Effective Strategies for Managing Grant Recipients of Federal Funding

Peer Roundtable

PROCUREMENT EXCELLENCE NETWORK

Partners for **Public Good**

April 26, 2023

Icebreaker

In the chat:

Share your name, what government you represent, and answer:

What is a new grant program your government has launched in the last year? What outcomes were you trying to achieve?

agenda

Framing/Introduction

Challenges with Grantee/Subrecipient Management

Active Grant Management

Government Promising Practices .

Community Conversation Workshop

Share-out & workshop challenges!

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Session Objectives

How can governments establish effective grant programs and set up subrecipients for success?

- Share **common challenges** that governments and subrecipients face when managing grants towards successful outcomes.
- Discuss **strategies** to foster programmatic excellence and financial transparency.
- Highlight **promising practices** and examples of governments implementing effective grant management practices.

Look out for the Community Pulse Check!

When you see the **blue pulse** across your screen, please join the conversation!

Feel free to come off mute or share feedback in the chat!

We want to hear from you!!

Framing (5 min)

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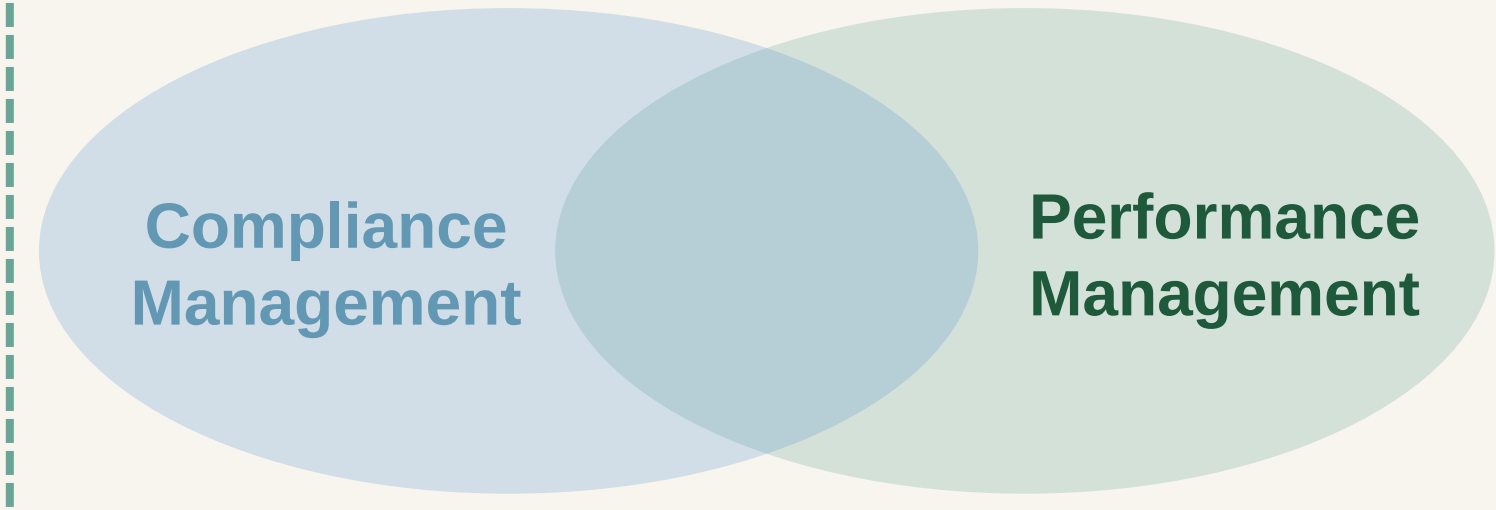
Fiduciary Duties of Prime & Subrecipients

Federal Funding & Requirements
e.g., CARES | CSLFRF | HUD | CBDG | IRA | ESSER | IIJA

Pass Thru | Prime Recipient Responsibilities

Compliance Management
How well are recipients following **rules and requirements?**



Performance Management
How effectively are recipients **meeting goals** and **solving the problems** residents face?

