

GATA: State Centralized Grant Management System



National Association of State Budget Officers
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Grants are Big Business in Illinois

- Illinois received over \$28.9B in federal awards in FY18
- Grants comprised 66% of Illinois' General Revenue FY19 budget
 - Majority of grants are federally-funded or used as cost sharing such as match, maintenance of effort
- Illinois' FY20 capital budget adds another \$15.8B in grant funds
- Federal grant regulations (2 CFR 200 – Code of Federal Regulations) set grant financial and administrative requirements
- GATA legislation applies federal grant rules to all grants regardless of funding source
 - Automation supports compliance and provides an adequate audit trail
 - Annually, GATA reviews grant rules and makes improvements based on stakeholder recommendations

Illinois Serves the Public through Grant Partnerships

- Illinois has nearly 9,000 unduplicated grantees
 - 83% of grantees receive awards from more than 1 state agency
- In 2009, grantees demanded grant administration changes to address burdensome redundancies
 - More than 8,574 duplications of common requirements including pre-qualification verification, risk assessment, indirect costs and audit
 - Prior to GATA, there was inconsistent interpretation of grant requirements
- Illinois' Statewide Single Audit is extremely limited - 89% of federal programs are not tested
 - Federal agencies are conducting individual audits resulting in unallowable costs that must be returned to the federal government

GATA Legislation – Nationally Recognized

- Illinois is the only state in the nation to legislate lifecycle grant management (30 ILCS 708)
- GATA removes redundant grant administration tasks for grantees
 - Common grant administration is automated, centralized and relied upon by all awarding agencies
 - More grants an entity receives from multiple agencies, more benefits realized
- GATA frameworks highlight instances of grant noncompliance
- Collaboration with more than 200 stakeholders was key: grantees (40%) and state agencies (60%)

Federal Office of Management and Budget and National Council of Non-profits showcase GATA as innovative legislation and best practice in grant management

Incremental Implementation of GATA

- Because 83% of grantees get funding from more than 1 agency – consistency is required across state agencies
- Incremental statewide implementation of grant management functions
 - FY17 and FY18 - Pre-award functions
 - FY18 and FY19 - Post-award functions
 - FY20 – Configuration/implementation of statewide grant management system
- Each year includes improvements and enhancements to GATA frameworks
 - Does it work as intended?
 - How can the user experience be improved?
 - Where can automation be enhanced?

Statewide, Uniform Policies and Templates

Registration and pre-qualification

Fiscal and administrative risk assessment (ICQ)

Programmatic risk assessment framework

Notice of Funding Opportunity (NOFO)

Grant application

Budget template

Merit based review

Conflict of interest

Illinois Stop Pay List

Grant agreement and intergovernmental grant agreement

Periodic financial and performance reporting

Consolidated year-end financial reporting (CYEFR)

Audit requirements for grantees that do not meet the single audit threshold

Audit requirements for “For Profit” entities

Challenges in Illinois Grant Administration

- Disparate state agency grant systems
 - Limited statewide grant data for strategic grants management
 - Grant Management System improves grantee and state agency efficiencies
 - Auto-populates data, single system for statewide grant administration
- Grant administration functions are increasingly technical and require more advanced education, skill sets and knowledge
 - National issue – state agencies need more qualified, technical personnel
 - Consider accounting degreed personnel, CPAs, Certified Grant Management Specialist (National Grants Management Association designation)
- Change management!
 - 3rd Governor since GATA legislation was enacted Continued emphasis on cost avoidance / savings potential and the financial risk of noncompliance

Dollars and Sense of GATA

	Cumulative Cost Avoidance / Cost Savings (2017-2019)	Projected Annual Cost Avoidance / Cost Savings
Centralized Audit Report Review	21,500,000	43,000,000
Onsite Fiscal and Administrative Monitoring	0	9,500,000
Centralized indirect cost rate negotiations	75,750,000	35,350,000
Centralized framework for fiscal and administrative risk assessments	18,100,000	8,560,000
Centralized grantee pre-qualification	13,285,000	4,400,000
Automated Notice of State Award	6,000,000	3,000,000
Market value of grant management training	4,520,000	2,050,000
Automated Notice of Funding Opportunity	430,000	215,000
Controls against fraud, waste, abuse and mismanagement	466,000,000	TBD
Total savings / cost avoidance	\$605,585,000	\$96,575,000

States Can't Afford Grant Noncompliance

- Since the implementation of Uniform Guidance, federal government has utilized enforcement actions:
 - Suspending state's ability to draw down federal funds
 - Requiring immediate payment for disallowed costs
 - Increasing penalties for improper payments under the False Claims Act
 - Adding additional fiscal and administrative requirements for non-compliance
 - Not accepting grant applications from states/agencies with late reporting
 - Not allowing extensions on Single Audit submission

One state agency that hasn't fully implemented GATA has audit findings that required over \$10 million be returned to the federal government

State Grant Management Must be Intentional

- Recognize your state's grant compliance subject matter experts
- Identify personnel to champion grant transparency and accountability – internal and external stakeholders
- Consider standard business requirements as system components
 - Prioritize uniformity in grant rules, templates and workflows
 - Don't underestimate buy in and ownership in change management
- Strive to improve the user experience maximizing controls that guard against fraud, waste, abuse and mismanagement

When in Doubt – Reach Out

GATA References

- GATA Website: www.grants.illinois.gov
- GATA 2018 Annual Report:
<https://www2.illinois.gov/sites/GATA/Documents/Resource%20Library/2018-GATA-Annual-Report.pdf>
- GATA Leadership:
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