

Next-Generation Grants Management Systems

**Required Capabilities to Address Challenges and Opportunities for
State and Local Governments**

SEPTEMBER 2021

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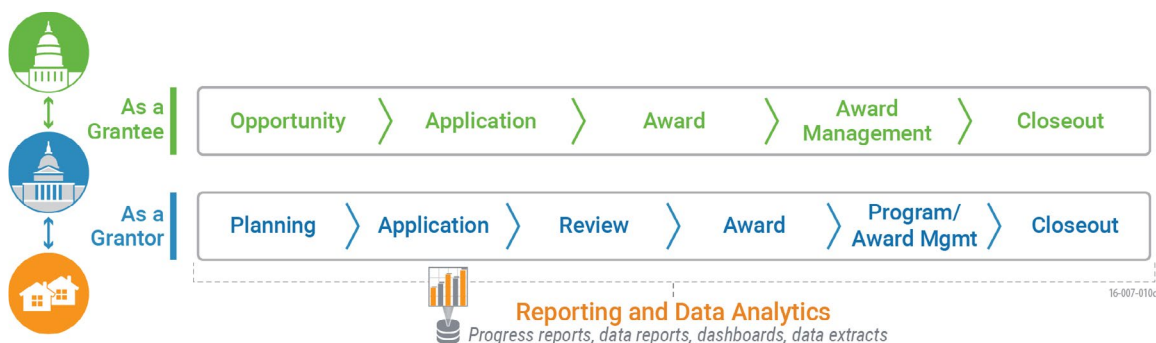
The Dual Role of State and Local Governments: Grantee and Grantor

State and local governments act as both grantees and grantors of funds, which creates coordination, management, and reporting challenges.

The Grant Management Lifecycle for State and Local Governments

The dual, interconnected roles of grantee and grantor give rise to complex challenges and unmet reporting gaps for state and local governments.

When it comes to effectively and efficiently managing grants, state and local governments face a complex, disjointed, and dynamic set of processes. Grant-making agencies often face the dual challenge of being both a grantee and a grantor. Agencies must not only identify, apply for, and receive grant funding but also solicit grant applications, review possible recipients, and accurately track the use of funds. As seen in the figure below, there is a structured lifecycle for each role, grantee and grantor. When serving in both roles, as state and local governments do, additional challenges and complexities emerge. Even with the substantial advancements in information technology (IT) systems and management tools in recent years, a surprising amount of the grant-tracking effort is still performed in heavily manual ways. This approach introduces both unnecessary errors and nonintegrated data.





Ten Common Grants Management Challenges

Most state and local governments encounter many obstacles. These obstacles are exacerbated by a rapidly changing regulatory and compliance environment.

When data collected from numerous grant managers were analyzed, a common set of challenges emerged. The 10 most common challenges that state and local governments face are:

1. Easily tracking and reporting grant lifecycle data in real time to enable timely interventions and corrective actions.
2. Tracking the flow of grant dollars, terms and conditions, and amendments from federal awards to subawards.
3. Identifying and prioritizing federal and nonprofit grant opportunities to pursue and in which to invest.
4. Mitigating the inefficiencies and traceability issues arising from predominantly manual, paper-based business processes.
5. Consistently applying governance, compliance, and risk-management principles across programs and subgrantees to manage fraud, waste, and abuse.
6. Effectively managing and coordinating the required activities and tasks associated with the pursuit of grant opportunities.
7. Facilitating collaboration, negotiation, and information exchange among subgrantees and internal users without the effects of email-inbox overload.
8. Managing increasing numbers of grants, awards, and subgrantees with decreasing support budgets.
9. Compiling, tracking, and reporting on structured data to comply with the Federal Data Act standardized data requirements.

Grant-making agencies are responsible for achieving their missions through grantees. This is difficult when grantors do not have real-time visibility into grantee performance, compliance, and outcomes.

The next generation of grants management solutions should make the lives of program and fiscal staff better and those of IT staff easier.

10. Complying with the White House Office of Management and Budget's Federal regulation: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

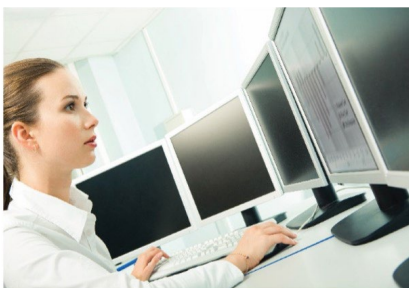
Defining the Path Forward: A Comprehensive Solution

To address these challenges directly, State and Local Governments need an effective IT solution to support any policy or protocol changes.