Fiscal Sponsor

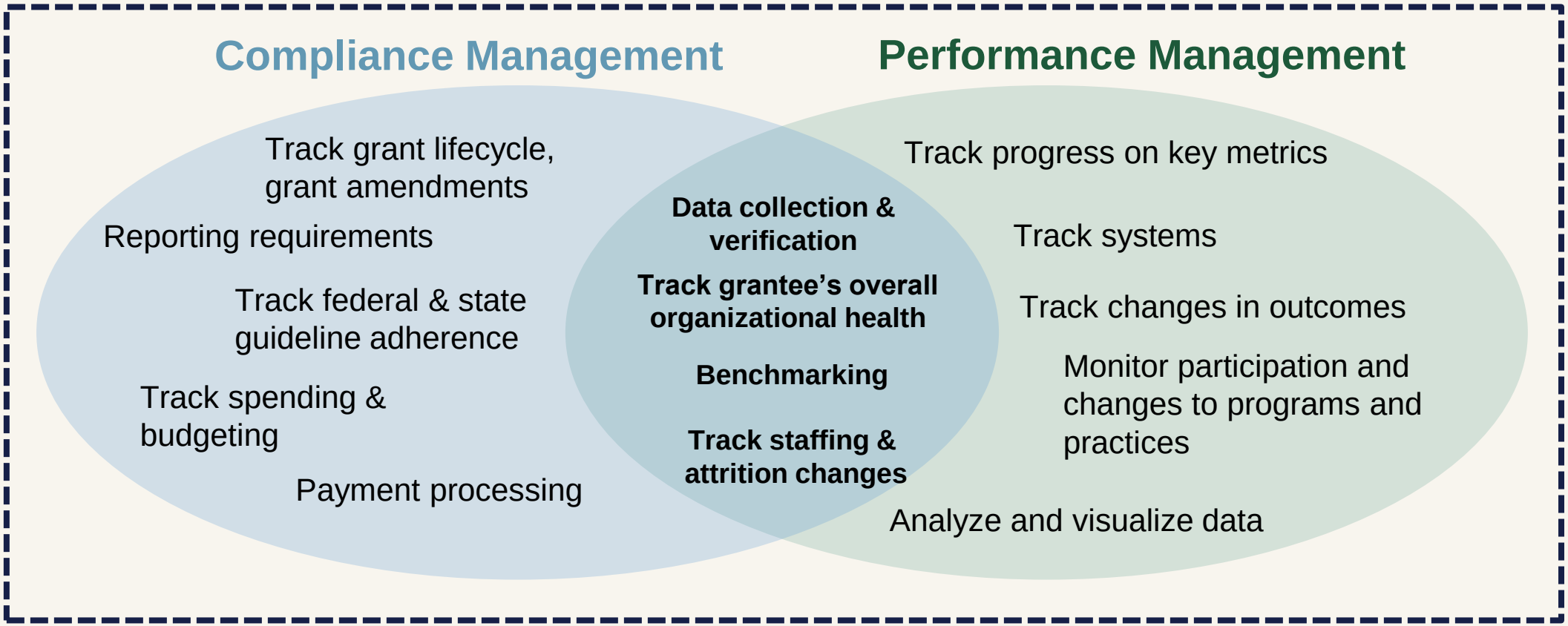
Subrecipient Responsibilities

Residents

Are residents receiving equitable, tangible, & impactful services from the funding?

What is Active Grant Management (AGM)?

Defined, rigorous process, communication of expectations, and consistent engagement to build excellent subrecipient/grantee performance that fosters community outcomes.



Outputs lead to outcomes!

Challenges with Grantee/Subrecipient Management (15 min)

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Governments face challenges across these stages

PRE-AWARD

Planning, RFP Design/Outreach

- Understanding guidelines & requirements
- Managing increased funding with limited staff capacity
- Misalignment of program goals & funding source parameters
- **Designing inclusive & equitable grant application processes (RFPs)**
- Building support programs & resources to upskill grantees

