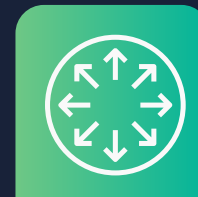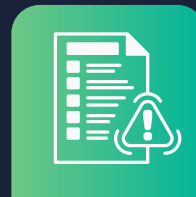**AmpliFund**

Grant Management Centralization Guide

AmpliFund's Guide to Centralizing
Grants to Manage Compliance

As you know, grant management is not just one process. When managing grants, organizations need to foster cross-functional communication, be aware of activities occurring across all departments, oversee various budgets, and track performance goals, all while remaining compliant with the various pieces of grant management legislation.

Even for those with a slim grant portfolio, that is an overwhelming amount of work, especially if all tasks are handled in a disjointed fashion. Managing these processes in multiple systems or those not designed specifically for managing grants can have several consequences, including the inability to share grant information with stakeholders, unaccounted for funds, loss of funding, and performing poorly in the Single Audit.

Grant management centralization is not just a preferential choice anymore, either. Because of federal legislation and regulations, it is a necessary practice.

Read on to learn the history of grant management centralization, the impact it makes for grant programs, and how to effectively centralize your grant-related data and processes.

How Did Centralization Become a Federal Goal?

The Federal government has spent the first part of the 21st century focused on creating transparency and improving performance around federal grant funding. Centralization has increasingly been seen as a path to achieving these goals.

That's because centralizing grant-related data and processes allows for greater oversight and control over federal funds – i.e., greater transparency. This is because centralizing makes it easier to track and monitor the entire grant lifecycle from application to closeout, as well as supporting programmatic performance outcomes.

Here is a brief history of the federal initiatives around centralization that have led to the grants management compliance landscape that we currently work within.

The Recovery Accountability and Transparency Board

The Recovery Accountability and Transparency Board (RATB) tracked all federal agency funds distributed to states. States had

to not only report back funds from all funding agencies, but they also had to report to the RATB through fedreporting.gov on how many jobs they created and how they spent funds.

The Obama administration claimed that "the Recovery Board helped to drive a new vision for how information on Government spending should be reported on, displayed, and overseen in order to maximize transparency and accountability for the public."

This new focus on transparency into the expenditure of public funds required grant programs to rethink their processes for data collection and reporting.

> **You can't deliver real-time data if you don't have real-time access to it. Centralization was a solution to this challenge.**

How Did Centralization Become a Federal Goal?

CONTINUED

The RATB not only improved transparency around the spending of federal funds, but it also resulted in many states creating Central Grants Offices so they could centralize all their reporting data to have oversight and visibility throughout the entire grant lifecycle.

Uniform Grant Guidance

Following the existence of the RATB, the push for centralization continued, with the Office of Management and Budget (OMB) creating the Uniform Grant Guidance (UGG) to drive uniform standards across organizations managing federal funding. This included the required tracking of:

✳ **Time and Effort**
✳ **Recipient Monitoring**
✳ **Expense Management**

As the federally accepted framework for grant management processes, centralization is the main tenant of this Guidance. Further, because of the Guidance's call for detailed performance measurement and reporting, organizations are having to centralize these practices to remain compliant.

COVID-19 Recovery Funding

Most recently, amid the COVID-19 pandemic, the federal government created several funding streams like the CARES Act, The American Rescue Plan Act (ARPA) along with the associated State and Local Fiscal Recovery Funding (SLFRF), and the Infrastructure Investment and Jobs Act (IIJA).

This influx of recovery funding ushered in the latest era of centralization. Organizations are now managing more funding than ever, and with the new focus on performance and equitable distribution, centralization is more of a priority than ever.

Additionally, because recovery funds had to be distributed so rapidly and new audit requirements accompanied these types of funds, centralization was key to recovery.

# The Impact of Centralization for Grant Programs

Aside from increasing transparency and supporting performance, centralization can also lead to many additional improvements for grant programs including compliance, capacity, and efficiency.

Compliance

Federal legislation is essentially calling for centralization, so organizations have to centralize to remain compliant and retain funds. The more centralized grant management processes are, the easier it is to ensure standards, drive audit and performance, and report back to agencies.
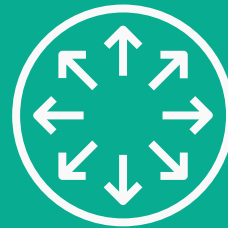
Capacity

Organizations are managing more funding than ever, and don't have the resources to match. Centralizing your grant-related data creates more capacity for your team because it requires a streamlining of your processes which ultimately saves you time.

