



November 2024

GRANTS MANAGEMENT

Approaches and Insights from Other Countries' Reform Efforts

Why GAO Did This Study

In fiscal year 2023, federal aid to tribal, state, local, and territorial governments—primarily through grants—was \$1.1 trillion. This amount represented about 18 percent of total federal spending for that fiscal year. GAO has previously reported on long-standing challenges to grants management.

GAO was asked to review grants management reforms undertaken by other governments. This report (1) describes grants management reforms that selected governments implemented to address challenges and (2) identifies practices that helped facilitate selected governments' grants management reforms.

To address these objectives, GAO judgmentally selected four governments—those of Australia, Canada, and the United Kingdom, as well as the European Union—based on economic factors and evidence of competitive grantmaking and grants management reforms. For example, all four governments—similar to the United States—are members of the Organisation for Economic Cooperation and Development and have implemented government-wide grants management reforms within the last 20 years.

GAO interviewed central government, grantmaking agency, and other relevant organization officials from all four governments. GAO thematically summarized the interviews to identify common or novel reform efforts and practices to facilitate the reforms. GAO also reviewed relevant documentation from the selected governments, but did not conduct an independent legal analysis of foreign laws.

View [GAO-25-106920](#). For more information, contact Jeff Arkin at (202) 512-6806 or arkinj@gao.gov.

GRANTS MANAGEMENT

Approaches and Insights from Other Countries' Reform Efforts

What GAO Found

Similar to the United States, other governments use competitive grants—which require potential grantees to compete for funding through an application process—to help achieve their policy priorities. Selected governments reported that they have undertaken government-wide reforms to help address challenges to grants management. For example:

- **Central department for grants policy:** In 2018, the United Kingdom established a central department of grants specialists who help identify and address the needs of the government grants workforce. The department leads and supports excellence in grantmaking government-wide, through policy, training, resources, and innovation. Officials from multiple grantmaking agencies said the department, which now has over 50 staff, has raised the professionalism of grantmaking and ensured the grants workforce government-wide has access to resources and training.
- **Grants shared service center:** In 2016, Australia established two grants shared service centers that administer grants on behalf of grantmaking agencies, which has streamlined grants management. The centers handle grants tasks—such as screening applications and processing payments—while the grantmaking agencies make policy and program decisions related to the grant programs—such as selecting grantees and providing them with technical support. Officials from multiple grantmaking agencies said the process is more efficient than administering grants themselves.

Officials from the selected governments shared insights on factors that helped facilitate or hinder their implementation of grants management reforms. Based on these insights, GAO identified seven practices that may help facilitate grants management reforms (see figure).

Practices to Facilitate Grants Management Reforms, as Described by Officials from Selected Governments

<input checked="" type="checkbox"/>	Tying reforms to government-wide initiatives can generate initial momentum.
<input checked="" type="checkbox"/>	Securing support from senior leadership can advance reforms.
<input checked="" type="checkbox"/>	Engaging stakeholders to help design reforms can increase usefulness and buy-in.
<input checked="" type="checkbox"/>	Leveraging existing resources can facilitate faster implementation.
<input checked="" type="checkbox"/>	Dedicating new resources to reform efforts can help to accelerate and manage change.
<input checked="" type="checkbox"/>	Using phased implementation can help improve final outcomes.
<input checked="" type="checkbox"/>	Collecting data on results can improve compliance and demonstrate progress.

Source: GAO analysis of interviews with government officials from Australia, Canada, the European Union, and the United Kingdom. | [GAO-25-106920](#)

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Abbreviations

EU	European Union
UK	United Kingdom

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November 18, 2024

The Honorable James Comer
Chairman
The Honorable Jamie Raskin
Ranking Member
Committee on Oversight and Accountability
House of Representatives

The Honorable Gerald E. Connolly
House of Representatives

The Honorable Virginia Foxx
House of Representatives

Federal grants play an important role in implementing and funding federal priorities, including in areas such as health care, transportation, education, and social services. As a result, federal grants represent a substantial financial commitment. For example, in fiscal year 2023, federal aid to tribal, state, local, and territorial governments—primarily through grants—was \$1.1 trillion. This amount represented about 18 percent of total federal spending for that fiscal year.¹

As we have previously reported, the landscape of federal grants continues to change and evolve, but some challenges have persisted over many years.² For example, a 2021 survey found that 43 percent of federal agency inspector general offices selected grants management as a top government-wide challenge.³ Audit institutions in other countries

¹This amount is federal aid to tribal, state, local, and territorial governments as a percentage of total federal outlays. Office of Management and Budget, *Analytical Perspectives: Budget of the U.S. Government, Fiscal Year 2025* (online at <https://www.govinfo.gov/app/details/BUDGET-2025-PER>).

