



Grants Management in the ARRA Era

Martin Benison, Commonwealth of Massachusetts

Scott Dulman, CGI Group

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_experience the commitment™

Agenda

- Commonwealth of Massachusetts Fiscal Situation
- Grants Management in Massachusetts
- The Commonwealth's ARRA Organization
- ARRA Recipient Reporting through FederalReporting.gov
- Grant Management systems and ARRA reporting
- A New Hope: Grant Management and ARRA reporting shared services

Commonwealth Perspective

- Commonwealth Fiscal Situation
- Current Grants Management
- The Commonwealth ARRA Organization
- ARRA actions to date
 - PMO vendor
 - Compliance audit
 - Administrative Cost Recovery
 - Reporting



Commonwealth Of MA. Fiscal Year 2009

Revenue Revisions (billions \$)

Fiscal Year 2009		Fiscal Year 2010
July	21,403	
October	20,303	
January	19,450	19,530
April	19,333	
May	18,436	17,989
June	18,259	
<hr/>		
Total Change	(3,144)	(1,541)

- Actual revenues in FY09 estimated \$18.259 billion
- 12.5% decline from final FY08 revenues of \$20.888 billion

Commonwealth Of MA. Fiscal Year 2009

Summary of Solves

- Solutions in Fiscal Year 2009 totaled \$3.9 billion
 - Budget Cuts Total Approximately = \$1.3 billion
 - Use of Stabilization = \$1.4 billion
 - Use of Stimulus Funds = \$1.3 billion
- Total use of one-time resources in fiscal year 2009 totaled approximately \$2.7 billion

Current Grants Management

- Opportunity Identification
 - Decentralized
- Application
 - Decentralized
- Award
 - Decentralized
- Expenditure and Draw
 - Centralized
- CMIA compliance
 - Centralized
- SEFA
 - Centralized
- A133
 - Centralized
 - Program reporting
 - Decentralized
 - Closeout
 - Decentralized

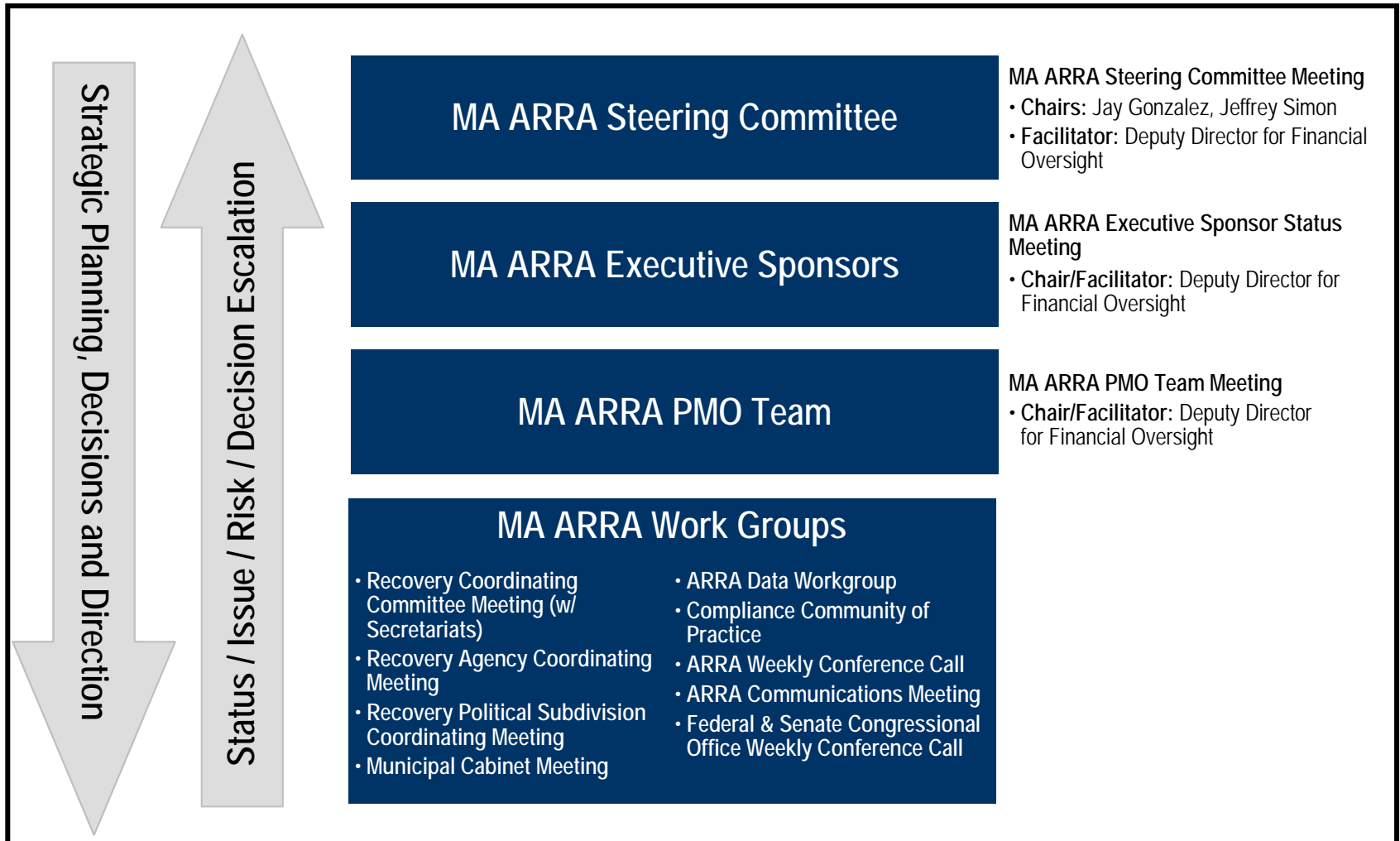
The Commonwealth ARRA Organization

Initial approach to ARRA

- *Paraphrasing a former presidential candidate upon winning the New Hampshire primary:*

“Do not wait for orders from Headquarters! Mount up and head toward the sound of gunfire”

Commonwealth ARRA Organization



Commonwealth ARRA Organization

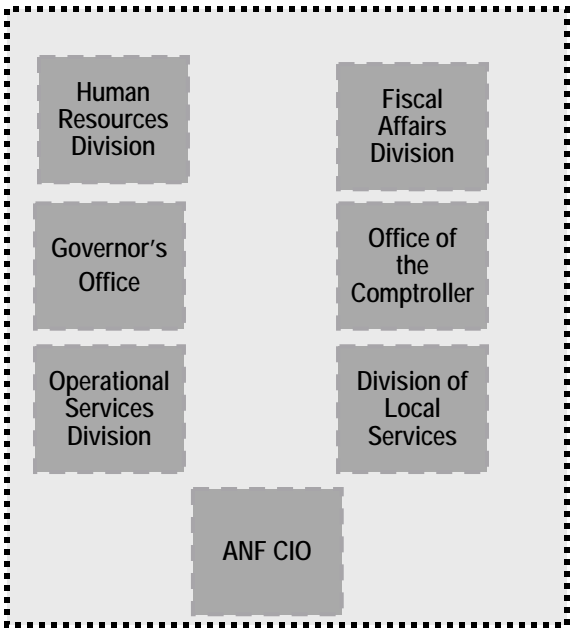
Executive Office of Administration and Finance
Secretary Leslie Kirwan

