take account risk. This is a big change under Uniform Guidance.

Most of our federal awards are passed through to other federal and local government agencies. Federal agencies are the worst at complying with the 2CFR200 standards.

There needs to be better guidance on how state agencies can be more effective in managing subrecipient agreements.

We need to create guidance for our recipients that is clear and concise, when 2CFR200 is not always clear or concise and is open to judgment.

We have a small grant program in a small agency. We do all facets of the process. Current training seems to address large agencies and big dollar funding. We need more specialized training on the requirements, definitions, general provisions and post-award reporting requirements (DATA Act). Plus, we have loans. We need training on loan requirements (Loan subsidies: what are they, how do you calculate the subsidy, do they apply?) and CECL.

How will fixed amount award established by Uniform Guidance work? Not sure agencies have started using this funding method.

Just want to make sure that I am informed and not missing vital grant requirements or standards.

There are some basic concepts where we have trouble finding a specific regulatory reference to support our understanding. One example: It is an understood requirement that all identical services billed on a rate basis should use the same rate, regardless of the funding source (federal/non-federal). Is there a specific CFR reference I can cite to prove this point to upper management?

I am a yes/no, black/white kind of person. Uniform Guidance leaves too much to interpretation.

The federal government seems to prioritize giving out grant funds, but guidance to state agencies and subrecipients is weak when it comes to ensuring those funds are properly administered, managed, used and monitored on the financial side. Emphasis is more so on the programmatic side. It would be helpful to have more clear and direct financial guidance on the above issues.

The city’s grants structure is decentralized. The grants section has little authority over departments and has not been respected by department program staff and even fiscal staff to a degree. Department program and fiscal personnel argue: ‘This is the way we’ve done it for the last XX years and it’s never been a problem.’ Department staff have not managed grants in a compliant manner, have not performed risk assessments, have inadequately monitored subrecipients and have engaged in improper procurement. It continues to be an uphill battle, but the grants section continues to earn respect and seeks to build collaborative grants management teams in each department.

Guidance is vague.

I work for an agency that is administering grants and cooperative agreements. I think my agency and similar ones would benefit from learning about best practices in the grant-making arena.

Training

Training appears to be the challenge referenced by most respondents. The implementation of Uniform Guidance requires adequate training to ensure accountability and transparency. The following narrative comments describe the challenges related to training and support the conclusion reached in this report on the need for professional certification:

Our program leaders have little/no training in grants management.

My exposure to grants processes is very limited. I am very much interested to learn as much as I can related to the topics.

For the past year, I have been supervisor of the accountant in our department that handles our grant reporting. It has been very uncomfortable for me, as I am not familiar with all the requirements.

I am brand new to my position in a fairly new agency, so I don’t know where to start.

We have no luck in finding or applying for grants.

I need a system of records retention. A lot of granting organizations require different files and procurement procedures. I would like a system that is thorough enough to be consistent for all. We use a lot of force account, so specific training to that would be helpful as well.
There are multiple regulations within each grant, and the overarching awards management guidance is hard to tie together without any formal training in reading and interpreting circulars or transportation laws and regulations.

I have been unable to find any training in regard to monitoring of subrecipients and the challenges/risks faced with auditing these entities. It would be nice to see training related to this issue.

Many non-profits need examples of the policies OMB now requires; example: procurement, conflict, internal controls, financial, etc.

For an organization who is just beginning with Federal grants, what all is required?

I work for a State Agency that audits local governments. Local governments do not know what the Uniform Guidance is or what a Compliance Supplement is. Neither do they understand that Federal agencies have additional requirements beyond the Uniform Guidance. (This should not be allowed. Uniform should mean Uniform!)

Understanding all the post-award requirements prior to and during the application process is essential.

I know next to nothing about the entire process.

Many program managers over a grant program do not have a grasp on how to manage the grant program or navigate the uniform guidance. I feel most of this is lack of reading or initiative; they want someone to train them. I think a class, specific to grant program managers, would be beneficial.

There’s not a clear definition of what’s not considered staff development. Therefore, we’ve been told that every time we find a workshop to attend, we should ask OVC if they will cover the registration, travel, meals. In addition, OVC’s not consistent in its definitions between SAVS, VAWA, VOCA.