²See GAO, *Grants Management: Observations on Challenges with Access, Use, and Oversight*, [GAO-23-106797](#) (Washington, D.C.: May 2, 2023).

³Council of the Inspectors General on Integrity and Efficiency, *Top Management and Performance Challenges Facing Multiple Federal Agencies* (February 2021).

have identified grants management challenges as well.⁴ These countries' governments have taken some steps to address these challenges.

You asked us to review grants management reforms in the United States and internationally. In December 2023, we reported on recent grants management reform efforts underway at the U.S. Department of Health and Human Services, the largest grantmaking agency in the federal government.⁵ With regard to international grants reform efforts, this report reviews grants management reforms undertaken by other governments. Specifically, this report (1) describes grants management reforms that selected governments implemented to address challenges; and (2) identifies practices that helped facilitate the selected governments' grants management reforms.

For both objectives, we judgmentally selected four governments for our review: Australia, Canada, and the United Kingdom (UK), as well as the European Union (EU). We based our selection on characteristics of these governments, including economic factors and evidence of competitive grantmaking and grants management reforms.⁶ Similar to the U.S., the four governments are also members of the Organisation for Economic Cooperation and Development and the Group of 20, and are designated

⁴See, for example, National Audit Office, *Government's General Grant Schemes*, Session 2024-25 HC 126 (London, UK: July 9, 2024); Australian National Audit Office, *Operation of Grants Hubs*, Report No. 21 2021-2022 (Canberra, Australia: Mar. 31, 2022); and Office of the Auditor General of Canada, *Grant and Contribution Program Reforms*, Report of the Auditor General of Canada to the House of Commons Chapter 2 (Ottawa, Canada: Fall 2012).

⁵GAO, *Grants Management: HHS Has Taken Steps to Modernize Government-wide Grants Management*, [GAO-24-106008](#) (Washington, D.C.: Dec. 14, 2023).

⁶For the purposes of our study, we include and refer to the EU, and its component branches and agencies, as a government. The EU is a supranational political and economic union of 27 member countries. The European Commission—part of the EU's executive branch—is responsible for implementing the EU budget and managing funding for programs, including grants, among other responsibilities. In this way, it is like the central governments of the other countries in our study. For simplicity in this report, we generally use "EU" to describe all entities and examples from the EU even when they are specifically associated with the European Commission. For example, European Commission agencies are referred to in our report as EU agencies.

by the United Nations as having developed economies.⁷ All four governments award competitive grants, which require potential grantees to compete for funding through an application process. The selected governments have also implemented government-wide grants management reforms within the last 20 years.

For both objectives, we interviewed a variety of government officials to obtain their perspectives on competitive grantmaking and grants management reforms. These interviewees included central government officials and officials from multiple grantmaking agencies for each selected government.⁸ In some cases, we also interviewed partner organizations and grantee representatives. We also coordinated with each government's supreme audit institution through interviews or written responses to better understand its body of work related to its government's grants management activities. See appendix I for the full list of entities, by government, involved in our study.

To identify and describe the grants management reform efforts undertaken, we asked interviewees to identify what changes resulted from the reforms and how those changes had affected their governments' grantmaking. We thematically summarized the interviews to identify both common and novel reform efforts and to identify how the reform efforts helped address grants management challenges.⁹ We also reviewed government documentation, including audits and other evaluations of the specific reform efforts. See appendix II for detailed information about grants management and reform for each of the four selected governments. We do not endorse any specific policy options in this report. To identify similar U.S. efforts, we referred to our prior audit work and Office of Management and Budget memorandums. See appendix III for a list of some similar reform efforts in the U.S.

⁷For the purposes of our selection, the European Commission is a member of the Organisation for Economic Cooperation and Development; the EU is a member of the Group of 20; and all 27 EU member countries are designated by the United Nations as having developed economies. The Group of 20 is a forum for global economic cooperation which brings together leaders and policymakers from major economies to discuss economic, development, and social issues.

⁸In this report, we use the term "central government" to refer to agencies from our selected governments that provide government-wide guidance, leadership, or support related to grants management.