ANF
Undersecretary Jay Gonzalez

Office of Infrastructure Investment
Director Jeffrey Simon

Deputy Director for Financial Oversight

Deputy Director coordinates ARRA activities with:



Infrastructure Assessment
ARRA Assessment Manager

Compliance & Monitoring Manager

Transp. & Civic Engagement Manager

ARRA Reporting Manager

Research Assistant (s)

- Gov. / State Objectives Tracking
- Funding Optim. & Grant Mgmt.
- Project / Program. Selection & Prioritization
- Project / Program Tracking

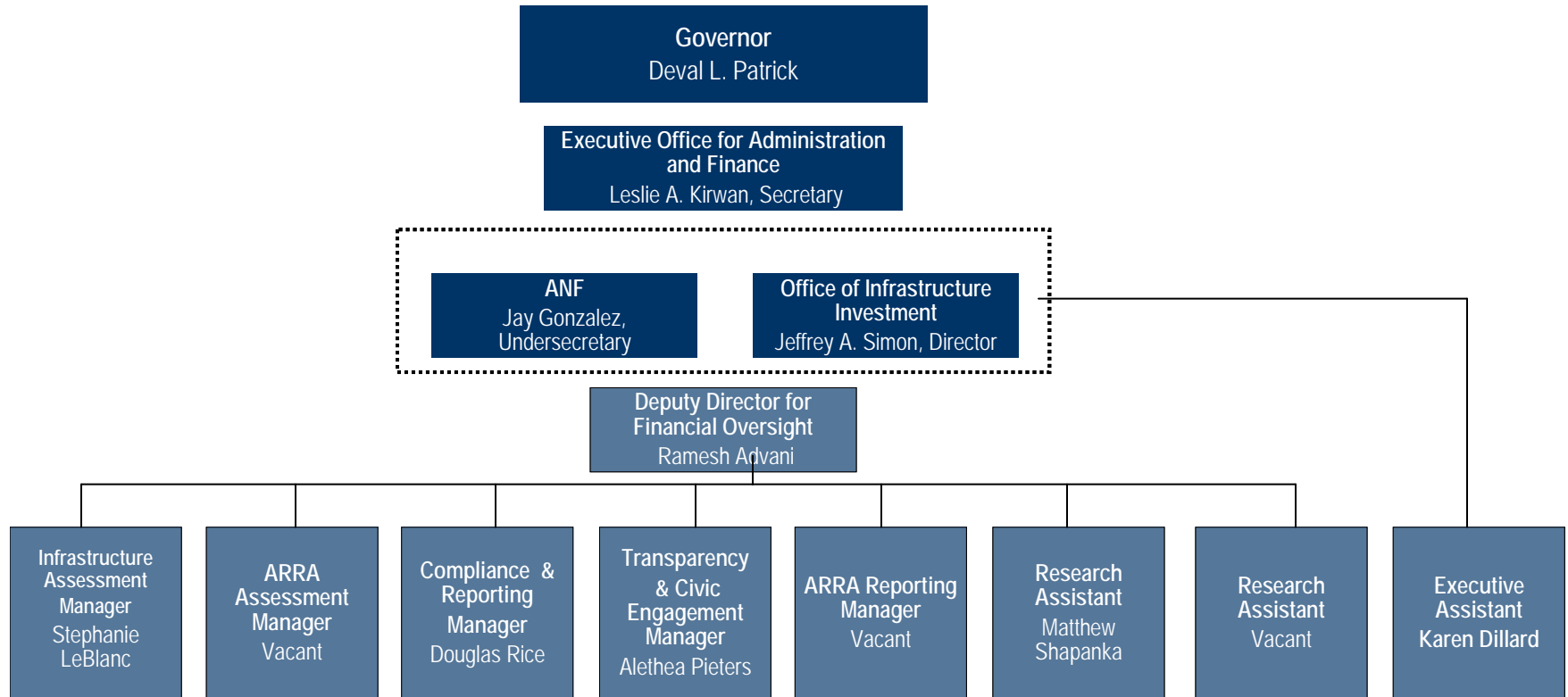
- Project / Program Audit & Compliance

- Communications & Civic Engagement
- Political Subdivision Coordination

- Reporting

■ = PMO Executive Leadership
■ = Dedicated PMO Role
■ = Virtual PMO Role

Commonwealth ARRA PMO



The PMO is intended to lead, coordinate, assist and monitor ARRA activities across the Commonwealth.

The Secretariats are primarily responsible for selection, procurement, implementation and compliance of ARRA funded projects/programs.

ARRA actions to date

- PMO vendor
- Compliance audit
- Section 2
- Reporting

Guidance to Commonwealth Departments

- ARRA Memos Issued
- Policy Guidance
- Data Capture Guidance
- Responsibility for Data accuracy
- Sub-Recipient Tracking

Guidance to Commonwealth Departments

ARRA conference call conducted thus far:

- April 7: Decision-making process, contracting options
- April 14: Chart of Accounts set-up
- April 21: Hiring
- April 28: MMARS Coding of financial activity for ARRA
- May 12: ARRA Spending Proposals / Hiring Plans and the ARRA Draft Report in PartnerNet
- May 26: CTR FY Memo 2009-33 and the HR/CMS Hiring Procedures for Federal Stimulus Positions
- June 2: Contract Performance Measurement and Reporting Requirements for ARRA
- June 30: Revised Vendor/Customer File and W9s Policy
- July 14: Updates on various ARRA related issues in progress; OMB Guidance
- August 11th Using Compass to insure Transparency

Compliance

- Compliance with ARRA best practices group convened
 - Members meet weekly – representatives of all secretariats – internal auditors, CFOs
 - List issues with ARRA and federal grant compliance
 - Draft best practice documents
 - Documents produced so far (or in final draft)
 - Internal controls under ARRA
 - Sub-recipient monitoring
 - Payroll and Maintenance of Effort
 - To come
 - Davis – Bacon Act and Prevailing Wages
 - Single audit requirements

Agency / Program Risk Assessment

- Engagement is separate from the audit of the Commonwealth
- 4 phased approach
 - Review Commonwealth's readiness
 - Review risks of ARRA programs
 - Review risks of specific agencies in ARRA
 - Complete a survey of all departments on ARRA implementation
- Report is due in September

Agency / Program Risk Assessment

- Progress to date
 - Initial program risk assessment is largely done
 - Entrance meetings have occurred at
 - Department of Housing and Community Development
 - Executive Office of Public Safety & Security
 - Meetings scheduled at
 - Department of Elementary and Secondary Education
 - Executive Office of Education
 - Department of Environmental Protection