Although a plethora of grants management tools exist, the optimal solution would meet several key factors:

- Centralized grants data
- Native reporting and deep business intelligence
- Business process orientation
- Auto-generation of notifications, reminders, and tasks
- In-context collaboration
- Accessibility anytime, anywhere
- Configuration without IT support
- Third-party systems interfaces
- System scalability
- Evergreen functionality
- Structured data
- Compliance and monitoring support
- Data security and backups

CENTRALIZED GRANTS DATA



Grants management requires lots of paperwork. A typical grants manager will have many applications, award notices, progress reports, and financial documents cross their desks. Having a single repository of all grants-related data from all existing sources transforms grants management. With a single, aggregated data set, information that was once held in silos can be easily shared, analyzed, or updated throughout an agency with minimal coordination. A centralized and easily searchable repository of emails, applications, evaluations, awards, budget data, and reports is critical to the modern grants management system. Having this information spread across silos, including emails, spreadsheets,

assorted databases, and stacks of paper files, is no longer viable in today's information age.

NATIVE REPORTING AND DEEP BUSINESS INTELLIGENCE

Traditionally, legacy grants management applications have kept grant staff from accessing the key data they need without engaging a team of analysts or developers. A modern grants management solution allows every business user to explore any combination of data, get answers instantly, and share these answers with their teams. The goal of data centralization with native reporting is to deliver insights from business operations at the speed of business thinking.

The transformation of data into information often comes through business intelligence and analytics. Thus, in-depth dashboards that unify data from multiple sources can unlock insights that may not have been evident. For example, a map-based dashboard can depict where grant-funded services are being provided at a community level and the resulting impact on agency-wide performance outcomes.

BUSINESS PROCESS ORIENTATION

The best grants management software unburdens grant staff from managing business processes, intelligently enforcing the necessary tasks and activities for administering the grant lifecycle automatically. Completing step 1 of the process should seamlessly generate a necessary downstream task, generally via an automated workflow. Once a solution is mapped to the existing business processes, grant staff should be free to focus on working with subgrantees and driving successful programmatic outcomes.

Automated workflows check records as they are created and updated in adherence to established business logic and validations. This logic determines if actions need to be taken by grant staff or if they can be automated. In this way, workflows constantly monitor progress that otherwise would have to be monitored via reports, dashboards, or views. An effective solution will eliminate the need for grant staff to micromanage the process and instead empower staff to work on the highest-value activities. For example, if a subgrantee is repeatedly delinquent in submitting a progress report, the optimal grants management system would alert the grant manager before federal reporting compliance issues arise.

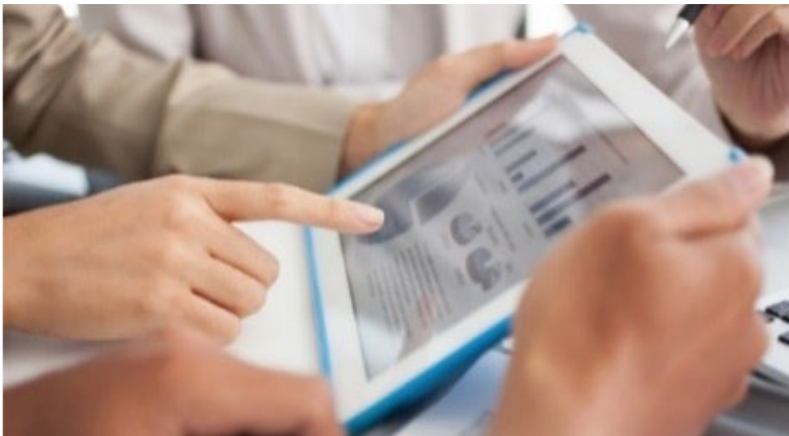
An effective solution will... empower staff to work on the highest value activities.