What I would really like is an overview of federal accounting practices.

My challenges are related to the departments doing things the way that they have always been done. In my new role, I need to provide training to those who manage grant funding (programmatic and financial) so that they know what they should be doing in reference to Uniform Guidance.

I don’t have any experience in grants and took an educated guess.

My biggest challenge is training new employees with little or no governmental accounting experience.

Program managers are not familiar with Uniform Guidance and its provisions. Federal program managers do not discuss, train or guide state level managers on this topic. Lack of federal oversight for adherence to the guidance.

More challenges cited:

- Lack of experience and depth;
- Educating program staff on changes; getting buy-in & communication;
- Very limited training in something so important;
- Understaffed;
- Want to be certain to catch issues and not leave things up to interpretation;
- Developing a comprehensive compliance program for the pre-award and post-award management of grants;
- Lack of knowledge concerning the changes made to circulars;
- Lack of training done at agency; top management doesn’t consider it a priority until it becomes an audit finding;
- Finding training that provides the best overall understanding of the requirements;
- Program staff don’t understand the new role;
- Need more detailed training in Uniform Guidance versus the EDGAR book;
- Teaching them to clients as needed;
- Communication and training to all members of the team; and
- Need more training in some areas.
Risk Assessment

Respondents seem to lack both process and resources to conduct risk assessments. They cite challenges regarding how to perform risk assessments in large decentralized government operations and difficulty determining which criteria or benchmarks should be used. Narrative comments follow:

► We struggle with conducting risk assessments that will provide us with adequate information in order to effectively evaluate the risk. It is difficult to determine how to conduct a risk assessment effectively. Indirect costs are confusing to everyone.

► “We have more restrictive SAT than [Uniform Guidance], and we have issues with the micro-purchase threshold of $3.5K. We don’t meet the criteria to adopt the $10K, as we are not a low risk auditee. Our FY17 SEFA reported almost $200 million, so the likelihood of ever being a LRA is low. Since we are a decentralized model, building, implementing and maintaining a consistent risk assessment that is standard is a challenge. Lastly, subrecipient monitoring requirements (SRM) had a lot of changes with the advent of [Uniform Guidance]. We have over 900 sub recipients.”

► Based on feedback and capabilities of the ERP system the state uses, subrecipient monitoring requires either a bolt-on or system outside the ERP, which is costly and cumbersome.

► We need to do more with A-123, App A, so we are sure to be in compliance with CFO audits.

► I think the risk assessment process is hard in a social service environment when many grants are managed at the same time. It is easy to do each grant individually, but when you do cost pools and indirect costs it gets difficult to assess.

► Due to Uniform Guidance, our cognizant agency has become much stricter on how we operate, and it feels like we are operating blindly on what they want. They have issued monitoring findings to some states for not doing something we didn’t know we were supposed to do.

► It’s hard to manage when you have a lot of people.

► Agencies are simply not performing pre-award risk assessments.

► I prepare grants; I don’t do management. Risk assessment is new but falling to me, and I’m not sure how to work with my finance staff to make sure we are covering all bases. I also “hand-off” grants at award. I want to make sure the financial management standards are understood so I can effectively communicate requirements. Repayments or refunds are to be avoided, if possible, so any guidance is greatly appreciated.

► We are very small, and some of the requirements are very time consuming and expensive to keep up with.

► Risk assessment is newer and the biggest area of change. Lower threshold has increased subrecipient monitoring while the state experiences fewer resources.

► We did not previously include a risk assessment prior to issuing sub-awards, so this was the most significant challenge to implement.

► Managers [are] completing risk assessment.

► When passing through funds (sub-awarding) to other entities, the original grantees are having difficulties understanding how to prepare/conduct the pre-award risk assessments and actually feel they can have an impact, due to the nature of state government and ‘duty’ to ensure funds are evenly awarded so that the state’s population doesn’t suffer. Entities also struggle [with] understanding outcome-based awarding and monitoring/reporting, as well as ensuring proper controls are in place to ensure those outcomes can be achieved without risk of fraud, waste and abuse.