AWARDING

Evaluation and Contract Negotiation

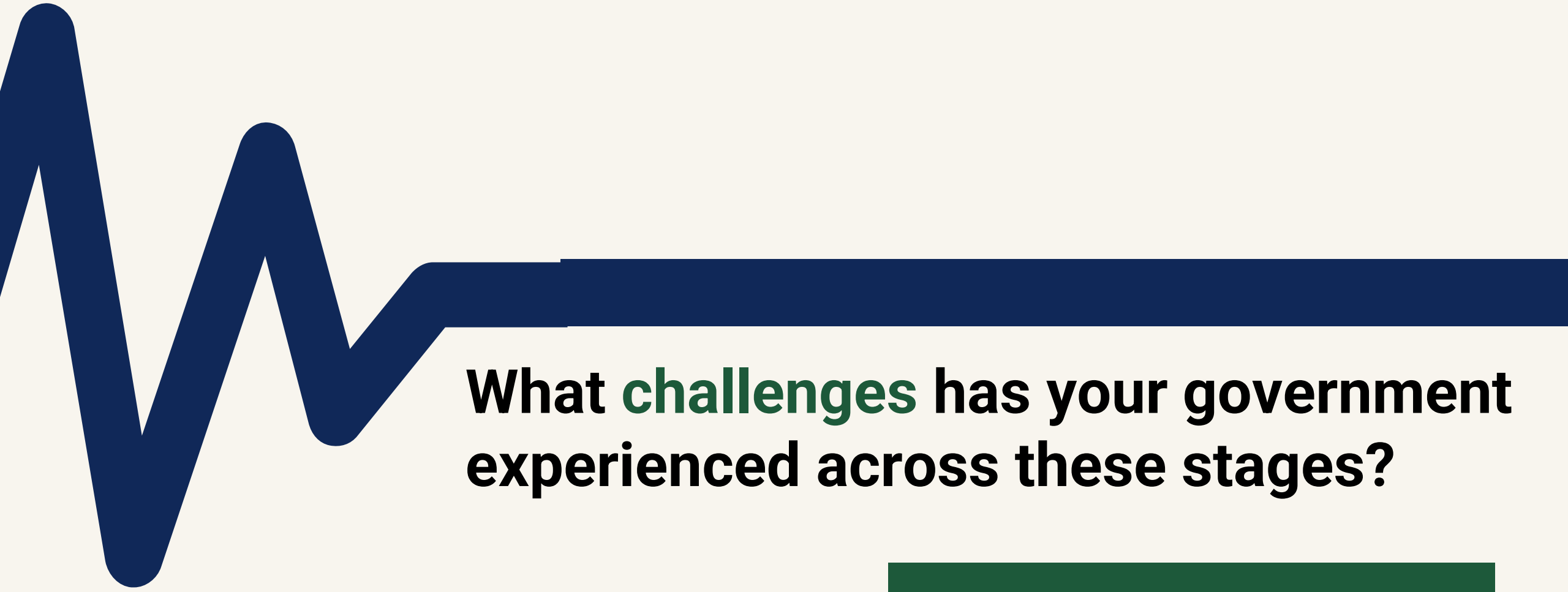
- Developing evaluation processes that are equitable & bias-free
- Selecting qualified & diverse subrecipients
- Awarding first-time recipients with operational challenges but strong value potential
- Drafting result-driven grant agreements that also enforce compliance requirements
- **Inefficient, manual grant application and administration processes**

CONTRACT PERIOD

Grant Management

- **Monitoring compliance with federal, state, & municipal rules/guidance**
- Assessing performance and developing risk-based non-compliance policies
- Managing spend-down %/$ & invoicing in alignment with grant agreement/contracts
- Navigating, preparing for & passing audits
- Managing supplement vs. “Supplant” spending

Community “Pulse Check”



What challenges has your government experienced across these stages?

SPEAK or POST IN THE CHAT!

Active Grant Management (AGM) Formula

Defined, rigorous process, communication of expectations, and consistent engagement to build excellent subrecipient/grantee performance that fosters community outcomes.

Process

- ❑ Clear, documented interpretation of rules and guidance
- ❑ Defined internal financial policies and procedures
- ❑ **Confirm internal roles and responsibilities**
- ❑ Risk assessment, evaluation & scoring protocols
- ❑ Risk mitigation strategy plan

Communication

Start of the Award:

- ❑ Kickoff meetings & orientation
- ❑ **Review grant agreement and clarify guidance**
- ❑ **Review baseline data and key performance measures**
- ❑ Offer continuous learning curriculum

Engagement

During the Award:

- ❑ "Low stakes" Meetings
- ❑ **Monthly Invoicing**
- ❑ Progress reports
- ❑ **Desk reviews & site visits**
- ❑ **Group convenings & 'Community of Practice' meetings**
- ❑ Listening forums (or surveys)