Other ARRA Activities

- Communication
 - Weekly conference calls with OMB and the General Accountability Office
 - Sounding board of issues and concerns
 - Very productive in getting the Administrative recovery plan approved
 - Clarifies issues without waiting for formal, longer adjudication

Citizen and Business Engagement

Stay updated through the Massachusetts Recovery Website

<http://www.mass.gov/recovery>

The screenshot shows the Mass.Gov/Recovery website in a Microsoft Internet Explorer browser window. The browser title is "Mass.Gov Recovery - Microsoft Internet Explorer provided by the Office of the Governor". The address bar shows the URL "http://www.mass.gov/?pageID=stimhomepage&L=1&LD=Home&sid=F&tim". The website features a navigation menu with links for "Mass.Gov/Recovery Home", "Overview", "Plans and Objectives", "Funding and Contracts", "Spending and Reports", and "Get Involved". A main content area contains a quote from Governor Deval L. Patrick: "Now is a moment not just of challenge, but also of opportunity. The American Recovery and Reinvestment Act provides our Commonwealth with funding to save and create jobs now and lay the foundation for long-term economic growth. We will ensure the agencies overseeing these projects do so with the integrity and transparency the public deserves." Below the quote is a photo of Governor Deval L. Patrick. To the right of the quote are four small images: a man in a suit, a construction site, a child writing, and a wind turbine. A "Welcome to Mass.Gov/Recovery" section is on the left, followed