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The Art (Not Science) of Grants Management

Doreen Gosmire

Currently there are more than fifty thousand nonprofit agencies and organizations, including schools, that receive federal grants. These entities invest substantial time and money in seeking grant dollars (Schumacher, 2005). Recipients underestimate the investment and complexity associated with managing grants. The work of creating ownership, establishing and maintaining progress, spending funds wisely and living the grant cycle requires the creativity and diligence of the finest artist.

Creating Ownership and Understanding

The first artistic move in grants management is to create a culture of understanding and ownership for the grant. The culture provides an identity with which others can associate and frames the establishment and implementation of the marketing plan and campaign. The institutions and individuals that serve as the consumers or internal stakeholders must be identified and involved in creating the market plan. Wise grant directors invest time in getting to know the internal stakeholders, their needs, and capacity. A good motto to remember is “Go slow to go fast.” In other words, take time to take time to understand the culture and context of the key players. Sincere efforts must be made to connect the players and get acquainted. Most grants are funded because there is an opportunity to create new collaborations, connections and organizational structures. Creating a niche and identity for the project may seem like a surface level or nonproductive effort; however, if there are new relationships to form, there needs to be a name and identity for the project. An essential question is: If the internal players do not know what the project is, how can they get on board and be an integral part of the project?

Grant funding attracts much attention from external players eager to “get their pieces of the pie.” External stakeholders provide key services and act as significant advocates for the project. Identification and public recognition of the “true” external players is critical. Some players who step forward to

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participate in the funding do not have the capacity or sincerity and commitment to serve the grant project. The wise grant director is willing to ignore the flattering attention that may emanate from power players and, instead, provide attention to external stakeholders with the genuine interest and commitment to the project. External relationships can be cumbersome or clumsy. There will be a brief period of ambiguity in which the roles of the external stakeholder and the true connections to the project must be identified. External players may also change throughout the life of the grant, causing again a certain amount of clumsiness.

Grant projects require a work team focused on the vision and long-range efforts as well as the day-to-day operations. Called the “worker bees” of the project, the work team is created only for the life of the grant and may or may not have employment with the fiscal agency when grant funding ends. This creates an ambiance of short-term existence that must be addressed since this may result in uncertain long-range employment opportunities for participants. The reality is that most of the work team is in this for the short term experience. The loyalties and commitments of the work team may be divided. The grant director must understand and orchestrate a work team united for work completion on the goals of the project but divided in terms of individual professional goals. Recognizing this and then communicating with team members about future goals, ideas and directions allows the work team to support each other individually and as a unit.

Establishing and Measuring Progress and Accountability

Effective grant directors document the progress on an initiative with three areas of reporting: accountability reporting, performance reporting, and reporting to the stakeholders.

Granting agencies, especially at the federal level, focus on data. Federal agencies now require that each grant program be evaluated annually for program purpose and design, performance measurement, evaluations, strategic planning, program management and program results. Meeting these

criteria require grant recipients to report annually and sometimes quarterly to a federal program officer assigned to the grant project. Masterful grant directors establish a productive working relationship with the federal grant program officer and understand the accountability reports that are submitted, the data that is collected, and the subsequent data analysis. Grant directors recognize that the federal program officer with whom they work is both an advisor and, most imperatively, a supervisor.

Grantors are also interested in tying performance measures to grants management. Organizations applying for grant opportunities should evaluate the goals and objectives of the grant to determine if goals can be met. Grants need to be implemented with performance data in mind. Grant directors need to set up a plan for annual and accumulated reporting on what they plan to achieve and what the performance measures are. Performance reporting, required by federal agencies, informs the grantee by allowing the grantee to peruse levels of achievements and determine areas in which they are performing adequately.

Grant directors for public agencies have an obligation to inform their public through the life of the grant and at the close of the grant about performance and accountability needs. Dissemination of grant results are aimed at both internal and external stakeholders and the reporting must be inviting, concise and engaging. Federal funding agencies have an implied requirement to distribute the performance results to a larger national audience in some venue. That reporting may not appear as a requirement by a granting agency, but is critical to the success of future grant applications.

Spending Funds Wisely and In Compliance

Grant directors are responsible for the fiscal management of the grant. A detailed budget and spending plan is key to successful management of grant funds. Effective directors carefully plan all details of the budget to avoid further audit problems. The process and procedures for prior approval items such as travel and equipment purchases, are defined and documented in writing by the fiscal agency before submission to the federal granting agency. Directors are explicit and make no assumption about procedures and how business will be done. Grant directors should have a second set of eyes to examine the budget to ensure identification of all costs.

