



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

September 5, 2018

THE DIRECTOR

M-18-24

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mick Mulvaney  
Director

SUBJECT: Strategies to Reduce Grant Recipient Reporting Burden

**Background**

The Federal Government spends about \$700 billion on grants and cooperative agreements annually for approximately 1,800 different funding opportunities/categories covered in the Assistance Listings. OMB estimates that more than 40,000 grant recipients receive Federal funding annually, which includes State and local governments, universities, non-profits, tribes, and small businesses.

The Digital Accountability and Transparency Act (DATA Act) of 2014 (Pub. L. No. 113-101) tasked OMB with administering a grants pilot to identify new common data standards, to build efficient reporting tools, and to provide new solutions that reduce administrative burden on awardees and the Government workforce. On August 10, 2017, OMB issued the [Data Act Pilot Program Report](#) to Congress, which demonstrated that grant recipient burden can be alleviated by: (1) defining and collecting required data elements in a central and open repository, (2) collecting data from grant recipients centrally, (3) re-using and auto populating Government systems using data collected centrally, and (4) making resources available to explain the Federal requirements and business processes. The DATA Act also required that OMB issue guidance to heads of Federal agencies on how data standards will be applied to 1) reduce compliance burden and 2) simplify the reporting process.

This memorandum is issued in response to the DATA Act requirement that OMB provide guidance to Federal agencies to implement lessons learned from the pilot. It applies to all CFO Act agencies that manage Federally funded assistance programs.

The President's Management Agenda (PMA) [Cross-Agency Priority \(CAP\) Goal # 8, Results-Oriented Accountability for Grants](#) builds on the DATA Act pilot and provides a comprehensive roadmap to improve the Federal grant-making process. The memorandum is intended to align efforts undertaken as a result of the DATA Act pilot and other agency grant-related reform initiatives, with the PMA; accordingly, the due dates in the memorandum are consistent with the PMA CAP Goal #8 [Goal Structure and Milestones](#).

## **Agency Action**

Building on lessons learned from the DATA Act pilot and PMA-related initiatives, going forward agencies are required to take the following actions:

- Review data standards when they are published to ensure completeness and accuracy, and inclusion of critical distinctions in types of grants and recipients;
- Align all agency grant-related reform initiatives to the modernization vision outlined in the PMA, and fully participate in applicable CAP working groups;
- Use government-wide data standards to modify existing or design new grant systems;
- Work with other agencies and OMB to reduce the number of existing legacy systems and grant recipient burden via sharing quality services and systems; and,
- Assess existing grant making policies and business processes to identify further opportunities to reduce burden by identifying unnecessary or duplicate data collection and/or reporting requirements and legal or regulatory barriers hindering efficiencies in the grant making process. Such participation will help ensure that adequate consideration is given to the broad range of government services provided through public assistance funding and better inform future OMB actions.

## **Centralized Certifications and Representations**

Effective January 1, 2019, the SF-424B will become optional and agencies shall make plans to phase out use in Funding Opportunity Announcements. Effective January 1, 2020, the System for Award Management (SAM) will become the central repository for common government-wide certifications and representations required of Federal grants recipients. As registration in SAM is required for eligibility for a Federal award and registration must be updated annually, Federal agencies will use SAM information to comply with award requirements and avoid increased burden and costs of separate requests for such information, unless the recipient fails to meet a Federal award requirement, or there is a need to make updates to their SAM registration for other purposes. Federal agencies must consider and implement necessary business process and/or workforce changes to effect this policy.

## **Agency Evaluation of Recipient Data**

Each agency must evaluate all systems and other methods currently used to collect information from grant recipients and determine if the same data is being collected by the agency multiple times. The information from this review must be used by the agency to construct a strategy by April 30, 2019, in conjunction with the objectives of CAP Goal #8, to eliminate duplicative data requests within the agency.



## **Adoption of Grants Management Data Standards**

The government-wide core grants management data standards are expected to be finalized by the Grants Management Federal Integrated Business Framework (FIBF) by September 30, 2018. By April 30, 2019, agencies must submit a plan to OMB that describes their strategy for integrating the new data standards into current and/or future grant systems, to include plans to migrate to shared services. Plans must also reflect the agency's projected implementation timelines.

## **Readiness Assessment**

OMB will make available to the agencies a readiness assessment tool by December 2018 to evaluate agency system baselines against the core grants management data standards and maturity expectations. The tool will support agencies in identifying the systems, resources, and policies associated with grants management. Results from the assessments will support analysis of an agency's readiness and maturity to adopt Federal-wide standard business processes and data. The assessments will also provide insights regarding opportunities to leverage shared solutions across the Federal assistance community. The assessment will close in early April 2019. Agencies should consider using both the data acquired via the OMB readiness assessment and guidance and tools provided in the [Modernization and Migration Management \(M3\) Playbook](#) to develop plans for adopting the grants management data standards.

## **Recognition as a Center of Excellence**

Consistent with CAP Goal # 5, "Sharing Quality Services," OMB will work with agencies to build new or modify existing grant systems that adopt the data standards, as common solutions to support the award, monitoring, auditing, reporting, and other grant-making business processes. Accordingly, any previous OMB guidance indicating that an existing grant system is designated to be a Center of Excellence is hereby rescinded. This is a change in designation only and not intended to restrict use of any existing system. Rather, it is intended to encourage agencies to use government-wide data standards and work collaboratively with other grant-making agencies to find innovative solutions that ease recipient burden, reduce the existing number of legacy grant systems, and build shared solutions that meet the diverse needs of multiple Federal grant-making agencies and grant recipients.

If you have questions regarding this memorandum, please contact Quadira Dantro at [Quadira.R.Dantro@omb.eop.gov](mailto:Quadira.R.Dantro@omb.eop.gov) or Gil Tran at [Hai\\_M.\\_Tran@omb.eop.gov](mailto:Hai_M._Tran@omb.eop.gov).