by "Our Organization" with a list of departments: Governor's Office, Clean Energy & Environment, Education, Housing, Labor & Workforce Development, Public Safety & Security, Safety Net, Technology and Resources, and Transportation. A "Follow Us!" section includes links for "Track the Massachusetts Recovery timeline" and "View or subscribe to news and updates using RSS". A "Search" box is located on the right, along with "Email & Bookmark" and "News & Updates" sections. The "News & Updates" section lists several news items: "Secretary Sebelius makes new recovery act funding available", "Assistance to Firefighters Fire Station Construction Grants provide communities with money to construct and modify fire stations", and "Patrick Administration Seeks \$6.5 Million in Clean Vehicle Federal Stimulus Package Funding". The bottom of the browser window shows the Windows taskbar with several open applications and the system clock at 6:17 PM.

Citizen and Business Engagement

- Available opportunities can be found on Comm-PASS, the State's main procurement website
 - Easily create a user ID and log into the system
 - Search for contracts/solicitations through keyword: stimulus
- All stimulus jobs will be posted through State Career Centers and JobQuest
- The Administration strongly encourages companies to work collaboratively with their town's workforce investment fund programs /career centers

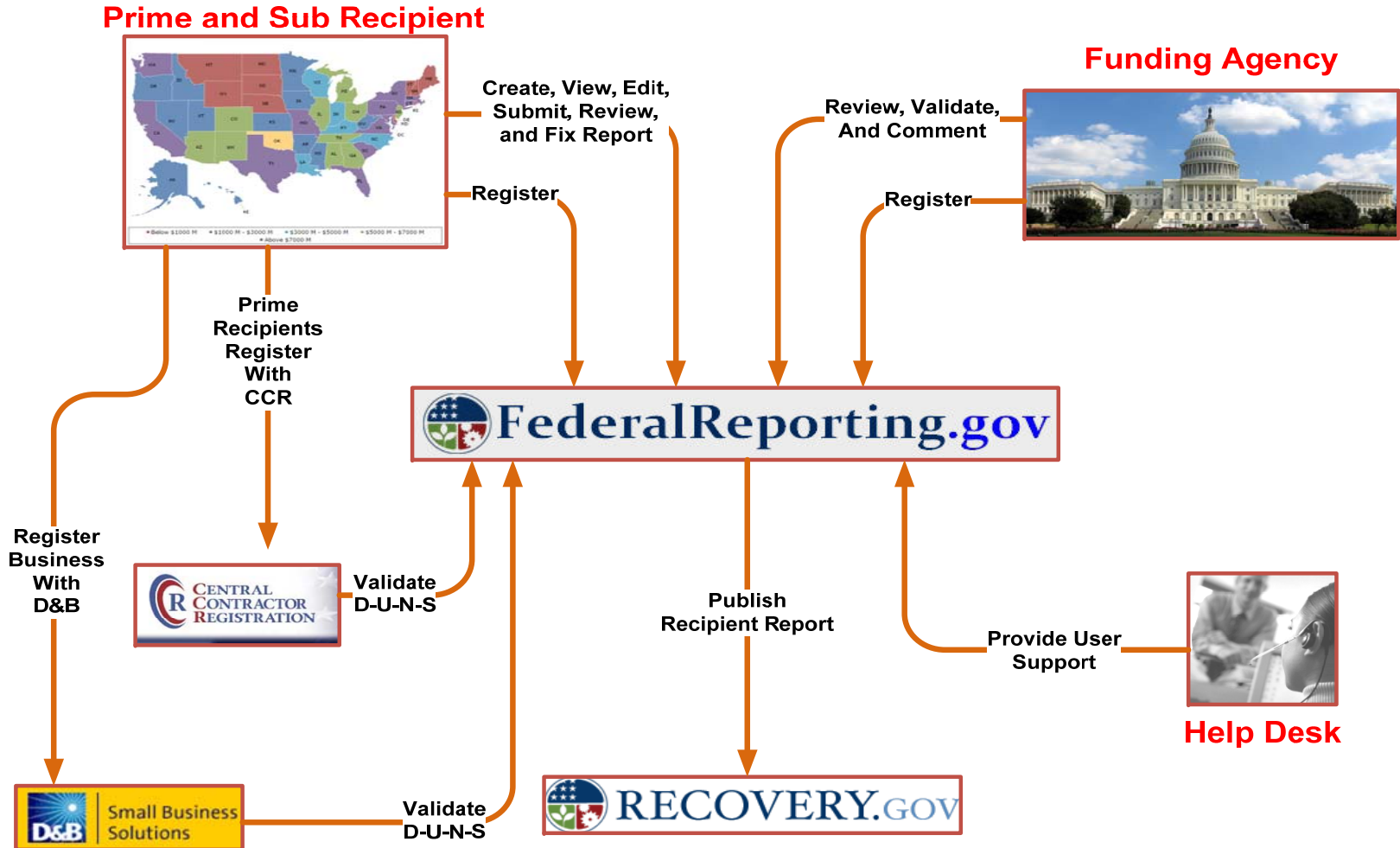
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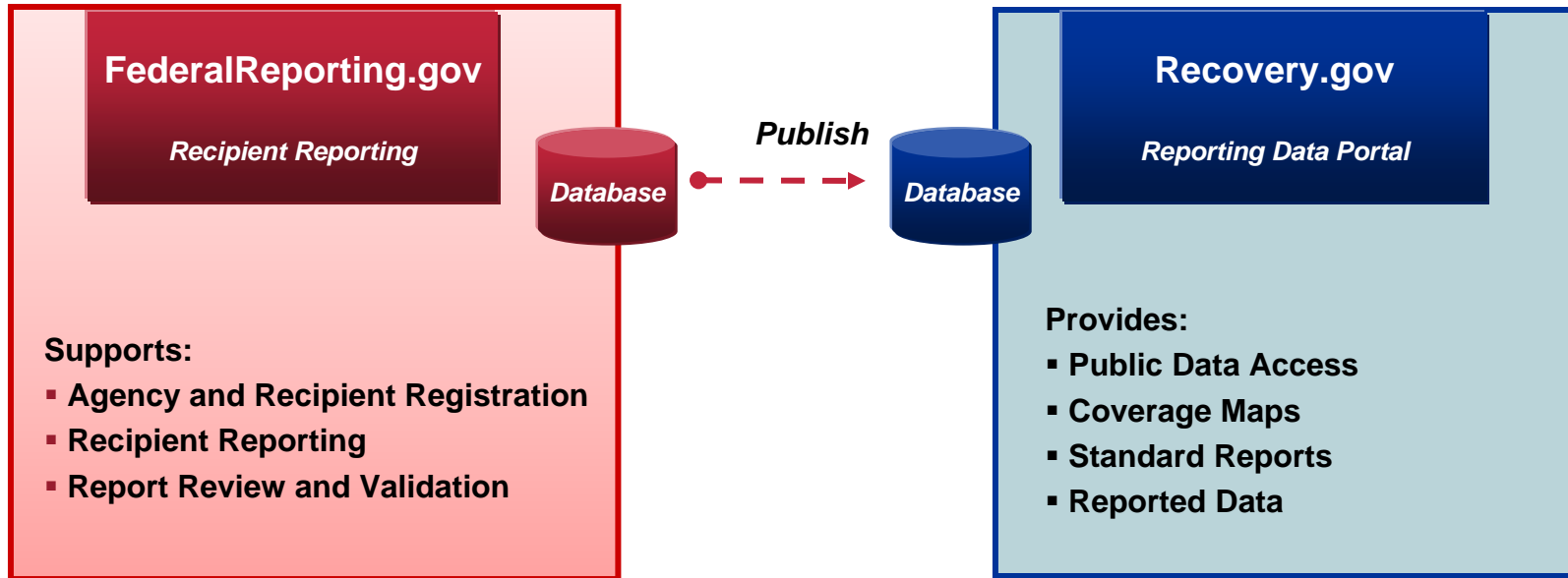
ARRA Reporting Compliance