Identifying and documenting the number of sub awards under a grant is important to strong fiscal management. Sub-awards should be based on performance measures and intermittent accountabilities to the goals and objectives of the grant. Pay only after services are rendered or intermittently along the way. Sub awards must have clauses for noncontinuance based on

granting agency funding renewal. Furthermore, a clause for noncompliance must be included in agreements of the parties involved. Sub grantees must know that funds come from a federal source and have accompanying requirements. It is the grant director's responsibility to manage the sub grantees and keep them informed. For a sub-grantee easily can become disconnected from the overall performance goals of the grant.

Several types of special funding issues arise throughout the life of a grant. For example, the documentation of in-kind, or matching, funding must be an integral part of the budget and data collection procedures. Relying on estimates of such costs causes red flags and that may lead to an audit. The matching costs for a particular program originate in the statute. It is a binding and legal agreement between the grantor and grantee. In some instances, fees are collected for activities within the grant; this is known as program income and of course requires management and monitoring. Program income, or gross income received directly from the grant-supported activities, generally may be accounted for in two ways. The amount of the program income can be deducted from the total allowable cost for the grant, or it may be added to the funds provided under the grant to further the purpose of the grant.

Fiscal management of a grant is a team effort. The grant director, human resources officer, and finance office of the fiscal agency need to work as a team. It is important to know the funding requirements and have a clear understanding of the Office of Management and Budget guidelines that pertain to the grant project.

Understanding the Grant Cycles

Federal competitive grants account for \$100 billion of the \$400 billion distributed in assistance programs annually (NGMA, 2005; Wrenn, 2004). To maximize the availability of these funds, a person must understand the federal funding cycle for competitive grants. Authorization of a program happens through legislation that has occurred in Congress and after the President has signed the legislation authorizing the program to move forward. Next, Congress has to appropriate the funds. This may be a one to two year process depending on the budget allocation.

After a grants program is approved and funded, the regulations and instructions for the program are written. This is a 30 to 120 day process, depending on the history of the program. Federal program offices then set up a time frame for applications and the process for applications. Review panels are scheduled and trained to review the applications according to the standards that are set forth in the legislation and defined by the federal programs office. An application is screened by the Federal Grants Office

before submission to a review panel. The screening process eliminates applications that do not meet mandatory application qualifications, deadlines and format requirements. A review panel sends its results back to the federal program office that in turn, reviews the evaluation results. The federal program office mails the funding recommendations to the Federal Grants Office. A negotiation takes place between the two federal agencies as to the amount and the number of awards. Finally, the grant awards are processed and the grantees are notified. There is also notification given to unsuccessful applicants. Unsuccessful applicants are debriefed only upon request. The entire application process may take 6 to 12 months. Three years could pass between the first legislation and the granting of monies from the federal agency.

Post-award monitoring begins once the initial grantee notification takes place. In cases in which quarterly and annual reporting requirements are established, requirements and training for performance and reporting are put in place. Some grants require annual meetings of project directors with the federal agency and other grantees. Grants may also require a site visit from the federal program officer. Multi-year grants are renewed or provided funding annually based on reporting requirements and performance, and continued funding may not occur because of performance results or nonallocation of resources in the federal budget.

The final phase of the grant cycle is project close-out. The federal program officer determines if all the grant terms and conditions have been met. This is based on the annual performance reports and the final project report. The grants are then officially closed out by the Federal Grants Office. An audit resolution or transaction may occur if there is a discrepancy between funds allocated and funds spent. This can occur when all allocated funds are not expended. Grant close-out is the responsibility of the grant director. The life of the grant is over, the work team has disassembled, and the internal and external stakeholders have changed focus.

The life cycle of grants can be an emotional process for a grant director. The grantee begins the process with hopes and anticipations of accomplishments and expectations. Once the work has begun, grant administrators must maintain the interest and motivation to accomplish the work of the grant. When the grant comes to the last nuances of existence, fireworks are released and the "oohs and aahs" are heard. Success for the grant is not in the fireworks itself, but in the mental images or models that are created, the relationships and fellowship of those gathered to see the fireworks, and the plan that begins for the next fireworks. This emotional cycle should not be seen as a personal endeavor for the grant director, but rather as a natural occurrence of the grant cycle.

A true artist continuously identifies new material, gathers new colors or instruments, and extends experiences. An effective grant director follows a similar process, she explores new applications, seeks new resources, and identifies extended contexts to lead organizations and to develop as a professional. The grant administration experience can be viewed as a tool to practice leadership in organizations. It is an art because of the complexity, culture and context of each project.

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