

## *I Application and Reporting Forms*

*A. Please identify applications and reporting forms you believe could be improved or streamlined.*

Currently most federal programs require that expenditures be reported on SF 269 Reports. This report has two versions, SF 269 Short Form and SF 269 Long Form. Only one of these forms, the long version, is needed.

While most federal agencies use the SF424, 424A, and 424B, in the application process, others, such as the Department of Education, have moved away from the use of the standard form. All federal agencies should utilize a common application format as a part of the application process. For organizations, such as the North Carolina Department of Health and Human Services, which interact with a number of different federal agencies the different application format creates confusion.

*B. Please identify specific data elements on these forms that you believe could be eliminated or combined to reduce reporting burden while still providing the Federal Agency enough information to manage the program.*

Eliminate duplicative questions on the SF 424 and SF 424A. Examples include: Item 15a (SF 424) and Section A.5.e (SF 424A); and Section D.13 and Section E (both SF 424A).

The differences between two versions of the SF 269 form are lines for third party (in kind) contributions and program income. We feel that we could use the long form for all grants requiring SF 269 Reports by placing a zero or N/A in the sections not required. We suggest the elimination of the SF 269 Short Form.

*C. What programs do you think could share common application and reporting forms that currently do not? Do not limit your response to programs within the same agency. For example, if there are programs administered by the Department of Agriculture and the Department of Health and Human Services that you believe should share common forms because they share a similar purpose, Please identify the form.*

The Department of Education has employed application forms which differ from the SF 424 format. Each federal agency should employ a standard format to reduce confusion. That was the original intent behind the development of the SF 424.

Currently some federal agencies employ contracting format with state agencies for the "procurement" of services which are readily provided through the grant process. The use of bulky and extraneous contract and FAR compliant documentation, bidding, and certification processes is not appropriate in the vast majority of agreements between federal agencies and state agencies. Such agreements should be managed under standard grant management practice and through the use of standard grant application and reporting forms and protocols. States are generally more familiar with the documentation and requirements of the "grants" system than with acquisition and compliance standards governed by Federal Acquisition Regulations.

It would be helpful if the CFDA number was on all grant award notices and clearly visible in all solicitations.

*D. How do you obtain copies of the forms you need for your grant? Are they readily available over the Internet, or are they provided in materials you receive from your awarding agency, such as funding notices or handbook? What forms have been difficult to locate in updated formats?*

Application and reporting forms are available from a variety of locations including agency specific web sites, application and award issuances, and the federal register. The quality and accessibility of these sources varies.

It would be very efficient to have all federal grant application forms available from a federal web site (such as the proposed AFederal Commons@) which could be completed and transmitted electronically. Examples include:

1. Electronic access at one point for all versions of the SF 424 and 424A in a word processor friendly format.
2. A standard format for all assurance and compliance forms including debarment, lobbying, and drug free work place certifications and a standard human subjects form. Different versions of these forms are being used by different agencies even though the content is essentially identical. Again, these forms should be available in a word processor friendly format.
3. Federal Expenditure reporting forms (SF 269) in a word processor friendly format.

All electronically available forms should be easy to use. Currently many forms are in Aread only@ (PDF) format. Application forms should be made available in a format which allows online/on-screen manipulation and data insertion. Frequently, forms must be printed out and completed with a typewriter. This is antiquated and wastes time.

All federal reports should be available in one or more appropriate electronic formats, which could be downloaded via the Internet, completed and submitted electronically. Reports primarily requiring narrative response should be available in word-processing document formats, while those primarily requiring financial and performance data should be available in spreadsheet formats.

*E. Miscellaneous.*

Reduce the turn-around time from submission to actual funding. At times, as much as six months (or longer) goes by before funding is offered to an approved submission.

## **II. Terms and Conditions**

*A. What terms and conditions are attached to your grants that you believe are not treated consistently from program to program and across the various Federal agencies?*

Currently there is little consistency with respect to budget periods. For example, the Underage Drinking Laws Grant Budget Period is July 15<sup>th</sup> thru July 14<sup>th</sup> the following year. This creates an

accounting problem identifying expenditures between grant years during July. This also results in inconsistent expenditure reporting deadlines and inconsistent liquidation periods.

*B. How would you suggest the agencies create more uniformity in these terms and conditions?*

Recommend that budget and grant periods be on a federal fiscal year basis, where possible. When this is not an option budget and grant periods should begin on the first day of the first month of a quarter.

Reporting requirements vary by federal agency. Currently reporting is required either quarterly, semi annually or annually. This makes it difficult to track the reporting deadlines due to the volume of grant awards our department has. Also, it would be less confusing for us to have consistent liquidation periods, given the volume of grants managed by this agency.

Shorten the process for non competitive continuation grant by requesting only that information which differs from the original application (e.g., budget data, change in PI's, revisions to the original Statement of Work, etc.)