- ARRA Accountability
 - Section 1512 of ARRA requires quarterly reports from recipients due 10 days after end of each calendar quarter
- ARRA Transparency
 - Section 1512 of ARRA requires federal agencies to make reports publicly available 30 days after end of each calendar quarter
- ARRA Reporting data examples
 - Number of jobs created and retained
 - Description of employment impact
 - Projects and activities funded
 - Details on sub-awards and other payments
- ARRA information should be integrated with state financial systems
 - Capture all financial and non-financial information for ARRA reporting
 - Improve data-entry efficiency by using existing financial and procurement data
 - Use financial system's workflow, security, and approvals

FederalReporting.gov In-bound Recipient Reporting

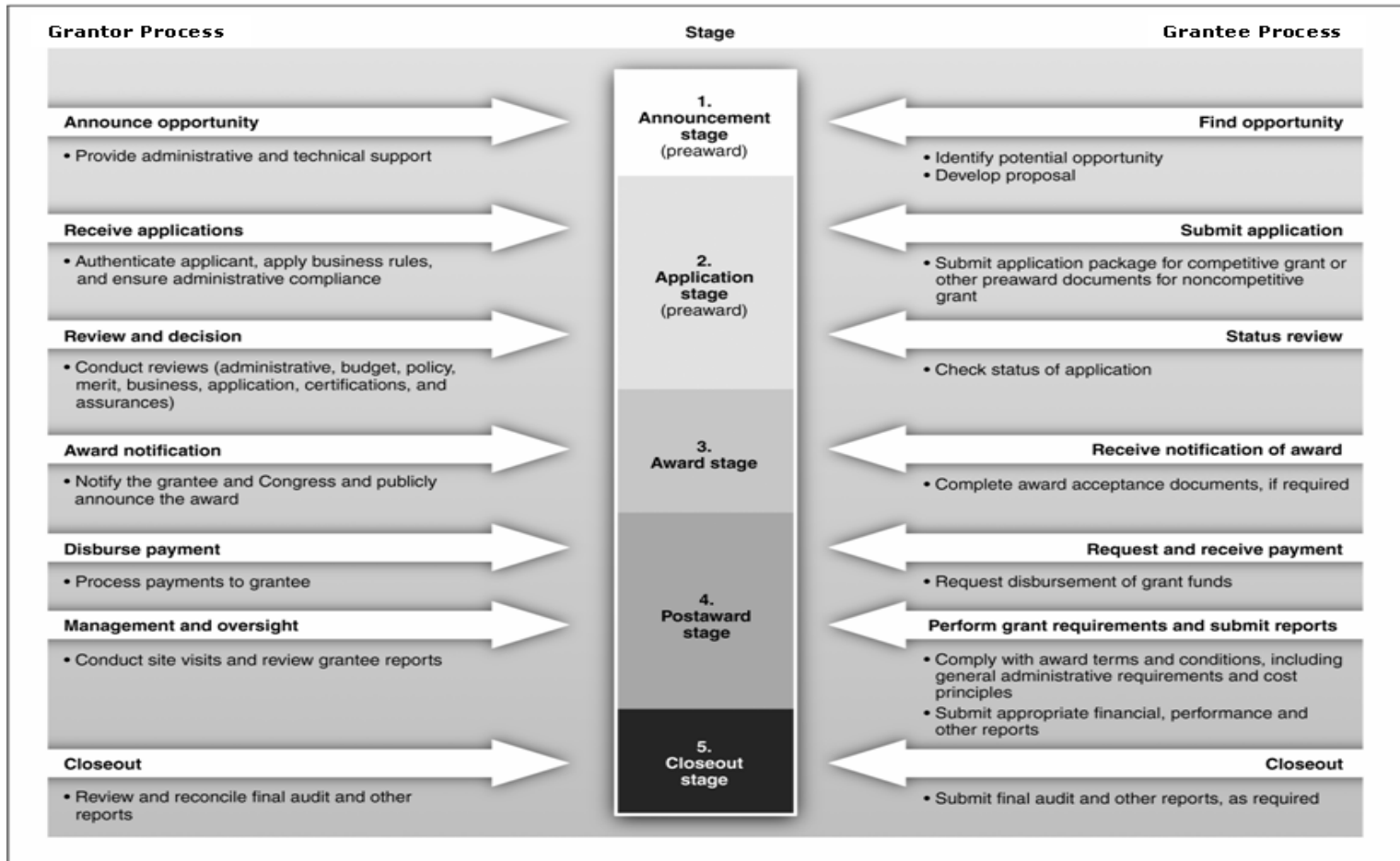


ARRA Recipient Reporting and Data Portals



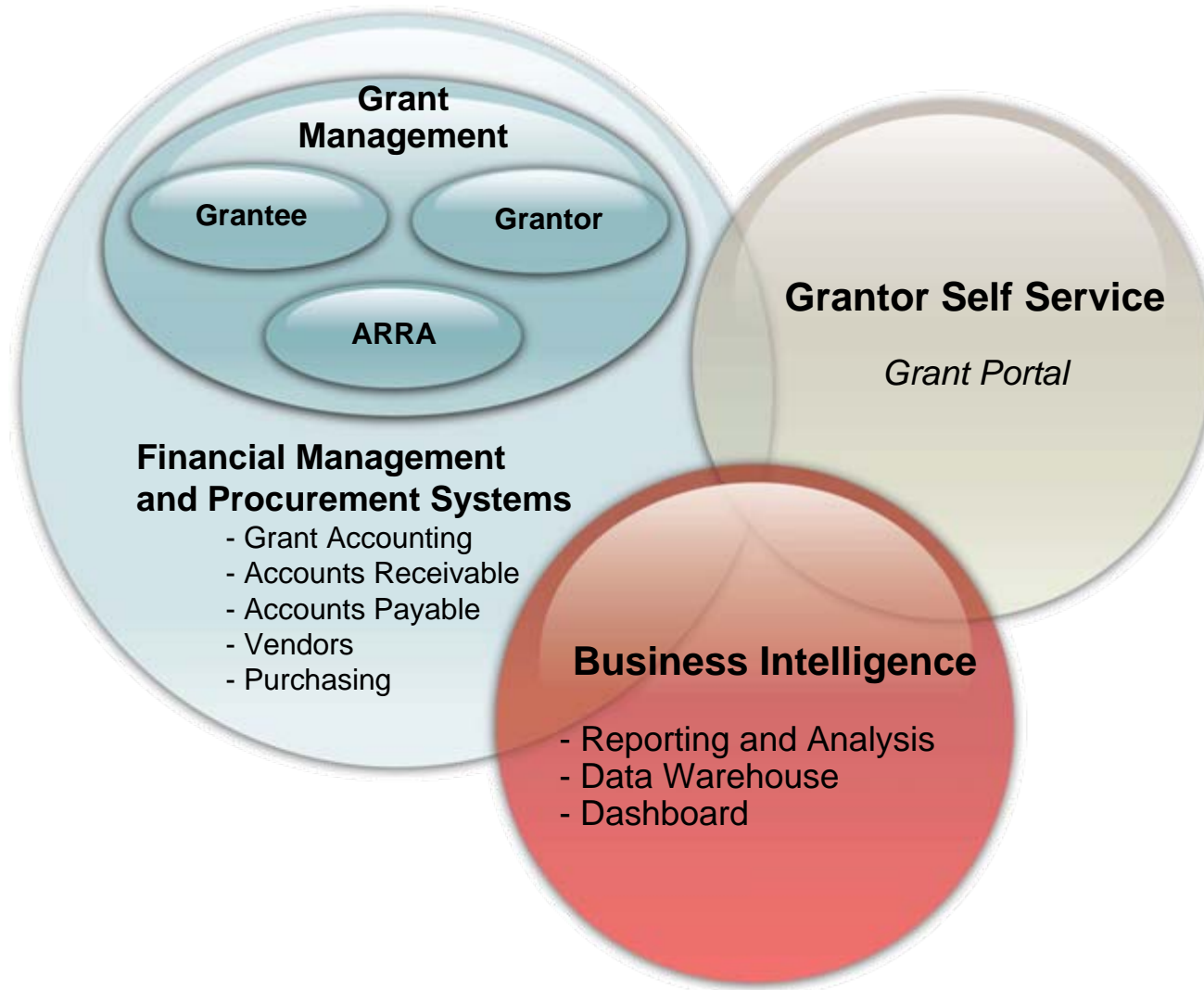
- FederalReporting.gov and EPA's Central Data Exchange (CDX) comprise solution for inbound recipient reporting

Overview of Grant Lifecycle



Source: GAO.