Execution

- ❑ Implementing **"Subrecipient Monitoring Action Plan"**
- ❑ Issue resolution & management
- ❑ Reviewing & revising protocols
- ❑ **Achieving outcomes!**

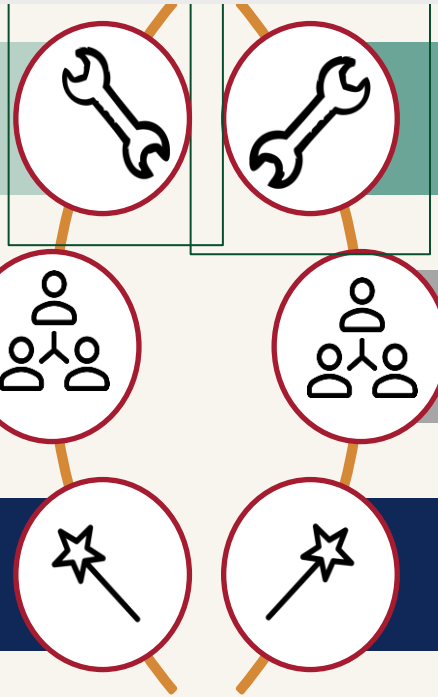
Subrecipient Monitoring "Toolkit"

Compliance Management
Are recipients following **requirements?**

Subrecipient Procedures

Collection of resources, processes and protocols that outline how an organization intends **to guide, support and oversee subrecipient compliance** through pre-award, awarding and contracting period stages.

NOFO/Grant Contract Templates

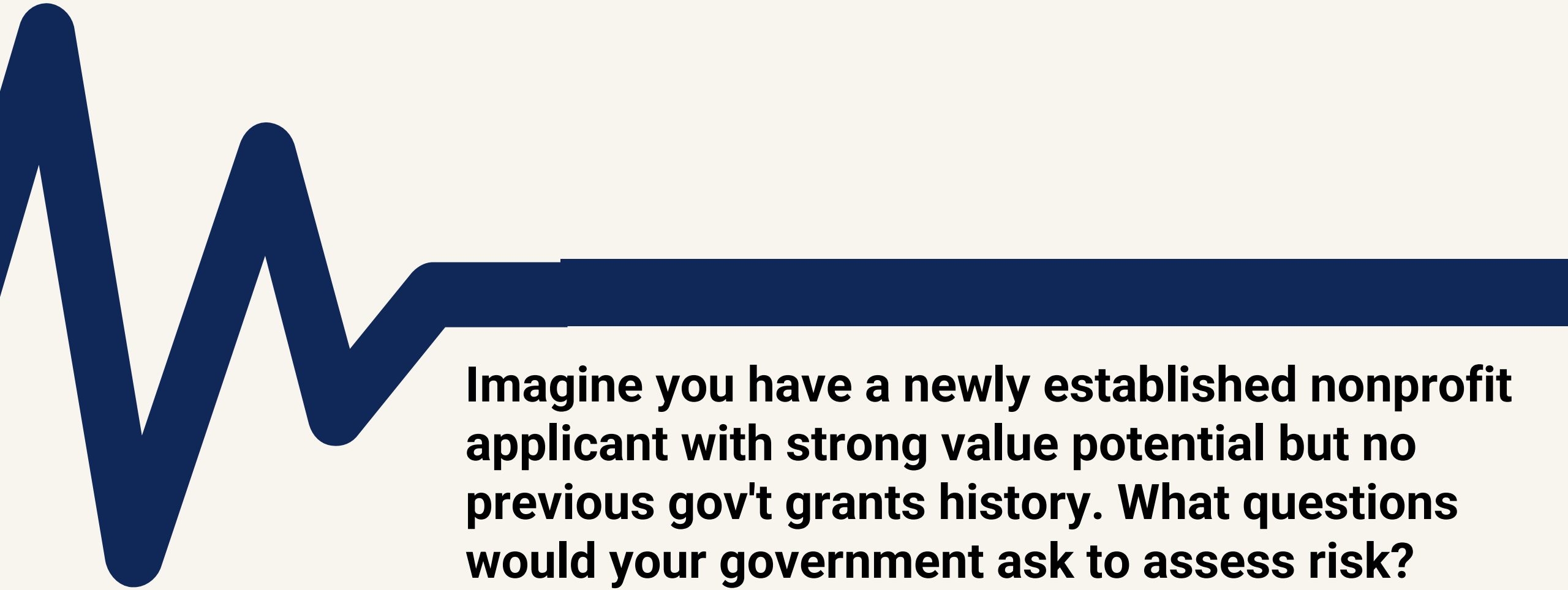


- Risk Assessment Questionnaire & Scoring Classification Matrix
- Risk Mitigation Monitoring Strategy Decision Tree
- Roles & Responsibilities Matrix
- Contractor v. Subrecipient Determination Checklist
- Fiscal Documentation Monitoring Checklist
- Noncompliance Correspondence Templates

