

March 19, 2001

Rodd Clay
Office of Grants Management
Department of Health and Human Services
200 Independence Avenue, SW
Room 517-D
Washington, DC 20201

**Attn: PL 106-107 Comments: Federal Financial Assistance Management
Improvement Act of 1999 (“the Act”)**

Dear Mr. Clay:

The AARP Foundation, a separate 501©(3) affiliate of AARP, appreciates the opportunity to comment upon the “Interim/Draft Plan of Action To Implement Public Law 106-107”, as delineated in the Federal Register, dated January 17, 2001. The AARP Foundation was incorporated in 1961, and has had a long-term commitment with regard to aging issues and to community service programs nationally.

“The Act” requires each agency to develop and implement a plan that streamlines and simplifies the application, and administrative and reporting procedures for Federal financial assistance programs,” and to “... use the information gathered through this notice to identify additional areas of the grant life cycle which lend themselves to common practice and implementation.”

The AARP Foundation is a past and present recipient of federal financial assistance from the following agencies:

- | | |
|----------------------------------|---|
| - Housing and Urban Development: | Reverse Mortgage Housing Counseling Program |
| - Department of Labor | Senior Community Service Employment Program |
| - Internal Revenue Service | Tax Counseling for the Elderly Program |
| - Administration on Aging | National Training Project (Legal Assistance TA) |
| - Administration on Aging | Senior Legal Hotline National Support Project) |
| - Administration on Aging/HCFA | DC Senior Medicare Patrol Project, |
| - Department of Justice | Telemarketing Fraud: Education and Prevention |
| - DC Office on Aging | Legal Services, LTC Ombudsman and Advocacy |
| - DC Office on Aging | Legal Services Client Walk-in |

During the course of application for and management of these grants, the AARP Foundation has identified several areas pertaining to (1) Grant Application and Reporting Forms, (2) Terms and Conditions, and (3) Payment Systems, pertaining to the life cycle of grants, upon which we would like to comment. Our comments, examples and recommendations are indicated under the respective sections to which they apply.

I. Application and Reporting Forms

- Recommend that all federal agencies require **SF-424, 424a, and 424b** for new or continuation applications. Currently all of the Foundation's grantors do so, except for HUD (none required), and DoJ (SF-424a and b were not required). (Case in point: Had DoJ required these forms upon submission of application, some of additional information requested six months after submission could have been provided at time of application.)
- Recommend that application forms: **SF-424, 424a, & 424b, Certifications and Assurances** be downloadable to enable completion online. (Grantors' websites do not permit downloading, enabling applicant to at least complete online, if not submit. Current system allows only for printing of forms, which must then be typed (and retyped, as necessary), extending the completion of the application "package" and process unnecessarily.)
- Recommend the development and use of **common reporting format/guidelines** for **Progress Reports** for DHHS/Administration on Aging, HUD, and Department of Justice, BJA. [AoA uses its own guidelines/format; HUD's reporting requirements (in award terms and conditions) are same as those in OMB Circular A-110, and DoJ/BJA uses list of questions, and required form as first page of report. Almost entire first page requires typed completion.]
- Reporting forms are obtained online; DHHS/AoA is especially good at listing current Program Announcements and requisite forms needed for application and reporting. (AoA also offers the option of requesting hard-copy application packets.)
- Federal buildings have much tighter security than ever. Delivering proposals has become quite difficult. The ability to email, fax or submit proposals online would greatly reduce this problem. Using available technology would be efficient, and reduce paper usage as well.
Recommendation: Being able to complete applications/forms online is strongly recommended.
- Certifications and Assurances: These forms differ among federal agencies, although the content is essentially the same. With respect to "Debarment and Suspension... Primary Covered Transactions", some federal agencies (e.g. IRS) include a Certification for Lower Tier Covered Transactions, "to be obtained by the grantee from all "lower tier" (subrecipients) participants in covered transactions." Recommendation: Incorporate into all applications for Federal financial assistance -useful for grantees' "subrecipient agreements."

