

Below are the State of Washington's responses to the January 17, 2001 Federal Register Notice (<http://www.hhs.gov/grantsnet/published.pdf>), requesting comments regarding the Federal Financial Assistance Management Improvement Act of 1999, Public Law 106-107 (http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=106_cong_public_laws&docid=f:publ107.106.pdf) . Our responses are noted in red. We appreciate this opportunity to comment. We also appreciate the work of the Grants Management Committee (<http://www.financenet.gov/financenet/fed/cfo/grants/grants.htm>) in coordinating the implementation of Public Law 106-107.

(1) Application and Reporting Forms

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

One state agency noted that they would like to see Form 424 and Form 424A improved and streamlined.

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. Form 424 contains information that doesn't change when applying for more than one grant at the same time. We would like to see the form simplified and include only the name of applicant and address. The remainder of the information requested on the form is not necessary, since it is already known by the federal agency. Generally, the form is very useful as a summary page for the purpose, amount, and project start and ending dates.

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 them. We do not have specific examples. However, we would like to note that on-line systems require maintenance to keep updated; it is frustrating when these systems have outdated information or do not work as intended.

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 received from your awarding agency, such as a funding notice or handbook? What forms have been difficult to locate in updated formats? Form 424 was found on the Internet from Rice University and has been adapted by one state agency. The fact that it is in PageMaker is a challenge because the state agency does not have very many authorized copies of this software. Staff created their own Form 424A in Quattro Pro and have since shared it with the federal agency.

We would like to see OMB develop a single standard application form and a single standard award form that all federal agencies would use for all grant agreements with all states.

Many forms are already available on-line and in hard copy as a part of the application and/or Program Guidance. Automated forms save time, because they can be pulled up and updated prior to submittal. This saves having to rekey the information. Some state agencies have used MS Word and Excel to recreate forms that are not available electronically, and have expanded these to include a worksheet or a link to another tracking document. One problem with self-created forms is the need to modify the forms when requirements change. There are limits when federal systems require the use of automated forms, because not everyone has access to the Internet or current software.

(2) 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?

We would like to see the Equal Employment Opportunity Plan (EEOP) requirements and Office of Civil Rights (OCR) requirements standardized. At present, various federal agencies have different OCR and EEOP requirements.

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

We would like to see more requirements standardized. We suggest expanding the "Assurance" and "Conditions" sections to include a descriptive definition, along with a reference to the rule or regulation with the specific details. We would like clarification of federal agency expectations; this will ultimately improve state compliance. Some federal agencies use "Special Conditions" to place constraints or additional requirements on a program. For example, some federal agencies place special conditions on the federal indirect rate used for specific federal grants. We would like all federal agencies to accept the rate established by the cognizant agency. We would like a time requirement established for federal agencies to return grant documents. Currently, the state is required to submit applications within 30 days of the intended effective date. There is no such requirement for federal agencies. Many times, state agencies are told verbally that grant awards are coming and it is months later before the grant award is received and/or the funding is received. In the meantime, state agencies are told by federal grantor agencies to start the federal programs using state funds.

(3) Payment Systems

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

One Washington state agency uses Office of Justice Program (OJP) Phone Activated Paperless Request System (PAPRS) and OJP's on-line Grants Management system (GMS) to request grant funds. The State of Washington also uses the following systems: FASTLANE - National Science Foundation; GAPS - Department of Education, Department of Justice; SF 270/269 by mail; ASAP, and PMS.

B. Which of these systems offer on-line services?
GMS, FASTLANE, GAPS, ASAP, PMS are online Internet systems.

C. Does the use of multiple payment systems by Federal agencies cause a burden on your financial system?
In some cases, there is a burden due to multiple payment systems. One state agency currently is required to use seven different systems to draw the federal money. Four of these systems are a type of "on-line" process, two are by fax, and one is a "request for reimbursement" paper form. It would be more efficient if there was one place to draw federal money.

(4) Audit Issues

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

We would like to see clearer language used in grant documents and regulations, so that there is better understanding by the recipients and subrecipients of the requirements. We would like to see improved communication by the federal agencies with federal grant recipients. The Single Audit process should be explained more thoroughly to grant recipients. Not all grant recipients have a sufficient understanding to ensure compliance with Single Audit requirements.

B. Have you used the Single Audit Clearinghouse to obtain information on sub recipient audits?
Most Washington state agencies have not used the Single Audit Clearinghouse, and in some cases, were not aware of its existence or purpose.

C. Do you believe that single audits provide appropriate audit coverage for your programs and the programs where you are a pass-through entity?
We believe there is adequate coverage by the state Single Audit. Additional coverage by the Inspector General offices is often duplicative and contrary to the purpose of the Single Audit.

(5) 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 uses for other activities.

Some state agencies are not using any electronic transfer of information to the federal awarding agency, in the initial application phase. FASTLANE - National Science Foundation is an electronic system used by one state agency. Another state agency uses OJP's Grant Management System (GMS) to apply for federal grants. The use of GMS is mandatory and is limited to one staff person with the agency head as backup. This limitation does not allow for adequate backup for the on-line process.

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

We are interested in on-line applications and financial reporting systems, particularly, if they speed up the process. One state agency's grant receivable system creates the Financial Status Report and the Federal Cash Transaction report, which are then sent via regular mail. Federal agencies may find it more efficient to get these reports via some electronic process. It would seem more economical to have an interface into an on-line electronic system.

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

Communication is the key to preparing agencies for use of electronic payment options. One state agency had applications disallowed due to technical errors in the automated system, but this was not communicated to the agency until much later. This lack of communication significantly reduced the Federal funds reimbursed to the agency. Better communication from federal agencies is important, even with automating the systems. We recommend the electronic system be in Word or Excel. In addition, a training session should be provided. This would be especially important if the federal agency has specific instructions or requirements that would not be obvious to the initial user.

Other comments:

Clear communication is a challenge, however, the goal should be to provide a level of communication that minimizes questions and uncertainty. Obtaining user input, preview, and testing prior to final distribution would reduce some uncertainty and misunderstanding.

We would like to continue to take advantage of technology in connection with federal grants, as much as possible, including use of on-line applications and financial reporting systems.

If you have any questions, please feel free to call me. Thank you for this opportunity to provide input.

State Financial Consultant
State of Washington
Office of Financial Management
Olympia, WA.