Guide to Grants for State Agencies

The state government grant process is comprehensive, with many moving parts and considerations that require attention. Grant management helps state governments handle the various aspects of holding and allocating grant funds. Understanding how to manage your agency's grants can improve your relationship with grantees and optimize your financial investments.

4 Current Pieces of Data Legislation for State Agencies

When issuing state funds to local governments or organizations, state agencies must comply with various federal legislation and regulation to support projects. Knowing some common legislation for state agencies can help your organization avoid challenges and risks associated with federal compliance.

1. Digital Accountability and Transparency Act of 2014

The Digital Accountability and Transparency (DATA) Act aims to increase visibility and accessibility for all federal grants, including those awarded to state agencies, like pass-through grants that states can provide to local governments. It requires organizations to publish reports to public and centralized databases for increased public access to information. This system helps federal organizations better track activity and compliance because they can easily access and review reports on performance for agencies receiving funding.

2. Grants Oversight and New Efficiency Act of 2016

The Grants Oversight and New Efficiency (GONE) Act helps the federal government identify and manage outstanding grants that need to be closed out. Because there are so many grants available and issued annually, it can be challenging to determine which ones have expired or reached the end of their contract.

The GONE Act aims to simplify processes for the federal government by asking all organizations that received federal funding to publish annual reports with vital information about their grants. Organizations must list each federal grant they currently hold along with the total number of grants they received.

If organizations have grants that need to be closed out, they must describe the challenges that led to close-out delays and explain why those specific grants haven't already been closed out.

3. Federal Funding Accountability and Transparency Act of 2006

The Federal Funding Accountability and Transparency Act (FFATA) is another federal regulation that helps increase accessibility and visibility surrounding federal grants. Like the DATA Act, FFATA requires organizations that receive federal grants to publish the details of their awards on a designated site for centralized, public access.

In general, more visibility and accessibility through public information can benefit many parties. Grantors and agencies can use this information to track grant allocation and review statuses. Grantees and organizations can review past awards for similar groups from federal grants to see if their grant applications align with the grantor's interests and patterns. Third-party organizations and individuals can also review these databases to see where organizations receive their funding from.

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4. Grant Reporting Efficiency and Agreements Transparency Act of 2019

The Grant Reporting Efficiency and Agreements Transparency (GREAT) Act outlines and establishes reporting formatting standards for grants. This act specifically helps organizations navigate audits and reporting in an increasingly digital world to streamline operations for agencies receiving grants and organizations reviewing grant reports.

Under this act, agencies must submit reports and audits in a machine-readable format. This system can allow audit organizations to review quickly for more efficient operations and reporting processes.

Like the other pieces of legislation, the GREAT Act aims to increase visibility around grants and agency operations. This legislation is unique because it also prioritizes efficiency and new technology, encouraging organizations and agencies to adopt better tools.

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Common Grant Management Challenges and Solutions

State agencies can experience various challenges when distributing and managing funding. When your agency wants to meet federal regulations and maintain good relationships with your grantees, knowing what to expect can help strengthen your internal procedures and processes.

Misuse of Funds

Agencies might offer comprehensive funding to their grantees, but they still have certain qualifications and restrictions on how counties and other organizations can use those funds. In your application, your state will specify the limitations designated for your funding. While your agency might have preferences, you also have to stay compliant with specifications set by federal agencies that provided you the funding to pass through to other organizations and local governments.

Because grantees will handle budgeting, fund allocation and spending, it can be challenging for state agencies to track and understand if grantees are using grant funds properly. When your agency uses strong tracking and reporting processes and tools, you can increase visibility and transparency with your funds.

Additionally, you can encourage better spending habits by outlining the consequences of using funds incorrectly. Your grants are part of a contract, and grantees must uphold their end by using funds as specified. Failure to meet grant specifications can result in your agency pulling funding, leaving their projects without the essential resources they need to complete it. Because of public reporting, failure to meet grant specifications can tarnish their reputation, making it challenging for them to get additional and future funding.

Failure to Reach Grant Objectives

For state agencies, grants are investments. You are choosing a project or organization you believe will likely help your state citizens, from improving road quality to offering new health services. Especially with competitive grants, you are choosing the organization and project that best meets your requirements. However, organizations can fail to deliver the promised results, which can create complications for state agencies.

Like misusing funds, this challenge can also lead to strained relationships with your grantee, resulting in pulling funding. Encourage regular reporting and check-ins with your grantees. Tracking and reporting processes can ensure projects remain aligned with your objective and follow your agreed-upon scheduling, timelines and deliverables.

Like misusing funds, **failing to accomplish grant objectives** upon project completion can lead to future complications in securing grants for your agency and projects.

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Failure to Publish Accurate Grant Results

Organizations and state agencies are responsible for compiling and publishing reports and updates about grants, money expenditures and project progress and impact. These reports help your state residents understand how grants are supporting their needs while giving potential grantees an idea of what kind of projects your agency approves and supports.

Further, many state organizations must publish accurate and reliable reports to remain compliant with federal organizations, many of which grant them funding. Maintaining a clear and communicative relationship with your grantees can help protect your agency's funding, so you can continue to distribute it to various state projects and organizations.

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Your report information will depend on your grantee's spending and activity. They are the end-user of the funds, making it essential to understand and track their movement. However, many organizations can accidentally or intentionally publish and report incorrect information. Manual operations might lead to errors, and omissions in essential data can create inaccurate reports and publications. Alternatively, intentional inaccuracies might come from organizations trying to maintain funding or a good reputation.