- **Tax Counseling for the Elderly: Application Process:**

The application process would be greatly simplified by moving to a multi-year project format with the Tax-Aide TCE application. Financial awards by necessity would need to be on an annual basis, but the overall project eligibility exercise should be reduced to once every two or three years. The program is limited in scope and does not require new applications each year. **Long-term planning can be done in a multi-year proposal and may serve the program better than the current limitation of one year.** A multi-year format may also eliminate the time constraints currently applied to certain activities, such as planning and training that restrict them to occurring within a 12-month grant year.

The application process begs to go "online". Easily 98% of the application is text already on the computer. Documents requiring original signature, even in triplicate, could be contained in one 9 x 12 envelope for hand delivery.

II. Terms and Conditions

- Uniform frequency requirements across grantors for required reports would be extremely beneficial, and are strongly recommended. For example,

- **Reporting Requirements:**

- AoA: requires Quarterly Progress Reports for one grant, and Semi-Annual Progress Reports for the other two (both funded under Title IV, OAA);

- DoJ: requires Semi-Annual Progress Reports, but Quarterly Financial Status Reports (SF-269)

- HUD: requires both Quarterly Progress and Financial Reports;

- IRS: requires Monthly Progress and Financial Reports, and

- DoL: requires Quarterly Performance and Financial Reports, and Semi-Annual Narrative Reports

- **Tax Counseling for the Elderly: Reporting:** Case Example:

TCE grantees receiving large awards are required to submit financial reports monthly. This permits the AARP Foundation to recover costs more quickly than would be possible under a quarterly reporting system. However, why not make the entire grant amount available in the beginning, thus permitting quarterly reporting, after the fact. (Currently, Tax-Aide spends down an advance of half of the grant and then reverts to waiting for reimbursement on the final half.)

Delivering Program Performance statistics for four-cycle periods is enormously expensive under the current requirements for keeping documents. The sheer volume of forms mailed in four times year by 6000+ leaders is staggering. The requirement to retain documentation

drives this expensive process. (The IRS is currently required to give frequent periodic Performance Reports to congressional oversight committees, which seems to also drive this application requirement. It needs to be simplified!) 30,000 volunteers manually reporting the assistance they have given is archaic. With the growth of e-filing, IRS service centers can automatically record the assistance given at the volunteer sites, thus eliminating the need for grantee reporting.

- **D.C. Office on Aging Grant: Reporting Requirements:**

Administration on Aging Title III Grant: Based upon our 25 years of managing grants, one of the most onerous reporting requirements imposed by a federal agency is the requirement by the Administration on Aging that recipients of its Title III funds report the number of unduplicated persons who have received Title III-funded services. The request for an unduplicated count requires each Area Agency on Aging to require grantees to report the identities of all people receiving services. These reports must then be entered into a common database so that all duplicate names can be eliminated (i.e., if a client received nutrition services, transportation services and elder abuse services in the same year, she or he can only be counted once, not three times).

Title III grantees worry about violations of their clients' privacy. Does a victim of elder abuse want his or her name shared with others as someone receiving elder abuse services? Does someone getting help applying for Food Stamps want his/her identity shared in reports? Area Agencies on Aging that compile this information must spend precious funds on computer and data entry services to "unduplicate" their counts.

Recommendation: Allowing a count of the number of clients served by Title III funds to include duplicates (i.e., clients who have received three services to be counted three times) would greatly simplify the cost of reporting in terms of both money and invasion of privacy.