► Federal agencies are not consistent in utilizing risk-based approach to screen applicants. Subrecipient monitoring is always root cause of many findings, and questioned costs are not always recouped.

► Responsibilities of subrecipients should be clearer.

► More challenges cited:
  - Subrecipient lack of knowledge of government standards;
  - Not all staff in organization handling subrecipient monitoring aware of changes, especially risk assessment; unsure of procurement changes since postponed;
  - How to perform risk assessment across a very diverse and siloed state government structure; and
  - Need better guidance on risk assessment and monitoring.
Record Retention

The following comments describe the challenges related to record retention:

- Record retention is not that easy. Payments to vendors are made with different funding sources. For example, one payment may include federal, state and local funds. Then, we apply the most stringent record retention period, but it takes time to decipher the retention date for each payment.
- Amount of information to maintain: what to keep, what is not necessary to keep.
- Have different retention requirements in sub-awards passed through from state, lack of official closeout documentation from grantor, and extensions granted instead of new awards issued; lack knowledge of county retention schedule and master record holder.

Audit

The following comments describe the challenges related to audits:

- Our primary responsibility is auditing federal compliance. Our challenges relate to the UG implementation of our auditees.
- Audits are always a concern in grant management.
- Agency is working towards a better understanding of definitions, applying cost principals, which will allow for better performance for audits.
- We have issues with recipients filing their FFRs and audits. Additionally, we as an organization do not have the funds to perform adequate pre-award assessments.
- More challenges cited:
  - Compliance in getting Independent audits completed on a timely manner and separation of duties;
  - Findings from federal IG audits; local government’s reliance upon personal services contracts staff; refusal to adopt current grant management software for the entire grant lifecycle to mitigate personnel weaknesses; refusal to make organizational changes, etc.;
  - Confusion on what programs should be considered subrecipient vs contractor, thus what should be included on the SEFA; monitoring and documenting reviews of program expenditures and follow up with entities/CPA findings;
- Audits by legislative bodies not based on criteria such as single audits are;
- Firm procured by federal agencies to perform post-monitoring reviews and audits;
- Federal agencies’ program staff tendency to override OMB 2CFR200 financial requirements;
- Establishing clear audit standards to follow with new OMB grant standards. Many areas of grant management that are not addressed by OMB; and
- Interpretations vary between auditors of certain reporting requirements; example: If an agency spent $0 in a quarter, must they file the report, since no change to prior quarter.

Performance Measurement

The following comments describe the challenges related to performance measurement:

- How do you measure performance in a financial grant and finances in a performance grant?
- With multiple programs and multiple requirements, it’s time consuming to check in with the program staff to make sure they are doing and tracking outputs, outcomes, etc.
- Entities still need more instruction on minimum requirements from federal agencies on performance measures for program reporting.
- For many years, compliance was heavily focused on fiscal. While performance management is welcomed, and very much needed, many of our grant programs are heavily steeped in fiscal...as opposed to program. Turning that ship takes a lot of time in a large state structure.
- Implementation and maintaining compliance.
- Determining and tracking the performance indicators desired or required; costly systems and software needed; IT support in area hard to get.
Other

- More clear explanation of what can be done with equipment that is no longer needed;
- Most of our staff have issues understanding what is required;
- Subrecipient equipment, keeping up with changes or updates regarding cost principles and with the many, many subrecipients — being able to monitor them as needed;
- Non-federal cost share/matching/program income challenge;
- Other post-award requirements of concern include program income recognition and in-kind match options;
- Pre-award concerns, putting a proposal together based on FOA; financial management is on allowability, cost sharing: how it applies to our institution;
- Cost share does not seem to be fully understood;
- Cost sharing: agencies don’t seem to know the rules.
Appendix C: Comments on Conflicting Guidance

Comments on conflicting guidance are organized into those pointed directly at federal awarding agencies and those focused more on the recipient level. Note that specific agency names were removed. Most narrative comments reflect the need for real world examples of how to implement Uniform Guidance.

