

What's Reshaping Education Funding— And What to Do About It

The federal government is rewriting the rules of grant management—are you ready?

By Adam Roth



Many districts need a combination of endowments, donations, and tuition just to survive; consequently, implementing the next best practice in teaching methodology, technology, or the arts is next to impossible. And that is why grants are so important.

Grants allow educators to test and implement new instructional methods, fund academic studies, and support operational costs that make a quality education possible. They provide much-needed capital to fund investments in technology, classroom materials, and research.

But grant management is challenging. As any grant recipient knows, the work doesn't end when a grant

is won. For organizations that manage grants using an ad hoc system of spreadsheets and files, when they win a grant, their work is just beginning.

The resource drain stemming from grant management is compounded by federal reforms, which stand to fundamentally change how grant money is awarded, managed, and reported. Three reforms in particular are making waves in grant management:

- **The DATA Act** (Digital Accountability and Transparency Act of 2013) aims to standardize and centralize federal spending data so they can be aggregated, reconciled, and made public.

- **OMB Uniform Grant Guidance**, released in late 2013, aims to mitigate waste, fraud, and abuse of government funding by reducing administrative burden, strengthening oversight, and increasing government transparency.
- **The Treasury “Do Not Pay” Initiative** helps agencies determine whether an individual or company is eligible to receive federal payments or to win a federal contract. If recipients fail to comply with award requirements, agencies can halt drawdowns and paybacks. The reforms, all centered on spending transparency and open data, will ultimately make grant management more standardized, streamlined, and efficient. But until the transition is complete, these bipartisan reforms are creating a perfect storm of new processes and heightened requirements for grantees—and recipients are already feeling the effects. According to a survey of U.S. grant management professionals conducted by StreamLink Software, post-award performance and measurement continue to cause the greatest frustration among respondents (25%) and in fact increased from 21% the previous year (www.streamlinksoftware.com/state-of-grant-management-2015).

The lesson? Recipients and subrecipients must prioritize compliance if they intend to remain competitive for public funds in the years ahead.

The Challenge of Managing Grants

Consider the typical education grant process from the district's perspective: Once funds are awarded, the district must track the time and effort, expenses, and program activities against the grantor's requirements. That requirement often entails the tedious coordination of emails, documents, and spreadsheets.

Because critical information is stored across various files, staying on top of the grant program's progress can be challenging. Inefficiencies drain internal resources, hampering program execution and pulling educators away from other responsibilities.

Disorganization can threaten awarded funds. Grants often require funds to be drawn down in stages. If expenditure reports are incomplete or inaccurate, or deadlines are missed, the grantor may be forced to withhold the remaining funds.

As reporting deadlines near, the district must aggregate files and data for compliance and possible audit. If grant funds are shared across departments or schools, it means reconciling inconsistent files, formats, and processes. Similarly, programs funded by several grants may all require different data, reporting formats, and filing deadlines.

The result can be a cumbersome and inefficient process that drains resources and draws staff time away from more important responsibilities.

Winning Grant Dollars

The federal government is rewriting the rules of grant management, but fortunately there's still time to adapt. To lay the groundwork for future funding security, educational institutions should focus on future-proofing their grant management. Future-proofing includes a standardized grant management process that revolves around consistent data elements.

Ensure your competitiveness. Adopt principles that are compliant with new federal regulations to ensure that your organization will be competitive for public and private funds:

- Be specific when applying for an award.
- Offer to submit your program's quantifiable progress throughout the grant's life to earn the grantor's trust and to hold yourself accountable for performance.
- If possible, let data tell your story.

Maximize drawdown. Poor grant management processes can mean money left on the table. Don't let awarded funds go to waste:

- Put processes in place to track all applicable expenses in real time.
- Keep time and effort reports up to date and keep all documents in one central location, including approved budgets, receipts, and time sheets.

- Set reminders for drawdown deadlines.

Optimize for performance. Make sure your district is well positioned to make the most of awarded funds. Organize your internal team for the best results:

- Reduce misunderstandings and preventable errors (like missed deadlines) by assigning roles and responsibilities.
- Make grant program data, dollars, and deadlines as accessible to your team members as possible.
- Centralize grant management so it's easier for your team to work collaboratively, which can reduce individual workloads and maximize grant performance.

Maintain compliance. To stay compliant with the federal reforms, start with the following best practices:

- The future of grant seeking is in results-based funding distribution. Make sure that pedagogical or research outcomes are clearly outlined, and be prudent with funds to maximize program performance.
- Capture grant information as data, using consistent formats and processes.
- Take time up front to understand reporting and compliance requirements. Then work backward to ensure grant management processes are in place to manage performance and capture necessary data.

Achieve headache-free reporting. Post-award reporting doesn't have to be painful. Plan ahead and simplify the reporting process:

- Create replicable processes and standard data points for all grants managed by your department or district, including consistent treatment of costs.
- Eliminate data silos. Your grant management system must track and manage programmatic, financial, and human resources data through the grant life cycle.

The grant management processes that most districts use are unsustainable. Specialized grant management software is often one piece of the puzzle. It allows organizations to capture all elements as data throughout the entire grant ecosystem; to output reports to screen, pdf, and Excel; and to manage and account for all activity down to the subrecipient level.

Funding Investments

As education institutions plan for the years ahead, they must invest in new processes and technology to support the move toward spending transparency and open data. Doing so will position the district to be more competitive for grant funds and better able to fund the investments in technology, classroom materials, and research.

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