AUTO-GENERATION OF NOTIFICATIONS, REMINDERS, AND TASKS

The ideal grants management system provides work management–related notifications, reminders, and tasks. These alerts should be delivered through multiple media, including email and, potentially, mobile messaging. When work requires attention, a task is created, and a corresponding notification is generated. This way, both internal staff and subgrantees no longer have to maintain their own to-do list outside of the system. This feature not only creates a streamlined process, but also leaves an audit trail of the work completed. For example, when an application is assigned to a reviewer for assessment, that individual should receive a task notification and repeated deadline reminders to ensure timely completion.

IN-CONTEXT COLLABORATION

At a mission level, grants are intended to foster and support communities. Achieving this goal requires collaboration across multiple stakeholder groups in different places, as well as disbursement of funds. Modern grants management platforms will connect stakeholders directly with one another and with relevant content, data, and business processes. Today's technologically evolved citizenry expects to interact with their Government, share experiences with other citizens, and find the information they need



online in real time. In the context of grants management, the best example of this dynamic is the collaboration that must occur during the award-finalization period. These are multistep, negotiation-centric processes during which there is an intensive exchange of emails, documents, and ideas. Effective technology can greatly facilitate this process, thereby shortening the negotiation period and improving performance outcomes.

ACCESSIBILITY ANYTIME, ANYWHERE

Today's IT systems are not limited to desktop-computer use. Being able to access data through whatever device a user chooses is imperative to successfully managing an agency's grants. Creating an easy way for users to enter data and complete tasks while on

the go helps improve data accuracy, currency, and availability. An effective grants management system must work on smartphones and tablets.

CONFIGURATION WITHOUT IT SUPPORT

The days of multiyear software deployments and multimillion-dollar upgrades are over. In today's more agile, cloud-based technology world, software must be easily configurable to adapt any solution to a customer's needs without technical support. Data fields, element names, workflows, and other similar settings must be modifiable and creatable without writing software code. Configurations should also allow the addition and removal of drop-down menus and buttons to align the solution to an agency's grants management processes. An effective system will make it easy to add or modify custom fields and tailor specific application-package needs. Thus, a configuration-driven solution aims to provide built-in flexibility without the exorbitant cost of ongoing maintenance or IT support.

THIRD-PARTY SYSTEMS INTERFACES

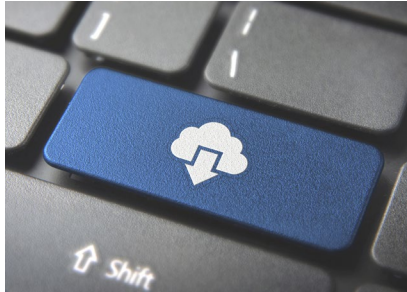
A grants management system is only as valuable as the data that reside within it. For most agencies, the ability to use a grants management tool to aggregate data from disparate systems is critical to see the whole picture. This holistic end-state can be achieved through data migration (one-time data transfer) or system integration (on-going data transfer). The ideal grants management solution will provide the necessary connectors to financial, human resources, and other third-party systems to insert, update, delete, or export records. It will also have flexible application programming interfaces to programmatically address more advanced integration needs. In this way, the tracking of payments from agency accounts to subgrantees in the context of a reimbursement request is visible through a single system.

SYSTEM SCALABILITY

Today's IT systems are not monolithic. They allow an agency to start as small as needed and grow as rapidly as required without substantial new investment in IT infrastructure. At the same time, an agency need only pay for what is used, thereby limiting unnecessary costs and providing a predictable ongoing-cost budget item. A grants management solution designed to be scalable allows agencies that are unsure of their exact growth

A grants system is only as valuable as the data that reside within it.

plans to scale their system use up and down, in line with total grant-funds distributed, subgrantee community size, and ongoing work requirements.



EVERGREEN FUNCTIONALITY

There is an increasing trend toward delivery of software via the cloud instead of on proprietary servers within Government-owned data centers. The reasons for this trend include substantial total cost of ownership savings and easier and lower cost maintenance. When software is delivered via the cloud, updates and upgrades are effortless for the user. There is no new software to install, no migration process, and no substantial system downtime. From the user's perspective, the software is always up to date. This factor is especially salient to grants management in light of the rapidly shifting regulatory and compliance protocols being mandated by the Federal Government. Any tool that agencies use to manage their grants should adhere to the latest policies from the Office of Management and Budget.

