



After the Award: Managing Grants Effectively

State governments are essential to the success of a federal grant. They serve as the pass-through, or grantor, to local governments, agencies and nonprofits, and their effective management of such funds helps ensure that a project runs smoothly, remains compliant and meets expectations.

At a recent [GovLoop virtual event](#), state and industry experts met to discuss potential pitfalls and best practices for grant management. Here are some of their thoughts.

THE GRANT IS JUST THE BEGINNING

It's tempting to think of landing a grant as the end of a process. Organizations put plenty of effort into a proposed project before they apply for funding. But the real work begins after a grant is awarded.

"A lot of times people focus so much on 'How do I get the award?' that they're not really thinking through the process. As soon as that award arrives you need to get on the ground and get running," said Stacie Massey, Deputy Director of the Ohio Office of Budget and Management. "You have to execute."

PAIN POINTS

Grant execution can go awry in several ways, most of them related lack of preparation. Here are pitfalls to avoid:

NOT HAVING A PROCESS IN PLACE. You must establish certain policies and procedures when you apply for the grant. Federal grants have specific requirements for procurement, disclosures, and record retention, among other concerns. Grantor and grantee organizations should be prepared to meet those obligations when the funding arrives.

"When you're someone who works in grants every day, you know what those things are. When you are a grantee receiving funds, you may or may not know," said Julia Malott, Principal Product Manager, Euna Solutions. States, as the intermediaries, can help subrecipients prepare their procedures in advance.

ABSENCE OF GRANT MANAGEMENT EXPERTISE.

Small organizations, including local governments, may not have a professional grant manager on staff, noted Gabbie Murphy, Grants Manager, Business and Grants Management Program, Communicable and Environmental Diseases and Emergency Preparedness for the State of Tennessee. "The people who have their boots on the ground [may find] grant language hard to understand. It's a lot of legal jargon," she said. Pairing a new grantee with one who's more experienced can be useful, and states should offer grantees help to understand and comply with the contract terms.

"I like to think that usually people who are out of compliance are not doing it on purpose. It's usually a mistake or a misunderstanding," Murphy said.

UNFAMILIARITY WITH REQUIREMENTS.

Grantees must know and follow the OMB's [uniform guidance](#) for federal awards. This is where the federal government lays out the administrative requirements, cost principles, and audit requirements that grantees must meet.

Frequently, state rules differ from those required in federal grants. For example, a state may have a pricing schedule for some purchases, while the federal grant rules require a competitive bid. Buying the item without bidding could leave the grantee liable for its cost. "A lot of times programmatic folks get the funding and start running [requests for proposals] through their normal everyday process, not realizing that it needs to follow federal requirements, which might be more restrictive," said Massey.

BEST PRACTICES

Of course, successful grant management is more than just avoiding mistakes. The experts shared these tips.

1 — STANDARDIZE YOUR PROCESS:

Establishing a standard process for every grant will save time and confusion going forward. Set policies that meet the uniform guidance requirements. In particular, be sure that processes around procurement, mandatory disclosures, internal controls, and record retention are ready from the jump. **"Hav[e] a uniform process for everyone involved, and all the programs involved should be top of mind when you're awarded a new grant,"** said Murphy.

2 — PREPARE YOUR SUBRECIPIENTS: Educate potential grantees about the requirements before they apply, said Matt McCarter, Grants Branch Chief at the Idaho Office of Emergency Management. McCarter's agency holds a "bidder's workshop" for potential grant applicants.

"It's helpful to lay out all the expectations.

Sometimes that will weed out folks that aren't quite ready, and that's okay. It's worth spending an hour on a webinar to realize [you need to] prep for a year and come back next time," he said.

3 — DOCUMENT, DOCUMENT, DOCUMENT:

Federal spending is subject to intense scrutiny, making it especially important that your process is "audit-proof," with systems in place that can supply a clear audit trail.

"Two years from now, someone should be able to see the emails, the documentation, the contracts, the RFP, the bids, and not have any questions about what happened. Have enough documentation so no one needs to call or ask or interview," McCarter said.

4 — COMMUNICATE: Especially when you're the intermediary between federal funds and local projects, communication — in both directions — is essential. Reach out to the grantor's program office to establish a relationship, and network with the leadership, finance, and program operations people of your grantees. Having those lines open helps if there are missed deadlines or other slip-ups, and keeps everyone on the same page.

Make it a partnership, advised Malott. **"You want to have alignment with those who are provisioning the funds, and you want to make sure that your grantees have alignment with you,"** she said. "And as the grantee, it's imperative that you understand what your grantor is ultimately looking for. If you can [demonstrate] to them that they have achieved their goals by giving you money, then they're going to be very happy they gave you money. And they probably will give you money in the future."

→ [For more insights, watch the full event on demand.](#)