⁹This report includes selected examples rather than an exhaustive list of the grants management reform efforts implemented by each of the selected governments.

To identify practices that helped facilitate the grants management reforms, we asked interviewees about their experiences undertaking the reforms, including factors that facilitated or hindered the reforms. We also asked about advice they had for other governments undertaking grants management reforms. We thematically summarized the interviews by selecting excerpts from our written summaries and creating qualitative groups to identify similar practices from the various grants management reforms. These groups were assigned by one analyst, discussed with another analyst, and revised, as necessary, to arrive at our list of identified practices that could facilitate reforms. We also reviewed government documentation associated with these practices. The results of our study are not generalizable.

We did not conduct an independent legal analysis to verify the information we obtained about the laws, regulations, or policies of the governments selected for this study. Instead, we relied on appropriate secondary sources, including government websites, interviews, and other sources to support our work.

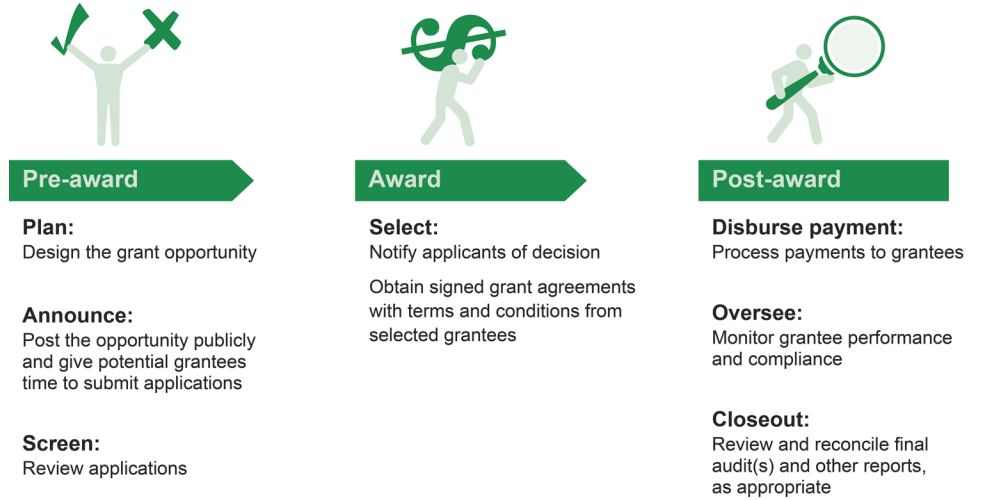
We conducted this performance audit from June 2023 to November 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Use of Grants in the Selected Governments

Similar to the U.S., grantmaking is an important tool that the selected governments use to help achieve their policy priorities. For competitive grantmaking, each of the governments follow a grants life cycle consisting of pre-award, award, and post-award phases, which is consistent with key phases in the grants life cycle in the U.S. The life cycle begins after an agency receives authority to issue grants to achieve a policy goal. See figure 1 for an overview of the phases.

Figure 1: Key Life Cycle Phases for Competitively Awarded Federal Grants in the United States



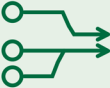




Source: GAO. | GAO-25-106920

Long-Standing Challenges in Grants Management

As mentioned earlier, we have previously identified long-standing challenges to federal grants management in the U.S. (see fig. 2). Grants management challenges represent risks to the government's ability to deliver on its priorities to taxpayers in an efficient and effective manner. Audit institutions from the selected governments have reported similar challenges in their governments' grantmaking.

Figure 2: Selected Ongoing Grants Management Challenges in the United States

Challenge	Description of Challenges
	<p>Grantee Capacity</p> <p>A lack of capacity for grantees—meaning the availability of and ability to effectively manage financial, human capital, and organizational resources—can adversely affect their ability to successfully and compliantly access, implement, and manage grant programs.</p>
	<p>Government Grants Workforce</p> <p>A lack of resources and training for federal grants managers can adversely affect their ability to manage the various tasks associated with the grants life cycle, leading to compliance issues, increased fraud risk, and other challenges.</p>
	<p>Streamlining</p> <p>When grants management requirements are duplicative or overly burdensome, agencies must direct resources toward meeting them, making programs less cost effective.</p>
	<p>Internal Control and Oversight</p> <p>Without effective internal control and oversight, federal managers and taxpayers cannot be assured that federal grants are awarded properly, grantees are eligible, or federal grant funds are used as intended or in accordance with applicable laws and regulations.</p>
	<p>Transparency</p> <p>A lack of transparency in grant spending can limit policymakers' ability to make data-driven decisions.</p>