STRUCTURED DATA

Grants management is a data-intensive business. There are countless applications, forms, documents, and emails. However, data housed in paper-based applications and forms cannot be used to run reports. Information manually entered in a PDF document cannot be used to generate a dashboard. Thus, the optimal grants management system will offer electronic applications and forms to ensure that data are efficiently collected in a structured manner. When all grant data are electronic and associated at a field level in a database, unlimited numbers and types of reports and dashboards can be developed. This factor is especially important with the passage of the Federal Data Accountability and Transparency Act.

COMPLIANCE AND MONITORING SUPPORT

Seeking approval for final grant decisions is commonplace throughout government. Very few decisions are made without oversight and compliance checks. As a result, routing reams of paper documents between offices for approval is time consuming, error prone, and inefficient. Moreover, these offline approval processes do not leave a sufficient audit trail if questions arise about the validity of a decision. For this reason, an optimal grants management system will offer electronic approvals that are 100% traceable. For full auditability, any grants management tool will also track modifications during the review process.

Encryption and protection of personally identifiable information create significant requirements for state and local entities.

DATA SECURITY AND BACKUPS

The confidentiality, integrity, and availability of grants management information is vital to business operations. Given the often-sensitive nature of the data collected, a multilayered approach to protect key information is prudent. As a granting agency, there are multiple issues to consider, including secure data centers, access control and physical security, environmental controls, network protection, disaster recovery, backups, and security monitoring. Instead of trying to cultivate these capabilities in-house, which requires much time, capital, and resource investment, it makes sense to have data-center experts provide them through shared computing services.

GovGrants®: A Modern Grants Management Solution

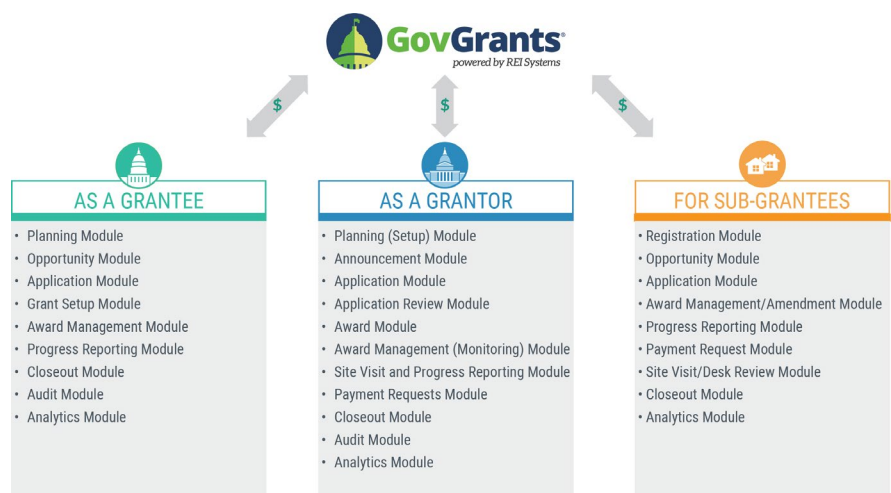


GovGrants addresses each of the 10 grant-administration challenges and all the characteristics of an effective grants management solution.

Building on more than 30 years of supporting government institutions to modernize their grants management processes, REI Systems has developed GovGrants, a cloud-based, software-as-a-service solution. GovGrants addresses the challenges that state and local governments face across all phases of the grants management lifecycle. Accessible through any device, anywhere, GovGrants provides a highly intuitive user interface for managing grants. Key grant business processes are automated and centralized through a series of configurable modules and through an intuitive user interface for managing grants.

GovGrants is a modular, configurable solution.

GovGrants' modules enable state and local governments to perform all the necessary functions across the entire grants management lifecycle.



