

GRANT MANAGEMENT

A significant portion of government’s workload at all levels – federal, state and local – involves distributing funds for specific purposes to public, private and non-profit organizations. To ensure funding initiatives accomplish their intended objectives, several organizations have identified practices to improve results and ensure public accountability. We reviewed several authoritative sources to identify effective processes for awarding loans and grants.

Competitive funding and grant monitoring processes generally follow similar life-cycles. At each stage, we identified the responsibilities of funding agencies based on those sources.

Process		Grant Management	
Pre-Award Stage			
Develop Performance Requirements		Clearly identify the service expected.	
		Define performance standards and measurable outcomes.	
		Identify how vendor performance will be evaluated.	
		Ensure that sufficient staff resources are available to handle vendor/ contract management properly.	
Request for Proposal		Requires notification or advertising of the solicitation.	
		Clearly state the performance requirements and the scope of the services that are to be provided.	
		Identify constraints, schedules, deadlines, mandatory items and allowable renewals.	
		Specify required deliverables, reporting obligations and payment terms.	
		Clearly state grant submission expectations, including closing time, date and location. Clearly state the evaluation criteria and weighting factors for scoring proposals.	
		Allow sufficient time for vendors to prepare good proposals.	
		Identify federal and state requirements that govern the contracting process and the delivery of services.	
		Outline all procurement communication devices to ensure all appropriate grantees or potential grantees have access to the same information, i.e. per-bid conferences, question & answers, whom to contact with questions, etc.	
Review and Decision		Grantee screening to ensure only applications that meet solicitation objectives and requirements are sent to review group.	
		Application process should identify potential “red flags.”	
		Establish criteria to gauge the risk associated with new grantees.	
		Have appropriate procedures for handling late or incomplete proposals.	
		Ensure that an adequate number of proposals were received.	

Process		Grant Management	
		Award Stage	
Review and Decision		Use an evaluation committee, composed of individuals who are trained on how to score and evaluate the proposals and who are free of impairments to independence.	
		Use fixed, clearly defined, and consistent scoring scales to measure the proposal against the criteria specified in the RFP.	
		Carefully check grantee references.	
		Document the award decision and keep supporting materials.	
		Based on evaluation team's recommendation, notify unsuccessful and successful applicants in writing.	
		Negotiations should not substantially change the terms of the original proposal, but should eliminate any ambiguities in the contract and clarify the terms.	
Contract Provisions		Clearly state and define the scope of work, contract terms, allowable renewals and procedures for any changes.	
		Provide for specific measurable deliverables and reporting requirements, including due dates .	
		Describe the methods of payment, payment schedules and escalation factors if applicable.	
		Contain performance standards, with a dispute resolution process.	
		Contain inspection and audit provisions.	
		Include provisions for contract termination.	
		Include provisions for contract renegotiation and/or price escalations if applicable.	
		Contain all standard or required clauses as published in the RFP.	
		Contain appropriate signatures, approvals, acknowledgements, or witnesses.	
	As necessary, allow for legal counsel's review of the legal requirements for forming the contract, which may include a review of the contracting process; legal sufficiency of the contract; the contract terms; etc.		

Process		Grant Management
Post-Award Stage		
Monitoring and Oversight	Set-up opportunities for training and grantees.	
	Assign a contract manager with the authority, resources and time to monitor the project.	
	The level of monitoring should be based on a risk assessment of the services provided and the contractor's ability to delivery those services.	
	Track budgets and compare invoices and charges to contract terms and conditions.	
	Ensure that deliverables are received on time and document the acceptance or rejection of deliverables.	
	Retain documentation supporting charges against the contract.	
	After contract completion the agency evaluated the contractor's performance on this contract against a set of pre-established, standard criteria and retains this record of contract performance for future use.	
	As part of completing contract work under the terms of the contract, the contractor may be required to submit a final written report. Upon contract completion, the agency contract manager may want to prepare a contractor evaluation.	
	Documentation in the contract file, at a minimum, includes the executed contract and all attachments and exhibits incorporated into the contract.	
Sources: <ul style="list-style-type: none"> • 2005 "Guide to Opportunities for Improving Grant Accountability" published by the U.S. Domestic Working Group • National State Auditors Association 2003 report, "Best Practices in Contracting for Services" • U.S. Department of Justice Office of the Inspector General 2009 report "Improving the Grant Management Process" • Washington State Administrative & Accounting Manual (SAAM) 		