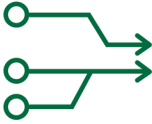


Source: GAO. | GAO-25-106920

Selected Governments' Reform Efforts Aimed at Addressing Grants Management Challenges

We identified 11 reform efforts that one or more of the selected governments implemented to address grants management challenges (see fig. 3).¹⁰ In this section, we describe each reform effort and how the reform efforts addressed grants management challenges, according to the government officials with whom we spoke. We also identify considerations raised by the officials. See appendix II for detailed information about grants management and reform for each of the four selected governments. See appendix III for a list of some similar reform efforts in the U.S.

¹⁰The reform efforts are listed in no particular order.

Figure 3: Selected Grants Reform Efforts by Selected Governments and the Challenges They Addressed

Selected Grants Reform Effort	Grants Management Challenges Addressed				
	Grantee Capacity	Government Grants Workforce	Streamlining	Internal Control and Oversight	Transparency
					
Principles-based grants guidance	⊖	✓	✓	✓	⊖
Central department for grants policy	⊖	✓	✓	✓	⊖
Network of government grants leaders	⊖	✓	✓	⊖	⊖
Complex grants advice panel	⊖	✓	⊖	✓	⊖
Grants training credential	⊖	✓	⊖	✓	⊖
Grants shared service center	✓	✓	✓	✓	⊖
Automated due diligence screener to review applicants	⊖	⊖	✓	✓	⊖
Comprehensive grants website	✓	⊖	✓	⊖	✓
Standard grant documents	✓	⊖	✓	⊖	⊖
Risk-based selection processes	✓	⊖	⊖	✓	⊖
Simplified payment options	✓	⊖	✓	✓	⊖

⊖ Challenge not identified by any of the four selected governments ✓ Challenge identified by one or more selected governments

Source: GAO analysis of documentation and interviews with government officials from Australia, Canada, European Union, and United Kingdom. | GAO-25-106920

Principles-Based Grants Guidance



What examples of principles-based guidance exist in these governments? Both Australia and the UK adopted principles-based approaches to their grants guidance.¹¹ Principles-based approaches—in contrast to rules-based approaches—allow for flexibility in adapting to the needs of individual grants programs. Principles-based guidance tends to be shorter and less prescriptive than rules-based guidance, relying on the judgment of practitioners to make appropriate decisions within the context of the principles.¹² The UK’s guidance sets minimum requirements but also provides guiding principles that help grantmakers navigate individual situations that may not be reflected in the guidance. Similarly, Australia’s guidance consists of requirements with which agencies *must* comply and best practices they *should* implement. The best practices relate to nine principles for grants management, such as robust planning and design, an outcomes orientation, and governance and accountability.

In addition, both the EU and Canada have incorporated principles-based elements in their grants guidance, according to officials. Central government officials in the EU noted that since 2014, the EU has been reducing and simplifying the rules in its guidance in favor of a “trust and intuition-based approach.” They noted the guidance is based on six principles including, for example, equal treatment and transparency. Similarly, central government officials in Canada noted that their grants guidance is largely principles-based as well.

What challenges can principles-based guidance address? Officials from multiple agencies in Australia and the UK we spoke with provided examples of how this reform effort helped address grants management challenges, including:

¹¹See, for example, HM Government, *Government Functional Standard: GovS 015: Grants* (London, UK: July 2021), and Department of Finance, *Commonwealth Grants Rules and Principles* (Canberra, Australia: 2024).

¹²The *Commonwealth Grants Rules and Principles 2024* consists of 76 uses of must or shall and is 48 pages long, while the *Functional Standards* consists of 55 uses of must or shall and is 32 pages long. In contrast, the Office of Management and Budget’s 2024 version of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (also known as *Uniform Grants Guidance*) consists of more than 875 uses of must or shall and is considerably longer, although the page length varies by source. For example, the PDF of the Government Publishing Office version is 153 pages long, while the PDF of the electronic Code of Federal Regulations version is 212 pages.



Government Grants Workforce: Principles-based guidance—with its short, clear approach—can help grantmakers effectively and compliantly manage the various tasks in the grants life cycle. In both Australia and the UK, officials from multiple grantmaking agencies identified their grants guidance as a clear and helpful resource for their work that is easy to follow.