Federal Level

- Program areas do not want to implement changes.
- Circular provides guidance, but then [our federal awarding agencies] inform us to dispose of property to similar project, [rather than] pay back the federal agency.
- It appears that each federal agency only knows how to repeat a script saying, ‘Follow Uniform Guidance.’ They don’t appear to fully understand it.
- The documentation [required] to support expenditures [varies] between agencies.
- Guidance should be documented. Verbal ‘guidance’ through webinars is not authoritative.
- Those conducting audits don’t always share the interpretations of those giving the guidance.
- Consistent guidance for implementation governmentwide is required.
- Many, like [our Federal awarding agency], don’t even offer guidance.
- Receiving clarification of guidance can be a challenge.
- One grantor doesn’t even address any of the issues or guidance at all.
- [Uniform Guidance] is too cumbersome and difficult to understand.
- Guidance on indirect cost rates (cost allocation plans) is vague and not consistent between federal agencies.
- Minimal information is being received from agencies. Our auditors gave more information.
- Federal funder points me to the language in [Uniform Guidance], but steers clear of helping to interpret for practicality.
- We receive very little ‘guidance’ from awarding agencies.
- OMB does not release the compliance supplement in a timely manner. FYI: the official release date is always later than the month on its cover page.
- There’s a significant crossover between AODA issues and sexual assault. However, SAVS will not cover AODA workshops, while [our federal awarding agency] will.
- Technical competence of some federal awarding agency staff for fiscal/financial matters is far less than needed.
- I’ve found federal officers stretched with time and capacity. Some agencies provide written documents but little else.
- Certain aspects of [Uniform Guidance] are not addressed in the compliance supplement.
- Some grantors have guidance specific to their funding in the notice of award or a section specific to their CFDA in the CFR, but for those that do not, it can be very difficult to find reliable information. Block grants are the hardest to find guidance on allowability.
- The Federal Agency doesn’t quite understand all of the rules.
- Not sure if one agency can advise that we don’t have to follow 2CFR200, when another insists on specific program training. The desire is to follow federal requirements.
- Federal awarding agencies provide inaccurate guidance.
- Some federal agencies demand accrual accounting even when our agency only uses cash accounting. Also, the SF425 form sometimes has cells locked into a certain way of accounting for something, even when it’s not how we account for it internally.
- Feds treat you like this is something you should already know.
- The prior approval matrix hosted by [our federal awarding agencies] is helpful for the agencies listed.
- Guidance varies by federal agencies. Some issue very detailed instructions while others give general information/overviews. The inconsistency to which Uniform Guidance is used/expanded makes it difficult to hold grant administrators to the higher level of scrutiny, because the guidance for some of their grants is loose and poorly outlined.
- [Our awarding agency] has not really given us any guidance.
Other comments:
- Received notification suggesting policies didn’t specifically reference new guidance and, when referring to federal agencies, recommended model policies; found them more outdated than our own policies;
- Hard to get responses in timely manner;
- More guidance needed for 200.212 documentation of recipient not qualified to receive federal awards. What are the reasons [to] report a recipient to FAPIIS or SAM?
- Still too vague, and agencies are able to apply their own on some issues (i.e., indirect costs).

Recipient Level
As reported by respondents, guidance is unpredictable. Some say guidance is appropriate; others that little to no guidance is received. Some say they receive conflicting guidance, other say what they receive is vague.

Guidance is appropriate:
- From a financial side, I feel guidance is adequate.
- Ample amount of info [provided], but [it] could be better organized to more easily classify responsibilities and ensure efficacy in reporting (see question 5).
- With emails and conversations with federal program and financial officers, the guidance is sufficient.
- Guidance and training opportunities are adequate, but those who need to attend do not.

Little or no guidance received:
- There has not been a lot of guidance provided.
- Guidance and/or clarification normally is received after the fact, making data gathering/full compliance difficult, if not impossible.
- The state level program managers I work with do not know what the term Uniform Guidance means.
- The fiscal office doesn’t receive any guidance. Our [two awarding agencies] only correspond with the program staff.
- None being received.
- I don’t receive anything.

