10 Steps TO MANAGING GRANTS EFFECTIVELY

Grants are an important source of revenue for many governments and allow investments in infrastructure, development of programs, and results for the community that otherwise would not be possible using local sources alone. Grants are not simply "free money," though, and if governments don't fully understand grant requirements, they can be a source of frustration and, in the worst-case scenarios, could end up actually cost you money and create regulatory compliance issues and legal challenges.

To help your organization manage its grants effectively, GFOA has developed the following ten steps, which are based on its best practices Grants Administration and Establishing an Effective Grants Policy (available at **gfoa.org/grants**). You can use these ten steps as a checklist to develop a grants management policy and procedure for your organization.

1 Before completing a grant application, determine the extent to which the grant is consistent with your organization's mission, strategic priorities, and/or adopted plans. If a grant is not in line with the organization's goals, reconsider whether you should apply.

2 Implement procedures for grant-seeking departments or agencies to notify other relevant departments (particularly the finance and/or budget offices) of their intention before applying. This will help ensure that all relevant parties within the organization are aware of the grant and are prepared to administer it.

3 Identify the source of any required grant match. Next, determine what the grant would allow to count as a match. For example, is a 100 percent match required? Does the match need to include funding from local sources, or can another grant serve as a match?

4 If the grant is for a new program, develop a project plan that outlines all the implementation steps. Identify who will be responsible for managing the different aspects of the grant, from providing direct services to submitting reimbursement requests and compliance reports. Determine if any staff responsible for managing the grant need additional training and include this in the project plan.

5 Be aware of any procurement requirements, which may be more stringent than your organization's standard procurement policies. These requirements could affect your timeline, so plan accordingly.

6 Understand the type and amount of administrative costs that can be charged to the grant. Many grants have strict definitions of administrative versus program costs and limit how much can be spent on administrative costs.

7 Establish who is responsible for tracking grant outputs/outcomes and expenses and requesting reimbursements. Grant-related roles and responsibilities can be tracked in a system, such as an enterprise resource planning (ERP) system, that all relevant staff can access.

8 Monitor subrecipients and maintain good working relationships with them. If your organization will be sub-granting or passing through funds to other organizations, you will still be responsible for meeting all of the grant requirements, so establish requirements for subrecipients to submit progress reports. You may also want to schedule monitoring visits to observe their work and review their compliance files. Provide training and assistance to them as needed and let them know they can reach out to you for guidance and advice.

9 Communicate regularly with the grantor, both formally and informally. Make sure your organization submits all required reports in a timely manner. Check in with your grantor contact to let them know how the program or project is progressing and discuss any challenges you may be experiencing, as they may be able to assist.

10 Prepare for the future. Grant funds don't typically last forever, so think about what will happen when the grant is over. Is there another source of funding for grant-funded personnel, or will the organization need to lay them off? Similarly, if the grant was funding an important program or service, will you be able to continue providing it? If not, how will you communicate the end of the program to those who will be affected?