Streamlining: Principles-based guidance generally simplifies requirements and reduces the number of rules for grantmaking agencies to follow, which can reduce administrative burden. Officials from a grantmaking agency in the UK noted that the government’s grants guidance has been useful in helping the agency standardize grants management.



Internal Control and Oversight: Principles-based guidance not only includes rules for the effective and proper use of grant funding, but also sets as core values principles related to internal control. Specifically, one of the UK’s principles is to ensure all grants are made in the best interest of the public. Similarly, in Australia, one of the principles is to achieve value with public money. These principles can help reinforce the spirit of rules related to internal control. A central government official in Australia noted that, in part due to the guidance, grant funding is more likely to be awarded to high-priority projects than to projects based on political or other interests.

What considerations for principles-based guidance did officials identify? Officials from multiple agencies in Australia and the UK we spoke with provided insights on some of the trade-offs related to the reform effort, including:

- Guidance may not apply to all grants, so an appropriate amount of flexibility may be necessary. Officials from multiple grantmaking agencies in the UK as well as a grantee representative in Australia noted the importance of flexibility in grant guidance. For example, officials from a grantmaking agency in the UK noted that grants to the private sector are different than grants to the public sector. Grantmaking agencies generally agree on what needs to be done to support the principles in the guidance but sometimes differ in how to do it. In the UK, grantmaking agencies are expected to “comply or explain,” giving grantmakers the autonomy to detour from the guidance when appropriate, as long as they document their rationale.

-
- On the other hand, some of the flexibility that is built into the guidance may create challenges. Central government officials and shared service center staff in Australia noted that some grantmaking agencies do not have the capacity to implement nonmandated aspects of the guidance. Officials from grantmaking agencies in Australia and the UK said it can be difficult for grantmakers to know how to apply the guidance’s principles to meet the needs of different grant programs.
 - Principles-based guidance requires judgment on the part of grantmakers. Central government officials in the UK noted that in addition to developing their guidance they also focused on strengthening the grants workforce through training and other efforts, in part to help grantmakers develop their capacity to apply judgment. An official from a UK grantmaking agency said that although its guidance is clear and helpful, it requires some basic training to interpret and apply.

Central Department for Grants Policy



What examples of central departments for grants policy exist in these governments? Both the EU and the UK established central departments focused on government-wide leadership and support for grants management, staffed with grants specialists who provide leadership, strategy, tools, and resources to the grants workforce.¹³ For example, the Government Grants Management Function is a central government department within the UK’s Cabinet Office, consisting of more than 50 grants specialists who lead and support excellence and innovation in grantmaking across the UK.¹⁴ In 2023, the department issued a government-wide strategy for grants management that articulated the government’s vision, areas for development, and performance milestones.¹⁵ Likewise, in the EU, central government officials said grants specialists in three different services—the Central Financial Service, Legal Service, and Common Implementation Centre—collaborate to support grantmaking agencies. For example, the Common

¹³Central government officials in Canada noted that there is a small central grants policy department that provides oversight and sharing of best practices, among other services, to grantmaking agencies across Canada.

¹⁴In the UK, the Cabinet Office is the corporate headquarters for government, supporting the Prime Minister by ensuring government runs effectively and taking the lead in certain critical policy areas, including grants. The responsibilities of the Cabinet Office are generally similar to those of the Office of Management and Budget in the U.S.

¹⁵Government Grants Management Function, *Government Strategy for Grants Management 2023-2025* (London, UK: September 2023).

Implementation Centre was established to provide centralized support to agencies awarding research and innovation grants.

What challenges can a central department for grants policy address? Officials from multiple agencies in the UK we spoke with provided examples of how this reform effort helped address grants management challenges, including:



Government Grants Workforce: Central departments can identify and address the needs of the grants workforce across agencies. Government officials from multiple grantmaking agencies in the UK said that the Government Grants Management Function has raised the professionalism of grantmaking and ensured the grants workforce has access to resources and training.



Streamlining: Central departments can compare how different agencies approach similar tasks to address duplicative and burdensome activities. The departments then can develop harmonized policies, tools, and resources that can help make grantmaking more consistent and efficient across government, which may reduce administrative burden. Central government officials in the UK noted that after the Government Grants Management Function had addressed initial standardization goals across agencies, the department began developing tools to improve efficiency in grants management.



Internal Control and Oversight: Central departments provide a level of oversight for grants management across the government. Because of a central department's vantage point across all grant programs, the department can identify and address concerns related to risk management consistently across the government. For example, central government officials in the UK told us they conduct formal compliance assessments of grantmaking agencies biannually.