Integrated Grant Management System Model



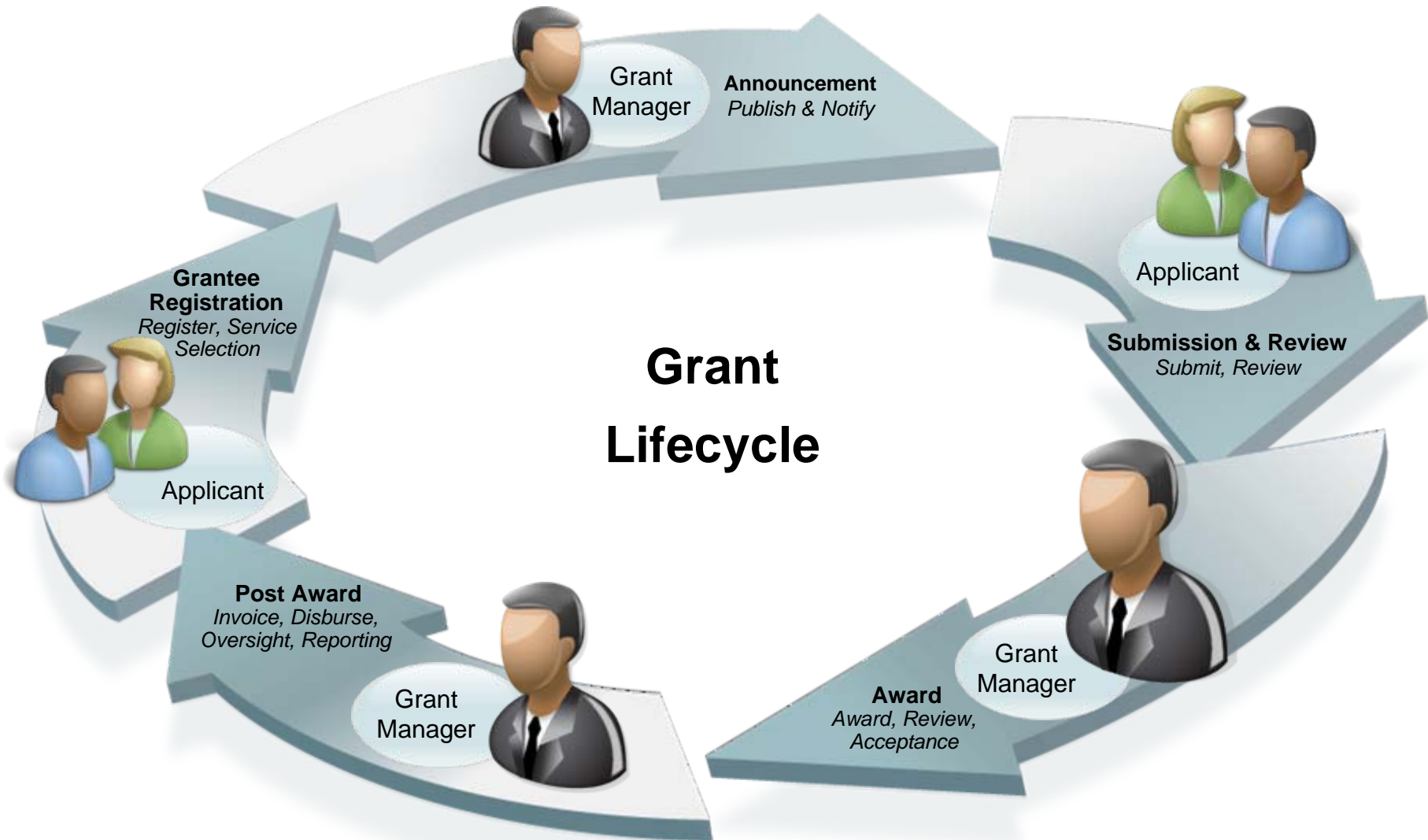
Grantee Management Process Flow



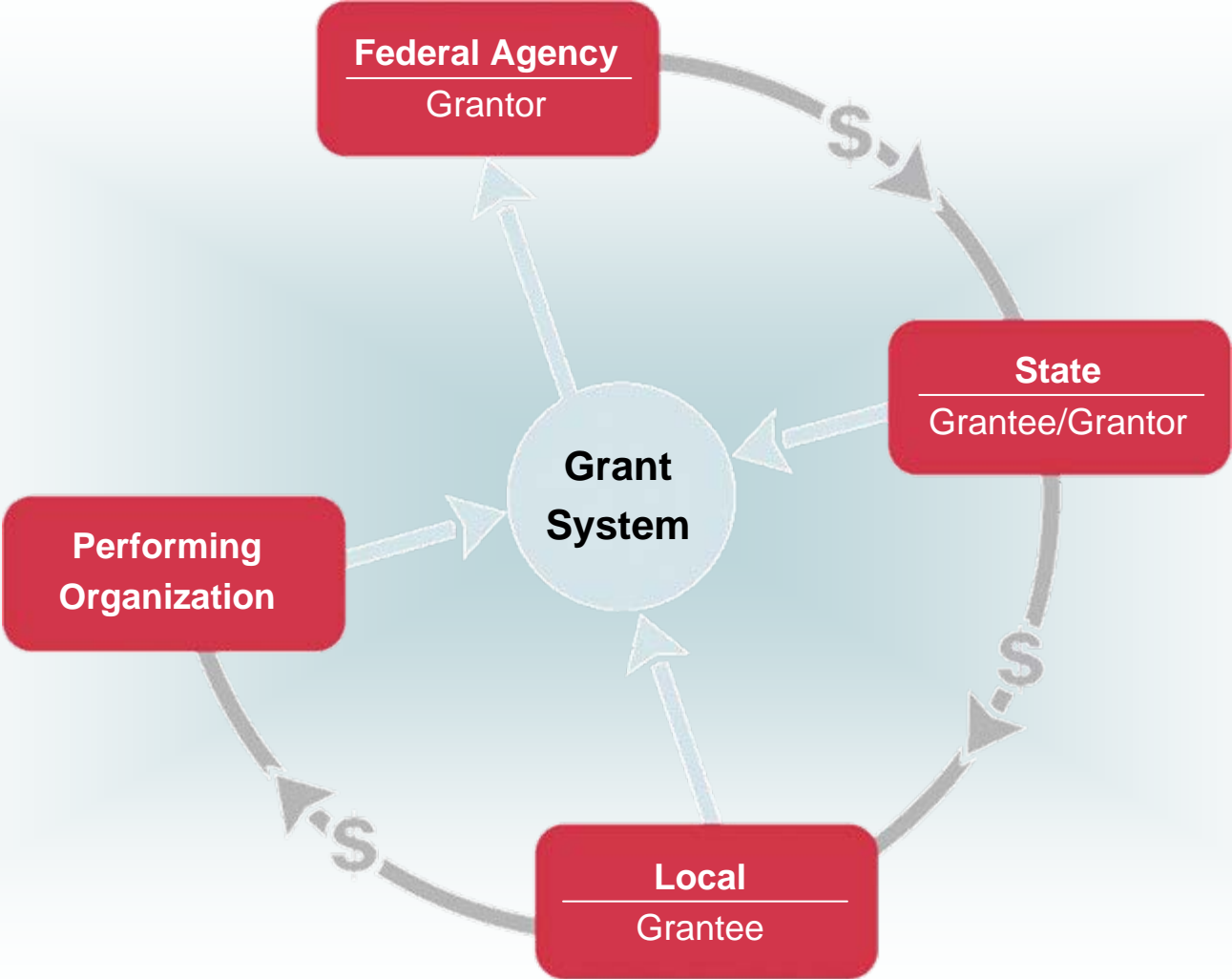
Grantee Management systems increase visibility and efficiency throughout Grant life cycle

State Challenges	Benefits to States
Little or no visibility into grant opportunities and the processes to pursue funds	Increased efficiency in the pursuit and capture of grant funds
Poor coordination, collaboration or communication across departments	Simplify grant tracking at all levels through central repository and automated workflow
Absence of reporting, little knowledge behind the decisions to apply for or decline an opportunity leads to less effective decisions	Record and identify patterns for missed or lost funds, enhance staff requirements forecasting for additional grant funds
Missed critical dates due to lack of alerts or inefficient manual monitoring of timelines	Improved grantor relationship by reducing loss risk through standardized processes with automated reminders
Lack of an integrated solution which can track the ARRA reporting requirements	Central repository captures data necessary to comply with ARRA reporting requirements
Time-consuming, labor-intensive reporting to OMB 10 days after end of each quarter	Faster, efficient, and accurate data submissions to effectively manage required ARRA reporting details