No guidance [received].
- Haven’t received any guidance.
- Not receiving guidance.
- Some explanations come after the fact (e.g., how to value leverage).
- Appropriate guidance has not been received.
- Little guidance to apply for the grants.
- [Our federal awarding agency] doesn’t offer any training for [Uniform Guidance] or by specific programs/grants.
- We haven’t received much guidance at all, other than to follow what’s in the RFP and grant, including Uniform Guidance & Final Rule.
- We only know about certain processes we are supposed to be doing after findings are issued to states, and it’s passed through word of mouth to the other states.
- Listed, but little guidance.
- I am from an audit organization. Very little training has been received on [Uniform Guidance] from the feds. We have had to do most of our training internally.
- Need examples of policies.

Conflicting guidance:
- Reimbursement reporting seems to be less than uniform and driven more by the experience of staff managing at the state levels.
- Vague and not consistent from one organization to another.
- Guidance received is from auditors, which is costly and not clear.
- We are usually referred to our grant agreements, but they don’t always explain well.
- Financial side seems confused.
- The guidance local governments receive is not adequate. The grant application often constitutes the only information they use for compliance.
- Even the granting organizations seem confused, and there is a lot of turnover…, which makes things difficult for us.
We have asked our different funding agencies and subject matter experts … multiple items, looking for clarification, and received conflicting or insufficient responses. For example, we sought clarification on 200.331 (a)(1)(xiii) Indirect Cost rate for the Federal Award. We have received multiple answers. We know that the subrecipient’s negotiated rate must be honored, but it is not clear which ‘federal award’ the guidance refers to: the recipient’s or the subrecipient’s?

The indirect funding is confusing.

[Our federal awarding agency] conflicts with [Uniform Guidance], and…many exceptions…noted in the compliance supplement have yet to be implemented by the feds.

Info can be unclear, conflicting.

Some conflict exists, but we enforce the most restrictive.

Vague guidance:

Uniform Guidance is broad; we are seeking outside education.

In many cases we are not receiving much guidance from funder.

Federal program people do not provide sufficient answers to program questions.

Too general.

Too much is left up to interpretation.

Partial, [needs] lots of updates.

Answers are vague. If not in our favor, no real reason[as] to why not. Seems to be one person’s view over another.

In need of greater guidance.

Not specific enough.

Vague.

I have to do my own research; grantors are not providing related information or updating their manuals.

Not much guidance received.

Much of the guidance is very vague.

Some areas are too vague.

Guidance is unclear or vague and/or does not align with the current business practices.

Some states single audit each year but, due to size of federal funding, not completed; and then no federal guidance if we do RFP on what we need to have audited.

Not sure what to say here. Honestly, it just seems to be such a change and not everyone is on same page.

Guidance is provided in the form of manuals, letters, memos, etc. Clear and concise instruction would be helpful.

Other:

State agency will not accept our ICAP.

The area I see as problematic is SWCAP and indirect.

Unfortunately, our state transportation department has undergone major changes for the past six years, so it has created unrest and wavering guidance in their staff, which has built-up frustration with the providers and agencies within the state. We have recently started moving onward and upward.

Some state agencies are approving de minimis indirect cost and others aren’t.

We are not seeing it flow to the procurement folks from the agencies. However, that may be due to our program managers not sharing guidance.

[We need] risk assessment tools, examples/best practices of appropriate controls to have in place, sample subrecipient monitoring checklists (fiscal & programmatic) that entities can/should be using.

I think I need more training in Uniform Guidance and how the presentation of the articles can help.

[Need information on] monitoring of subrecipients and compliance flow-down, non-cash or whether other federal grants are allowable for local match or cost sharing.

Some agencies refuse to acknowledge their requirements under various laws, making it difficult to operate our programs.

Federal agencies do not seem to recognize state relationship and issue of continuing resolutions in budgeting, spending, match etc.
Appendix D: Open-Ended Respondent Feedback

- Uniform Guidance is dry, textbook authoritative guidance. We need AGA to help make it more understandable to a typical employee, and also to provide examples. Checklists and other tools are also very helpful for fiscal employees who do not have a strong knowledge of federal guidelines.