- **Consultants'/Contractors' Fees:** Identify the Maximum Allowable Daily Rate, if any, below which detailed justification is not required. If projected Consultant/Contractor cost exceeds that rate, grantor should identify information required to justify use of that particular Consultant/ Contractor to grantors' satisfaction. For example, the Administration on Aging has no maximum allowable rate, but HUD, DoL and DoJ do: HUD states where that ceiling may be found, and DoL and DoJ state the specific amount.
- **Subrecipients:** If a grantee plans to use Subrecipients to conduct a substantial programmatic component of an approved grant project, the availability of guidelines and suggested format/template/terms and conditions would be extremely helpful. (OMB Circular A-110 and A-133 simply state that a grantee should "pass on" to the subrecipient all terms and conditions imposed upon the grantee.) A "Subgrant Agreement" which contains the pertinent

“Terms and Conditions”, Certifications and Assurances included in the grantee’s application and award may be perceived as formidable, intimidating, and burdensome to small non-profit organizations unused to dealing with federal grants. Or, if the subgrant amount is small, the subrecipient may decide that the “paperwork” doesn’t justify participation in the grantee’s project.

Recommendation: establish financial parameters, or tiers, as in OMB Circular A-133 (Audit Requirements): e.g. if the subgrant is \$25,000 or less, then the grantee could use its discretion as to which terms and conditions should be “passed on” to the subrecipient. [“Small Award”: 41USC403(11).]

- **Post-Award Requirements: .25: Revision of Budget and Program Plans** (OMB Circular A-110) A more timely implementation of this provision could be greatly facilitated if proposed changes in program objectives, staffing and budgets could be conveyed online. Hardcopy versions take considerably longer to process, discuss aspects as necessary with the respective grantors, and then await a response, albeit usually favorable, from the grantor. The reality is that project implementation cannot afford the “hiatus” of being placed “on hold” while awaiting grantor approval. Expediting this process would ensure programmatic and fiscal continuity, thus making better use of both federal and grantee resources.

III. Payment Systems

HUD: Case Example :

HUD’s grant funds “draw-down” process is cumbersome, and not consistent with other federal agencies, such as DOL, IRS, DoJ, and DHHS. HUD advises its grantees that the drawdown system is easy and paperless, but in fact requires documentation and vouchers. Other federal agencies rely on their grantees’ internal controls. In addition, HUD’s website does not contain current forms (some have expired), requiring Grants Accounting staff to contact the HUD Office to obtain current forms. (On occasion, HUD staff was only able to provide expired forms, not current ones.)

Summary

The AARP Foundation’s comments and recommendations may be summarized as follows:

- **Application and Reporting Forms**
 - o Enable downloading for form completion online
 - o Facilitate online application/report submission
 - o Facilitate grantors’ online transmittal of Notification(s) of Grant Award (NGA), Amendments, etc.

- Recommend consistent and standardized reporting formats for Progress Reports, as is currently the case with SF-269 (Financial Status Report)
- **Terms and Conditions**
 - Permit multiple-year application package/process, when basic information changes little from year to year (subject to funding availability)
 - Reporting Requirements: for Progress Reports: use OMB Circular A-110 as criteria for frequency (at least annually, but no more frequently than quarterly)
 - Permit “duplicate” count of clients who receive Title III (OAA) services
 - Terms and Conditions should include “Maximum Consultant Rate”, as well as “Subrecipient” requirements,
 - Revision of Budget/Program Plans: permit online requests for approval/grantor’s decision
- **Payment Systems**
 - Federal agencies’ websites should be updated regularly, with hyperlinks to current “drawdown” forms, to expedite grantee reimbursement.

Conclusion

The AARP Foundation hopes that the preceding comments and recommendations will assist federal agencies in developing and implementing a plan that streamlines and simplifies the application, administrative and reporting procedures for Federal financial assistance programs.

The AARP Foundation strongly encourages the electronic processing of grant applications, reports, NGAs and grant amendments, and standardizing applications, reporting frequency, formats, and requirements. Streamlining, standardizing, and simplifying (and online capability) would not only expedite grantee responsibilities and requirements, but could also produce uniform data, both within and across federal agencies, for performance, management, monitoring, reporting and planning purposes.

We thank you for the opportunity to comment. If you have any questions, please contact either Susan Miler, at (202) 434-2145, or myself, at (202) 434-2149.

Sincerely,

Co-Administrator
AARP Foundation