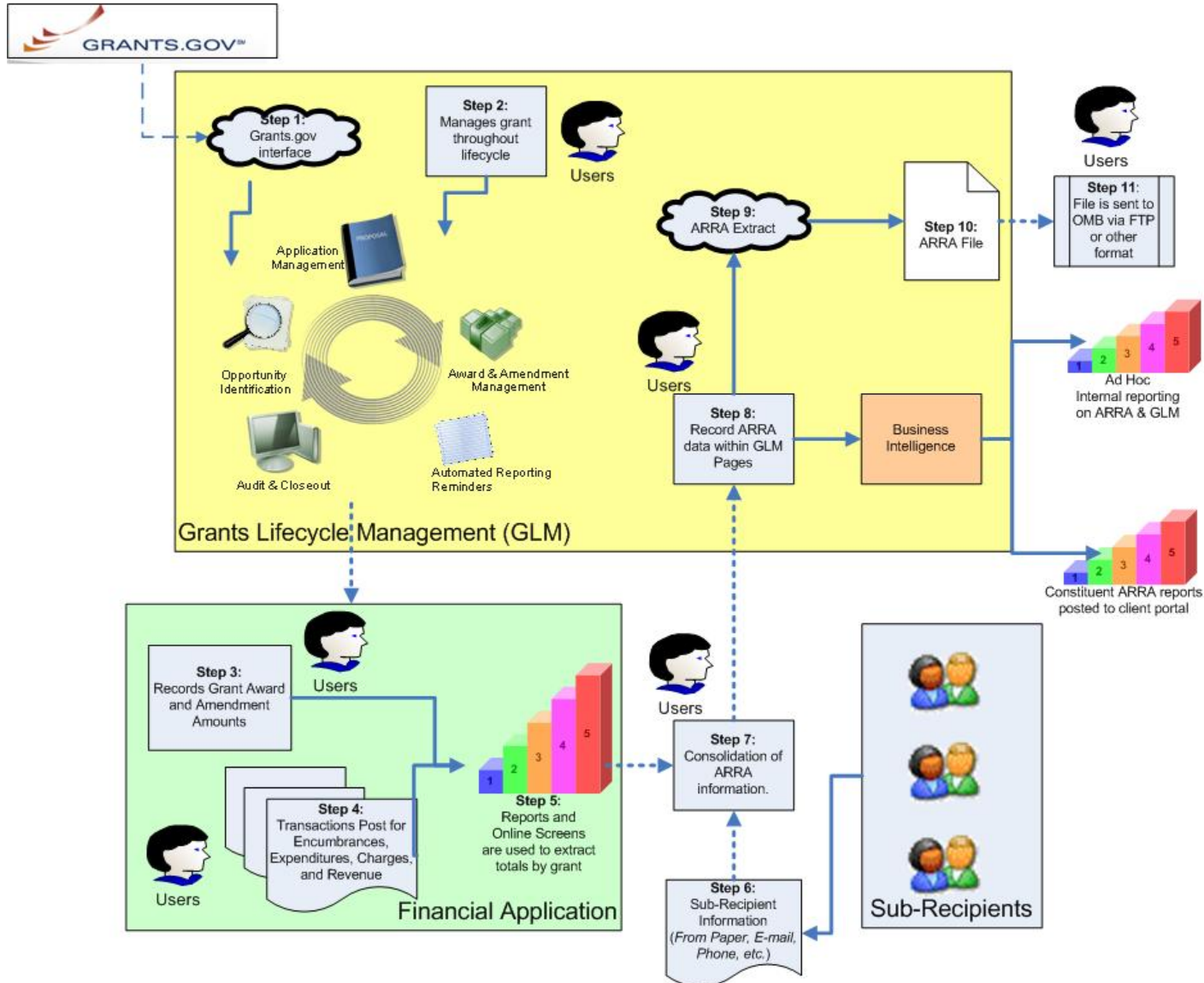
Grantor Management Process Flow



Grantor-Grantee-ARRA Reporting Model



Integrated Grant Management and ARRA Reporting

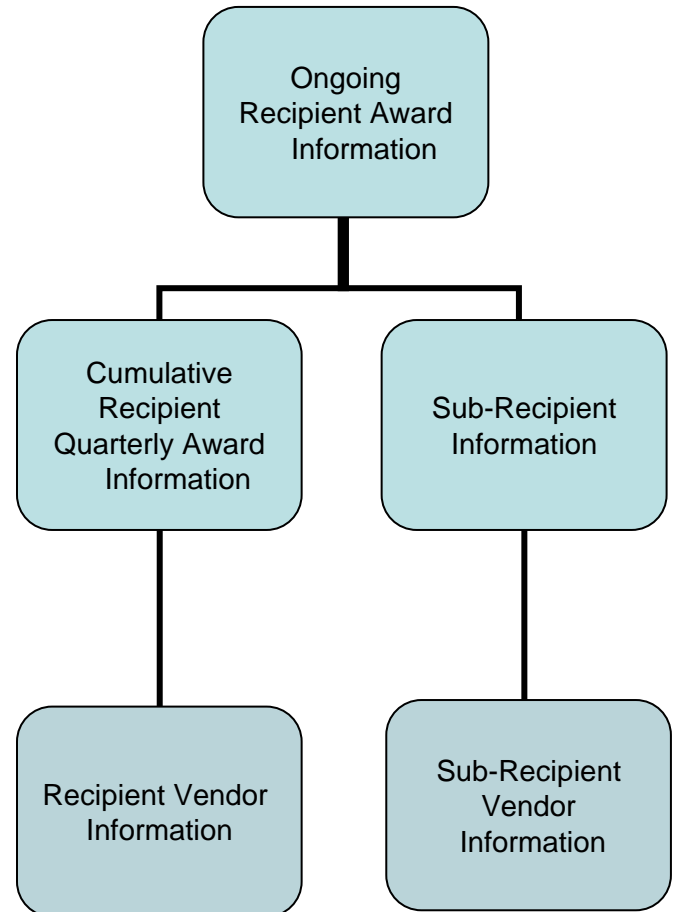


Grant Systems Best Practices in ARRA Era

- Track information required for ARRA compliance
 - Store both recipient and sub-recipient data
 - Ensure data integrity
- Internal ARRA reports and dashboards
 - Data from grant and ARRA management systems for federal reporting
 - Internal verification and summary information
 - Trend analysis improves decision making
- Integration with FederalReporting.gov
 - Standard interface which extracts ARRA data and provides information to FederalReporting.gov
 - XML file generated quarterly