- Thanks for the AGA leadership. Through your communications, we are reminded to use our expertise as required.

- I hope even more focused guidance will result from this survey. Thank you!

- We would appreciate any guidance available via AGA; the PDT focus on grants was extremely valuable. Thank you in advance!

- It will be very helpful if AGA can include grants accounting in their seminars/trainings.

- The federal government should work with states on reporting systems that benefit all parties; not data entry, but a system that can provide data and analysis.

- Thank you for looking into improved educational opportunities!

- I think it is very difficult to answer these questions because I feel like I don’t know enough about the subject, but our agency and state have adequate controls in place.

- State and local governments are overly dependent on federal grants. It would be better if the money were kept at the state or local level to begin with. Too many layers of management increase risks of fraud, waste and abuse.

- When it comes to getting help from the regional office on details of how to interpret guidance, there is a huge lack in either knowledge or staffing.

- I’m thankful for the guidance and training provided by AGA, as it has helped immensely.

- Gil Tran and Victoria are rock stars.

- Thanks for the survey. Basic grants training is something [needed in] smaller entities.

- The changes to Uniform Guidance have been poorly executed and shared.

- OMB has a difficult task. They provide guidance to the most sophisticated governments in the world, and then to local governments, who do not even know what Uniform Guidance is. I am not sure OMB understands the lack of understanding and capability that exists at the local government level.

- To prevent waste, federal government should try to make the grant awards more structured, since in most cases the grant writer or grant program personnel are not doing this through the application phase. For example, HHS is a very vague agency when it comes to their federal programs. HHS should rework to provide better guidance in their policies for federal awards.

- In-depth training should be given to grant program personnel, from the grant application process to the management of the program and what they need to do.

- Our agency is relatively small ($300,000). Much of this survey seems geared toward $750,000+ recipients. We’re working toward becoming large-shop best practices; however, that takes time and resource management.

- Our jobs as financial managers of federal awards would be greatly simplified if the federal government would go to ONE system drawing down funds and delete any grants/line items that have been fully drawn down.

- It would be nice if there was one reference for everything, for tools, for checklists, etc., especially for new personnel and for training.

- Training and communication are the keys to enable our staff to be compliant with Uniform Guidance. Any assistance that could be provided in these two areas would be appreciated.

- For pass-through entities, the threshold for a single audit is too high: only 20 percent of the 6,000 subrecipients are subject to the single audit with the threshold of $750,000. This results in more costly monitoring activities. Also, many of the federal grant program contacts are not knowledgeable about Uniform Guidance and provide incorrect information to recipients that makes it more difficult to ensure compliance.
It would be beneficial for federal grantors and grantees to be trained together at some level to ensure the message is clear and the same. Notice of awards that have conflicting terms and conditions to [Uniform Guidance] should be revised. The state has very high turnover, so a one-time training will not provide sustainable knowledge. For subrecipient monitoring, if your grant does not have specific required onsite visits or reviews, what is the default guidance to help deter and catch fraud, waste and abuse?

In-person training is always best, as live questions can be asked and answered immediately.

Subrecipient training, management and monitoring is a big issue. More guidance is needed on how to oversee flow-through awards to ensure quality performance and sound financial management at the subrecipient level. State agencies and prime award recipients need more instruction on how to execute their roles as administrators of federal funds, but sometimes it seems federal agencies are passive when issuing (or choosing not to issue) clear, definitive guidance. This leaves programs in a position to operate at ‘bare minimum’ standards, open to fraud, waste and abuse.

Need clear guidelines and consistency regarding reporting/calculating federal loans on the SEFA. Each federal agency seems to have [its] own take on this topic.

I prefer trainings that say, ‘Example: 34 CFR, part 78, says this; let’s talk about what happens when it is followed and when it’s not followed.’

Uniform Guidance is anything but uniform; it seems that agencies still go off and lay down their own regs that aren’t outlined in the CFR or conflict with the CFR. HUD, in particular, has many outdated guidance documents that make researching difficult. The SF425, not specifically addressed in UG, is completed in different ways for nearly every federal agency; we’ve gotten findings for completing per the general guidance by not following undocumented agency specific requirements.