Pre-award Risk Assessment Questionnaire Bank

Compliance Management	Performance Management
Assessing how well recipients can demonstrated their ability adhere to contract **rules and requirements?**	Analyzing how impactful and effective recipients may be in **meeting goals** and **solving community problems?**
❑ Does the subrecipient have any experience as a grantee (especially federal)?	❑ In the past (or for similar grants), has the subrecipient's performance met or exceeded contract requirements?
❑ Has there been staffing or personnel changes in critical departments (finance, accounting, C-suite)?	❑ How experienced and qualified are the staff to lead, execute, and achieve the program goals?
❑ Does the provider have sufficient operational and fiscal controls?	❑ How many beneficiaries or residents does this organization engage with regularly in the scope of their programming?

Community “Pulse Check”



Imagine you have a newly established nonprofit applicant with strong value potential but no previous gov't grants history. What questions would your government ask to assess risk?

SPEAK or POST IN THE CHAT!

Government Promising Practices (20 min)

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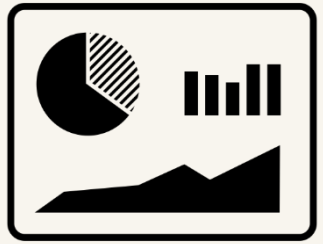
AGM “Promising Practices” in Action

Program “Decision Trees” used to clarify guidelines
--
Increased equity in RFP processes

Long Beach, CA

Building Technical Assistance (TA) supports to improve grantee readiness

Long Beach, CA



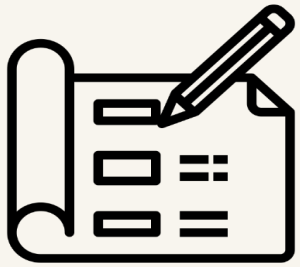
Empowering grantee compliance by using “pay for performance” structures

Saint Paul, MN

Data management & community performance management convenings

Glendale, CA

Challenge: Understanding rules/guidance and monitoring compliance



Designed "Decision Trees" to clarify federal rules and guidance

Long Beach, CA

Why this was important?

Program design process folded in financial and compliance staff to collaborate on program design and financial processes required for grant management.

How does this help manage grantees?

Provided guidance to program/department staff to understand all requirements and share those with grantees.

Lesson Learned/Advice

Consolidated & streamlined documentation increased consistency!
Led to clear understanding, communication & application of rules!

Examples of Decision Trees

CITY OF LONG BEACH

Program Design & Documentation for ARPA-COMPLIANT PROGRAMS

This program will deliver money directly to individuals or organizations with goal of providing direct relief.

See List 1.1 for Direct Relief program components

1 Will a third party administrator be involved in administering program? (See List 1.2)

2a Will third party administrator assist in making selections/decisions around who receives grant?

2b Will third party administrator assist in processing payments?

3 Direct relief/cash assistance programs must be based on nega

This program will be providing an essential se

4 Will the program require a good or service above $25,000? *

no	Department staff must use **Documentation: All procu**
yes	If planning to use any proc **Documentation: Justificat**

5 Will participation in the program be limited?

no	Care should be taken to ve

CITY OF LONG BEACH

Program Design & Documentation for OTHER GRANT PROGRAMS

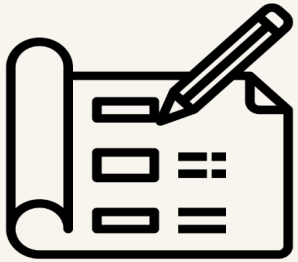
This program will deliver money directly to individuals or organizations with goal of providing direct relief.