Establishing good communication strategies and implementing quality reporting and data-compiling tools can help your agency navigate grant results and report challenges.

Grant Tracking

Because state agencies receive and have large funds available for distribution, they might have multiple recipients or grant categories established each year. With agency operations to oversee and so many grant recipients, it can be challenging for states to track grant allocation and performance. It can be easy for one grant to go unchecked or undocumented, leaving holes in your reports.

Having a comprehensive system that can handle your grant management and tracking can ensure you receive an overview of your grant and grantees' performance. You can streamline essential processes like financial and progress reporting to ensure federal compliance and better public transparency with accurate information.

3 Tips to Improve Grant Management for Your State Agency

When improving grant management for state agencies, the right strategies and techniques can streamline your operations and support your needs and those of your grantees.

1. Develop Strong Internal Review Processes

Your internal review and reporting processes can support many needs and help your state agency avoid many common challenges and identify problems before they impact your and your grantees' operations. Reviews can highlight issues like incorrect allocation of funds or inaccuracies in collected data, before they become widespread and potentially threaten your compliance and accuracy in public reports.

When establishing your review processes, you should consider factors like:

➤ **Frequency:** Frequent reviews can help efficiently identify problems and make data more reliable. You can also use these reports and data to track project progress, so you can ensure they align with your received estimations for timelines and deliverables. If you have inconsistencies, you can react quicker to develop an adjusted plan with your grantees that reflect any changes or challenges.

➤ **Scope:** While grantees might only have to review their project operations, your agency likely has many moving parts that can make reviews and audits challenging. Frequent reviews of your entire operations and active grants can be time- and resource-consuming. Instead, you can perform audits of high-activity departments or organizations, so you can better understand their functions and movements when they matter most. You can also target specific types of information, like financial or activity reports.

➤ **Authority:** You should also determine who is conducting your reviews. These teams and individuals will have access to sensitive information, like your financial activity. Excluding access to only individuals who require it can prevent impactful data breaches and inaccurate reports.

When you can trust your reports and databases, you can better prioritize transparency and visibility within your agency and in publications.

2. Prioritize Visibility

Visibility can help improve internal operations by ensuring your teams have the information they need to compile accurate reports and assess project progress and impact. Some ways you can implement increased visibility include:

➤ **Progress:** Regardless of what type of projects your agency supports, sharing progress can help your teams understand project success and its impact on your agency. For example, slow progress might reveal that the organization will need a continuation grant from your agency, which can impact future applicants. Additionally, progress reports can boost morale, showing how your agency is helping your state residents through programs and projects.

➤ **Budget and spending:** Prioritizing financial visibility across your organization and with your grantees can prevent inaccuracies. Continually reviewing budgets from grantees and reconciling them with spending activity can highlight inconsistencies or changes in plans. You can have better visibility over spending habits without controlling budgets for organizations.

4 Tips to Improve Grant Management for Your State Agency

1. Develop strong internal review processes

2. Consider how you approach your applications

3. Prioritize visibility

4. Automate reporting procedures

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➤ **Timelines:** Whether you are approving grant applications or preparing public reports, your agency has deadlines for your operations. Sharing deadlines with your teams and grantees can ensure all partners understand when you need completed projects or reports. With your grantees, encouraging visible timelines can help your agency better assess progress and encourage organizations to meet deadlines and deliverables.

Like many aspects of grant management for state agencies, visibility should come with accessibility and authorization controls. Increased visibility should be on an as-needed basis, rather than automatically providing access to everyone. With access controls and authorization features, you can protect sensitive data while ensuring essential decision-makers can view information.

3. Automate Reporting Procedures

Because compiling reviews can take time and resources away from your regular operations, automation can streamline these processes for better efficiency. Automated data collection can compile accurate and reliable databases, so your teams can focus on carrying out other essential tasks and functions.

Automation can increase data accuracy and reliability because it removes the need for manual data input. When federal organizations rely on reports to understand how your program and finances perform with pass-through grants or to ensure compliance, accuracy is essential. Individuals are prone to accidental mistakes and omissions, creating reports that are inaccurate and even not compliant. Automation will fill reports with data as it's presented for fewer opportunities for errors.

Because automation can run without interference, it will also use the most current version of data. When individuals might have to update databases or track down more recent information, automation will have access to data and will update reports to match changes. This system can decrease the risk of accidental omissions, so your reports can better reflect your agency's operations and progress. Further, with automatic updates, you can optimize public reports by keeping other organizations and your residents knowledgeable about your operations and projects.

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Streamline Grant Management for State Governments With IGX Solutions

When you want to optimize grant processes for your state agency, you need the right support to carry out functionality. IGX Solutions offers IntelliGrants® IGX — a comprehensive and intuitive software solution that streamlines grant management for state agencies. With IntelliGrants IGX, you can find all your grant data in one centralized database for more accessibility and visibility, so you can better oversee every aspect of grant management.

IntelliGrants IGX also simplifies the application process for potential grantees by increasing visibility. The opportunities search function enables organizations to research what funding opportunities are available within IntelliGrants IGX, so they can better review your requirements and specifications before even submitting an application. By reviewing everything your grant offers, they can match their program and project to the grants you provide.

IGX works with organizations like state agencies to personalize and configure solution features to best fit your needs. Request a demo today and discover how IntelliGrants IGX and IGX Solutions can transform your approach to grant management.

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