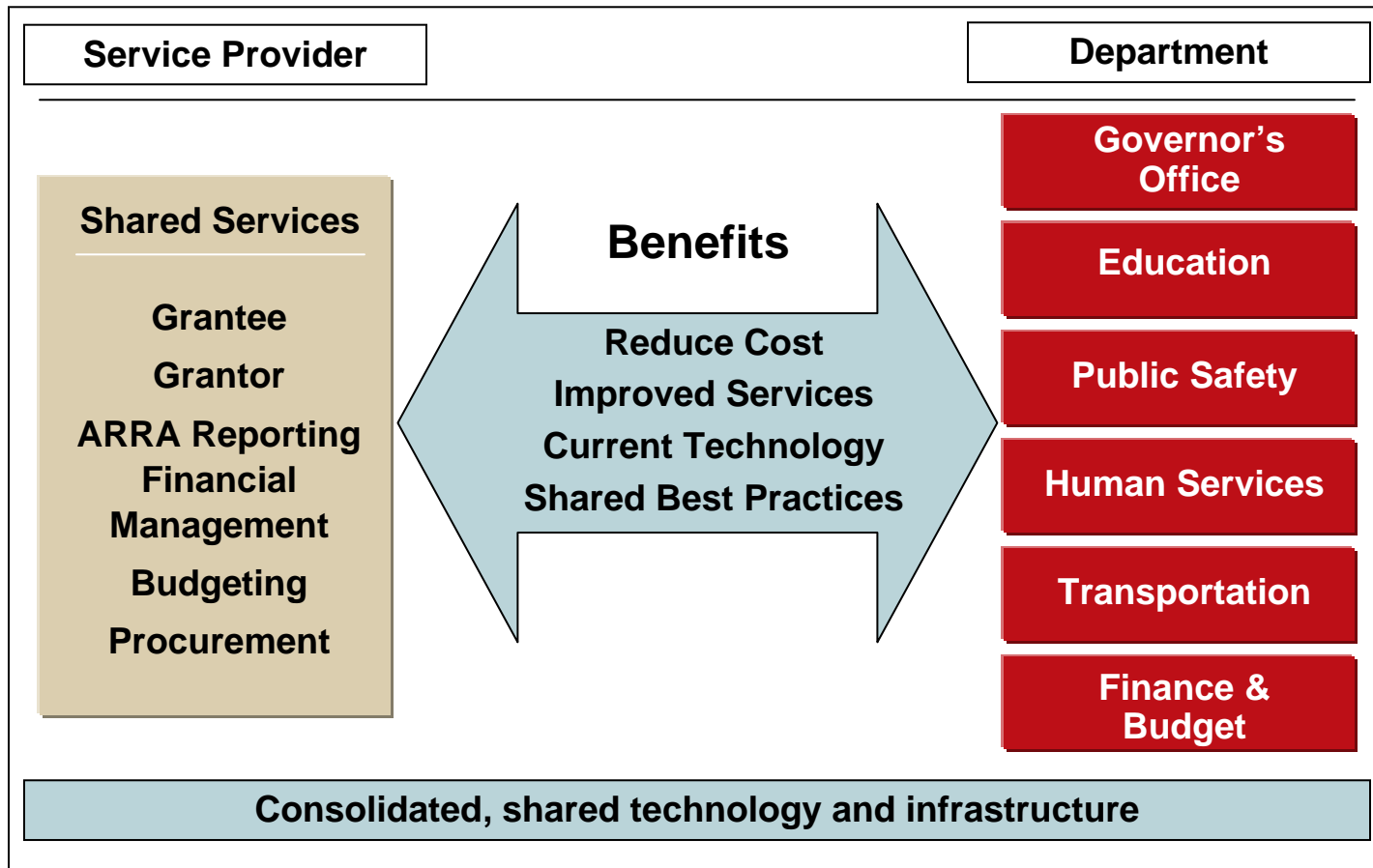
ARRA Reporting integrated with Grant and Financial Management systems

- Functionality to capture ARRA reporting compliance attributes
 - Support Financial Management system workflow, security, and approvals
- Additional tables, fields and edits to improve ARRA reporting
 - Utilization of Financial system information to minimize data re-entry
 - Track “deleted” records, last reporting extract date, etc.
 - Edit when updating records already created for FederalReporting.gov

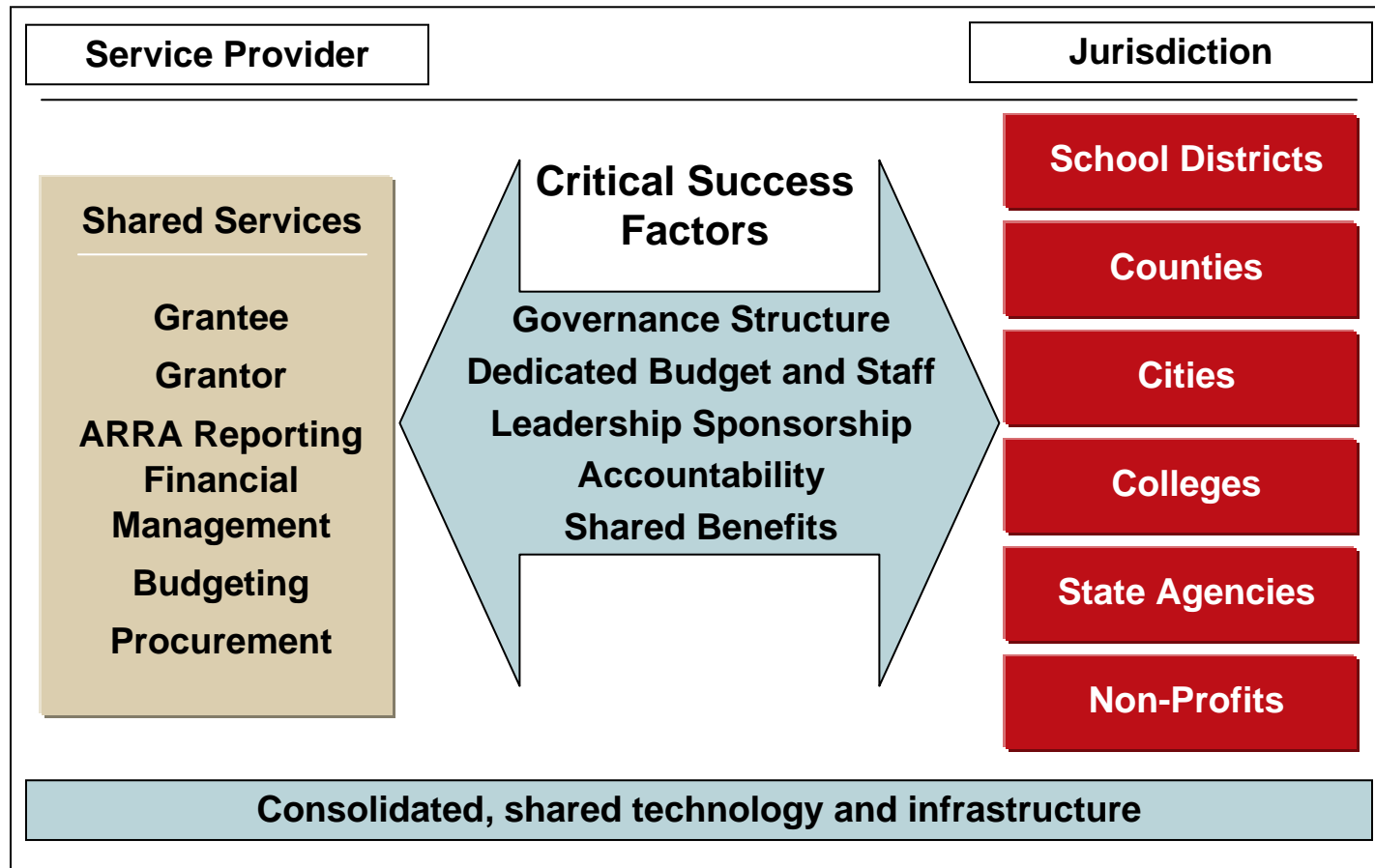


Impact of ARRA Funding Dashboard Example

Shared Services across State Agencies



Statewide Shared Services Model



ARRA Reporting and Grant Management Opportunity

- Current crisis is opportunity to modernize and automate manual or obsolete grant management systems
 - New and additional sources of revenue
 - Improve oversight and accountability of grant programs
 - Comply with ARRA reporting regulations
- State financial executives should provide leadership in modernization and standardization initiatives
- Integrate grant and ARRA reporting data with state financial systems
- Provide performance information that your state's citizens, elected officials, and government executives request
- Plan and deliver statewide grant management systems
 - Efficiency
 - Consistency
 - Best Practices



Martin Benson
Comptroller
Commonwealth of Massachusetts
martin.benson@state.ma.us

Scott Dulman
Senior Director
CGI
scott.dulman@cgi.com

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