See List 1.1 for Direct Relief program components

1 Will a third party administrator be involved in administering program? (See List 1.2)

no	Program Design must account for Department resources administering all aspects of the direct relief program (List 1.1), including r demonstrate appropriate internal controls for a direct relief program, Department staff must identify eligibility and selection criteri **Documentation: Program Design with eligibility and selection criteria identified. All applicant materials and decision-making r**
yes	1. Department staff must use RFP process to select vendor(s), and selection criteria for vendors must be approved by FM. 2. FM must participate in evaluation/selection committee for the RFP. 3. Scope of Work for vendor contract must be approved by FM. 4. Department staff must monitor and approve vendor service delivery before paying invoices. 5. See questions 2a and 2b. **Documentation: All procurement documentation as required by normal procurement processes.**

Challenge: Increasing contracts with small, community-based organizations



Designing inclusive & equitable grant application processes (RFPs)

Long Beach, CA

Why this was important?

Building accessibility to funding and partnership with the City, to include first-time recipients/non-profits with strong value potential

How does this help manage grantees?

Helped invite re-thinking of accessibility of contracting processes and forms which have downstream impacts.

Lesson Learned/Advice

- Spend time analyzing processes and documents upfront!
- Consider adjusting the length of application, number of proposals allowed, focus on simplified response types/questions; *data management processes are also simplified this way)*

Challenge: Building support programs & resources to upskill grantees

Building Technical Assistance(TA) supports to improve grantee readiness

Long Beach, CA

Why this was important?

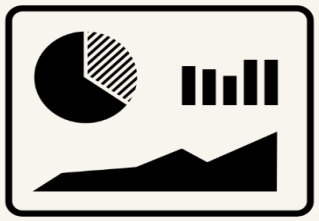
Complex compliance regime associated with high dollar grants typically preclude first-time recipients/non-profits with strong value potential to be grantees.

How does this help manage grantees?

Supporting the capacity building of these grantees promotes compliance and partnership with the agency, as well as build valuable skills in the local community for years to come.

- Piloting a small program with TA, with goal of building in future years **($5M out of $250M total ARPA)**
- **Contracted out technical assistance** *(finding ways to support local TA/operations excellence with federal funding)*

Challenge: Drafting result-driven grant agreements to enforce compliance



Empowering grantee compliance by leveraging "pay for performance" structures

Saint Paul, MN

Community Gun Violence Prevention Grant

Increased access to funding for public safety programs that disrupts/prevents situations of violence.

$1M, 5-10 awards
2-year contracts
$87,450-$174,900

Performance-based measurements being tied to funding is proactive method to increase compliance!

- ❑ Fixed payment structure built into grant agreements and fueled by grantee workplan activities:
  - ✓ **Program Attendance per event:** $40/per attendee
  - ✓ **Community Education Sessions:** $1725/per event
  - ✓ **Public Safety Campaigns:** $12,700/per campaign
  - ✓ **Gun Safe Commitments:** $285/per agreement

Glendale using data for compliance

- **City of Glendale's Continuum of Care (CoC) mitigates housing insecurity** to the 63K people experiencing homelessness in neighboring cities & across LA County.
- Manages $10M in federal, state and municipal grant funding annually. *(increase from $2M budget pre-COVID)*
- 5-8 consistent network providers working together in Coordinated Entry System (CES) to streamline homeless services and quick re-housing of the homeless population.
- CoC Membership is open to any stakeholders willing to actively participate in community wide strategies to prevent housing instability.

Current Organizational Challenges

- **Lack of strategic planning or alignment on program goals**
- **Managing increased funding with limited staff capacity**
- **Managing spend-down %/$ in alignment with grant agreement/contracts**
- **Assessing performance and developing risk-based non-compliance policies**
- **Building support programs & resources to upskill grantees**
- **Monitoring compliance with federal, state, & municipal rules/guidance**

Within the CoC, there is a renewed strategic focus on metrics and outcomes to drive funding decisions and grantee compliance.