Efficiency

Overall, because of the cumulative positive effects of centralization, the effort ultimately leads to improved efficiency for grant programs.

How to Centralize Grant Management Efforts

1. Create a Central Grants Office

First and foremost, to centralize grant management, an organization needs to assemble a group of personnel dedicated to driving centralization and putting procedures in place that further these initiatives. Most programs refer to this team as the "Central Grants Office," and the team associated with it provides expertise, oversight, and influence.

For most organizations this Office should include:

GRANTS COORDINATOR

The role of grants coordinator is crucial in the Central Grants Office because this individual will essentially be running the office by leading the push for standards, transparency, and compliance around grants. This person or people will own all grants-related tasks and activities, both internally and externally, and will ensure everyone involved is effectively collaborating and communicating. This person can and often does serve as a grant writer in some cases, though many larger programs will have a specific role reserved for grant research and writing.

GRANTS ACCOUNTANT

To achieve full centralization, there needs to be communication and transparency between the Finance Office and the Central Grants Office. Consider including the grant accountant in the Central Grants Office to facilitate this interaction. This person will also work on financial reports.

ERP & DATA EXPERT

To truly centralize grant management processes, all vital data points need to be connected. That is why an expert on Enterprise Resource Planning (ERP) and data should sit in the Central Grants Office so they can provide key leadership on existing financial tracking and integrations. Further, the ERP expert will carry out decision-making across and between elements of the organization that rely on the ERP for implementing and tracking information related to federal grant regulations.

How to Centralize Grant Management Efforts

CONTINUED

👤 GRANT-MAKING REPRESENTATIVES

Organizations need people in the Central Grants Office who can speak to current funding patterns, values, and risk – representatives from key grant making agencies. This ownership is vital if an organization wants to achieve buy-in for their centralization plan.

👤 POLITICAL/EXECUTIVE LEADERSHIP REPRESENTATIVE

Despite how critical it is, an organization can only achieve centralization, as is the case with most big organizational pushes, if there is buy-in and expertise from leadership. Therefore, a representative from political or executive leadership who can advocate for and expedite initiatives is needed in the Central Grants Office.

2. Standardize Your Processes

After building out a Central Grants Office, it is recommended that the grants coordinator create a standard set of grant guidelines to standardize internal controls and processes, educate everyone on federal regulations, and more easily and effectively onboard new team members.

3. Track Performance and Benchmark Goals

In the past, it was very common to track awards individually by goals. But now, because grant recipients must track the performance of all federal grants, it is crucial that organizations centralize their performance measurement. To do this, organizations should take time to define goal types (or numeric goals), create benchmarks for these goals, and segment performance goals into applicable goal types for easier comparison and measurement.

4. Streamline Communication

There are so many elements accompanying grant centralization that trying to manage them all manually or in disparate systems introduces human error and the inability to communicate about important aspects of the grant lifecycle.
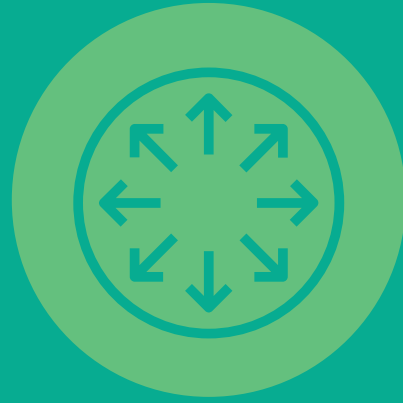
That is why, to truly achieve centralization, organizations should adopt a purpose-built Grant Management Software platform that:

✳ **Gives the Central Grants Office access to and visibility over funds**

✳ **Has the ability to generate standard and custom federal reports**

✳ **Allows for tagging funds with meta-data for tracking down to the recipient**

✳ **Supports linking all outputs to the meta-data and to the funds**

✳ **Codes funds for central tracking and reporting**

Conclusion

Centralization is no longer a "nice to have" when it comes to working with grants, and it's not going away. Federal initiatives continue to push for the practice. Because decentralization can result in failed audits, improper drawdown of funds, and the inability to win or retain awards, most organizations need to invest in this initiative to maximize their impact.

Centralization can feel like a lofty goal, but it can be achieved by:

✳ **Understanding the intention behind federal centralization initiatives**

✳ **Implementing the key tenants of centralization**

✳ **Following industry best practices for centralization**

Partnering with supportive organizations like AmpliFund who understand federal compliance, your organization, and your grant portfolio can help you centralize your efforts to respond to challenges quickly and consistently, no matter what comes your way.

That's because AmpliFund is more than just software. We're here to provide you with the tools and support you need to get compliant and realize the full potential of your funding.

Contact Us