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GovGrants® Meets All Key Characteristics of a Comprehensive Grants Management Solution

KEY CHARACTERISTICS

GOVGRANTS® FEATURES

Centralized grants data	Single point of data storage for all genres of grants data: emails, applications, evaluations, awards, budget data, and reports
Native reporting and deep business intelligence	Business intelligence embedded throughout via multiple canned and scheduled reports, robust ad hoc reporting capabilities and easily customizable dashboards
Business process orientation	Configurable, modular business processes, workflows, validations, and approvals standardized through an intuitive user interface to reinforce governance
Auto-generation of notifications, reminders, and tasks	Event and task reminders within the system, via email, and sent to the mobile device whenever a user is required to perform a time-sensitive action
In-context collaboration	Mobile and social collaboration-ready solution that offers superior user coordination, communication, and engagement best practices
Accessibility anytime, anywhere	Completely unified mobile experience across a variety of mobile devices, including iOS and Android smartphones and tablets
Configuration without IT support	Ability to create and modify grant programs, announcements, applications, and awards through easy point-and-click configuration forms
Third-party systems interfaces	Native application programming interfaces offer simplified interfaces with financial, human resources, and other back-office systems to synchronize key data elements
System scalability	Built to accommodate growth in grant programs, numbers of users, and subgrantees without additional deployment or infrastructure costs
Evergreen functionality	Updates are automatically and seamlessly pushed without affecting users, substantially reducing the burden to manage upgrades and patches
Structured data	All data from all aspects of a grant's lifecycle are stored in a database to enable connecting data across phases with unlimited reporting
Compliance and monitoring support	Real-time visibility of subgrantee performance and reporting is augmented by automated system checks, validations, and alerts
Data security and backups	HIPAA, FERPA, and FISMA compliant. Automated data-backup feature augments business continuity through database redundancy

GovGrants® Success Stories

REI has developed enterprise grants management solutions for many state and federal clients.



UTAH STATE BOARD OF EDUCATION

The Utah State Board of Education (USBE) managed \$4.5 billion in grants on 40+ spreadsheets – a highly error-prone approach in a high-volume, high-stakes environment that resulted in undetected overpayments to recipients, non-compliance with award contracts, and Single Audit findings. USBE struggled with a legacy grants management system that was unable to interface with its financial management system for payments and budget tracking. Since the launch of GovGrants in May of 2018, USBE has automated the entire grant lifecycle. USBE is seeing an 80% reduction in time for processing payments using direct awards and bulk payments and an increase in overall staff and recipient productivity by 35%+.



CITY OF SAN DIEGO

The City of San Diego tracked financial grant incentives for business expansion through manual processes, PDFs, and spreadsheets resulting in numerous errors and inefficiencies. The City chose to implement the GovGrants solution for their Enterprise Grants Management System (EDGrants) for the City of San Diego Economic Development Department's end-to-end management Community Development Blocks Grants (CDBG). Since launch, the City has seen a 30%+ increase in the number of recipient applications received due to easier, more intuitive application submission process and a 25%+ reduction in the number of incomplete, non-compliant, or erroneous applications submitted as a result of automatic business rules and error messages from the system.



LEGAL SERVICES CORPORATION (LSC)

Legal Services Corporation (LSC.gov) is the nation's single largest funder of civil legal aid for low-income Americans with the mission of promoting equal access to justice. LSC needed to modernize its grants management system and re-engineer its current grants management workflows and business processes. REI Systems configured the GovGrants® solution for LSC and launch the new system – called GrantEase – within an aggressive 4-month timeline. The system quickly enabled distribution and management of \$400M+ in grants funding to support LSC's largest

and most complex program; aided the distribution of emergency funds for 2 new programs within 3 weeks of receiving \$50M in CARES Act funding; and provided a streamlined application and review process that reduced human errors and redundancies.

ABOUT REI

REI Systems provides reliable, effective, and innovative technology solutions that advance federal, state, local, and nonprofit missions. Our technologists and consultants are passionate about solving complex challenges that impact millions of lives.

We take a Mindful Modernization® approach in delivering our application modernization, grants management systems, government data analytics, and advisory services. Mindful Modernization is the REI Way of delivering mission impact by aligning our government customers' strategic objectives to measurable outcomes through people, processes, and technology. Learn more at REIsystems.com.

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Wagish Bhartiya is a seasoned technology executive with extensive strategy and product development experience. Wagish is Vice President and leads REI's Software as a Service (SaaS) business unit in both the public sector (federal, state, and local) and commercial sectors. In his leadership role, Wagish oversees the development, marketing, and support of the GovGrants® product. Wagish has more than 15 years of experience taking new software products to market, managing functional and technical teams, and successfully leading customer engagements. He earned his MBA with highest honors from Wharton Business School. He is also a contributing member of the National Grants Management Association (NGMA).