Data Management:
Piloting Community Performance Management Convenings

Glendale, CA

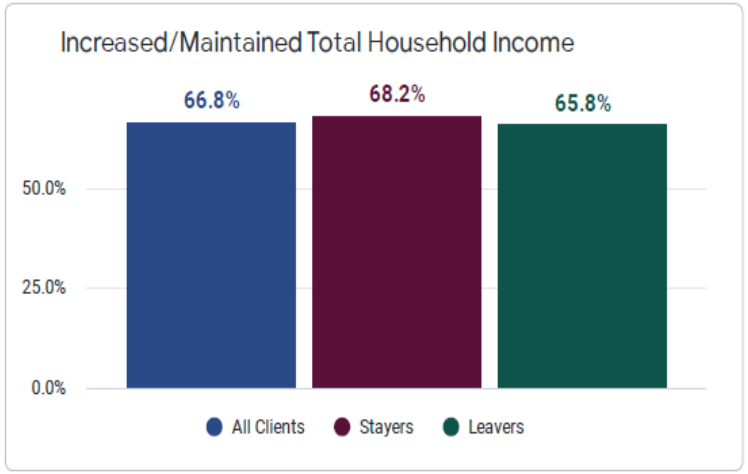
- Data-driven performance management meetings with providers to **build accountability "across the aisle."**
- **Collectively, workshop best practices to inspire improved outcomes** from subrecipients → *funding is based on collective performance.*

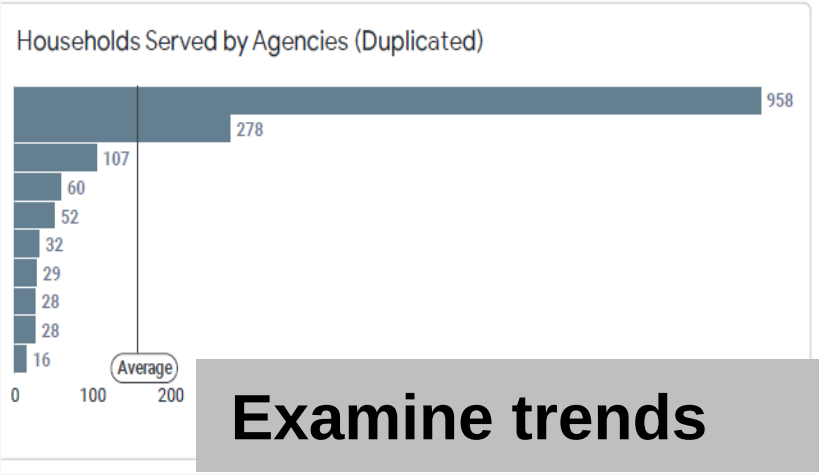
Promising Practice:

Glendale, CA

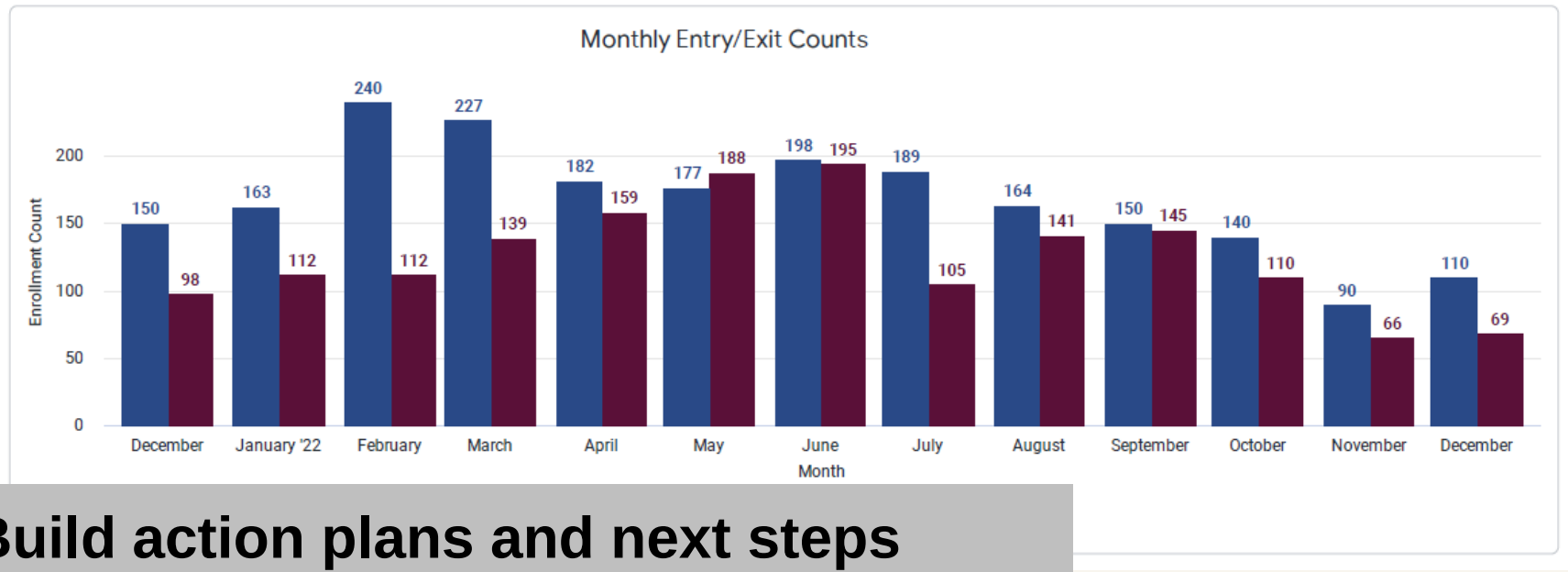
Piloting Community Performance Management Convenings