### **III. Payment Systems**

*A. What payment systems are you currently required to use to receive grant payments?*

Payment Management System (PMS), Automated Standard Applications for Payments, (ASAP), Grants Administration & Payment System, (GAPS), Line of Credit Control System, (LOCCS), Integrated Disbursement and Information System, (IDIS) & Phone Activated Paperless Request System, (PAPRS)

*B. Which of these systems offer on-line services?*

PMS, ASAP, GAPS, IDIS

*C. Does the use of multiple payment systems by the Federal Agencies cause a burden on your financial system?*

Multiple payment systems do create difficulties for states. For example, it's difficult to train new employees. We have over 150 grants utilizing these systems which are managed by a diverse array of staff. Please note that we do understand that the Federal Chief Fiscal Officers Council, (CFO) is in the process of trying to streamline the various federal payment systems used by the states to two. The following are deadlines issued by the CFO Council:

By January 1, 1999, agencies were to select one of two designated draw down systems.

By October 1, 2000, agencies were to offer the selected system to its grantees.

By October 1, 2002, all agencies will be using one of the designated systems and proprietary systems will be discontinued.

#### IV. Audit Issues

*A. What could the Federal Agencies do to improve your understanding of the Single Audit process?*

Although the available online and printed reference materials are well-written and detailed enough to allow a broad understanding of the Single Audit process, there should be available in summary (e.g., bullet) format a brief history of the Single Audit process and certain other highlights describing the purpose, requirements, and uses of the Single Audit reporting package, perhaps on or near the Homepage of each Federal Agency.

*B. Have you used the Single Audit Clearinghouse to obtain information on Subrecipient audits?*

We have not used the Single Audit Clearinghouse. For each of our programs the N. C. Department of Health and Human Services, Controller's Office, is the responsible agency and the centralized collection point for receiving and reviewing all required Single Audits of subrecipient entities. The Department's standard contract language details the reporting requirements of OMB Circular A-133 and NCGS 143-6.1 for subrecipient entities. The Controller's Office has a strong history of collecting all required Single Audits; however, for those few that have not submitted the required audit, we have utilized legal means to withhold funding and/or terminate contracts for those entities not in compliance with the above laws and regulations.

*C. Do you believe that single audits provide appropriate audit coverage for your programs and the programs where you are a pass-through entity?*

Yes. If we suspect that audit coverage is insufficient based on our review of a single audit report, we believe this to be potentially the result of several factors. Two of the most important factors influencing this are (1) the quality of the State's Compliance Audit Supplements and (2) the quality of the audit performed by the local CPAs. For those federal programs for which no compliance supplement has been written by OMB, it is the State's responsibility to write a quality supplement for the auditors to use in performing their single audits.

#### V. Electronic Processing

*A. What electronic processing systems do you currently use for your Federal Grants? Please note any systems you use due to Federal Agency requirements, as well as any systems or technologies your organization use for other activities.*

Our Department currently has used a variety of electronic processing systems for our federal grants including Microsoft Word and Excel software, Corel Paradox and QuattroPro software, SAS software, Business Objects, a custom-built data warehouse consisting of several hardware and software systems, mainframe technology, and required Federal systems such as those used for TANF reporting. We are currently moving toward the utilization of an increasing number of web-based technologies. It is highly likely that we would take full advantage of on-line application and/or reporting systems.

Some other systems we use include:

MBES/CBES for Medicaid and SCHIP

PMS for PSC 272 Reporting

US Department of Labor, ETA, SCSEP standard form 269  
Special Nutrition Program Integrated Information System

The Preventive Health Services Block Grant uses the Grants Application Reporting System (GARS) and the system facilitates timely submission of the application/report and eliminates the burden of mailing/delivery on time. The system also allows the creation of a subsequent application or report based on a previous submission, saving time in creating this new document. Additionally, this system allows CDC to capture the needed information in their databases and in return provide easier analysis for them.

*B. What is the likelihood that your organization would utilize an on-line application or financial reporting system?*

As a large state agency that interfaces with several major federal departments we will unquestionably be engaged in on line utilization of application and financial reporting interfaces. A growing concern is the great variety of interfaces that we may be exposed to. As is evident in item V.A. above, we are already dealing with a diverse and complicated assembly of automated technologies. Before the chaos of electronic interface with federal agencies becomes overwhelming we urge the adoption of uniform technologies across all application, management, and reporting environments.

*C. How can the agencies best prepare your organization for the future use of electronic processing option for your grants?*

Training manuals, web-based test regions for the states to utilize prior to going live with the new system and compact disc tutorials to assist with training should all be developed and widely disseminated.

Offer more technical assistance via the internet. Examples of assistance may include: information regarding common problems encountered with completing the SF 424 & SF 424A, checklists, outlines, and samples of completed, prior successful applications

Provide a bidder's conference via a "chat room" on the internet. These sessions could address common questions regarding the funding announcement, deadlines, contacts, etc.

Adopt on-line application processes with mandated "fill in the blank" application format.

Establish clear and consistent requirements that minimize the need for updates and revisions to reports, software systems and databases.

Establish a FAQ web sites for each grant program.

Increase coordination at the federal departmental level between program policy and reporting/technology sectors.

It would be very efficient to be able to submit the federal grant application forms and subsequent grant award reports electronically to the awarding federal agency. Currently we have to make paper copies and mail them to the agencies in Washington.