CoC dashboard created to identify metrics across service providers to build transparency and accountability



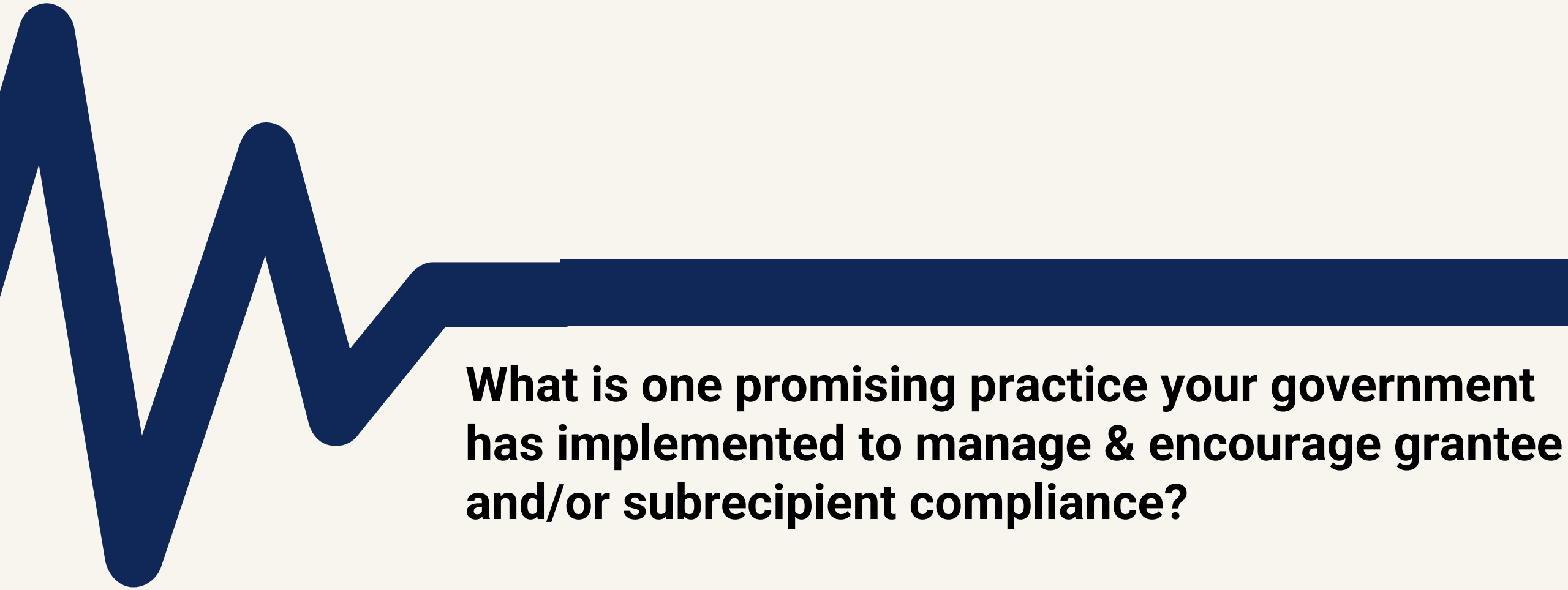


Examine trends



Build action plans and next steps

Community “Pulse Check”



What is one promising practice your government has implemented to manage & encourage grantee and/or subrecipient compliance?

SPEAK or POST IN THE CHAT!