What considerations for central departments for grants policy did officials identify? Officials from grantmaking agencies in the UK we spoke with provided insights on some of the trade-offs related to the reform effort, including:

- Officials from multiple grantmaking agencies noted that the central department's tools and policies may require adjustment by the

agencies to be adopted. For example, one of the grantmaking agencies often needs to adapt tools to meet the unique needs of the type of grantmaking it does. Another grantmaking agency noted that to adopt the new policies the agency would need to substantially change its approach to grantmaking. The officials from that agency said that flexibility is important to allow agencies to apply central government tools and policies effectively in different settings.

- Officials from multiple grantmaking agencies also noted that while the central department develops helpful tools and resources, the pace at which new resources are introduced—and in some cases required—can be difficult to manage on top of their other responsibilities.

Network of Government Grants Leaders



What examples of networks of government grants leaders exist in these governments? Canada, the EU, and the UK established networks of government grants leaders from each agency and central government to facilitate information sharing and problem solving. For example, in the UK, each agency designates a Grants Champion, which in addition to serving as a liaison between the central government and agency staff, meets regularly with other Grants Champions. In Canada, grants leaders are encouraged to engage as “horizontal enablers” by sharing ideas with each other through networks.¹⁶ Canada has both the *Interdepartmental Sharing Forum for Grants and Contributions* and the Tri-Agency Council consisting primarily of grantmaking agencies focused on research grants. In the EU, networks of national contact points provide grants support and expertise in each member country in the grantees’ native languages for specific grant programs.

What challenges can a network of government grants leaders address? Officials from grantmaking agencies in Canada and the UK we spoke with provided examples of how this reform effort helped address grants management challenges, including:

¹⁶The concept of horizontal enablers was introduced as one of three core elements in the 2008 *Government of Canada Action Plan to Reform the Administration of Grant and Contribution Programs*. In the action plan, horizontal enablers were defined as activities and tools designed to promote sustained change across government.



Government Grants Workforce: Networks can help address uneven levels of information and training across the workforce. According to officials from multiple grantmaking agencies in the UK, the Grants Champion network focuses on ensuring all members understand and can implement grants policies in their respective agencies as well as providing ongoing training to raise their capacity as grantmakers.



Streamlining: Networks can help reduce duplication of effort by facilitating information sharing and problem solving efficiently. For example, an official from a grantmaking agency in Canada said the agency has adopted tools, guidance, and best practices from other *Interdepartmental Sharing Forum* members that the agency would have otherwise had to develop independently.

What considerations for networks of government grants leaders did officials identify? Officials from a grantmaking agency in Canada noted that in governments with decentralized approaches to grants management—where each agency may have different grants systems and procedures—networks of grant leaders, by themselves, may have limited ability to resolve certain challenges. For example, the officials noted that problem solving within their network on grants information system challenges is difficult since each agency has its own information system.

Complex Grants Advice Panel



What examples of complex grants advice panels exist in these governments? In the UK, the Complex Grants Advice Panel reviews and provides feedback to agency grantmakers on grant proposals that are high risk (e.g., where there is an elevated risk of fraud) or high value (i.e., in excess of £100 million).¹⁷ The independent, cross-agency panel of experienced members of the grants workforce provides objective advice to grantmakers to strengthen the design of their grant proposals. For example, the panel could offer advice on potential links to other existing grant programs, fraud risk, governance, or funding optimization, among other areas.

What challenges can a complex grants advice panel address? Officials from grantmaking agencies we spoke with provided examples of

¹⁷Using U.S. Fiscal Treasury Data for December 31, 2022, the equivalent amount in U.S. dollars would be \$120.5 million.

how this reform effort helped address grants management challenges, including:



Government Grants Workforce: The panel can help address gaps in an agency workforce’s ability to fully identify and address potential risks of a grant program by leveraging the expertise of experienced peers across the government. For example, grants officials from the UK’s Foreign, Commonwealth, and Development Office serve on the panel to review international grant proposals by other agencies because of their expertise in international grantmaking.



Internal Control and Oversight: The panel can help provide additional assurance that grants have identified and addressed risks—including fraud risk—by providing additional scrutiny on proposals for complex or high-risk grants. According to officials from one grantmaking agency, the panel’s strength is in identifying fraud risk at the design phase of the grants life cycle—before the grant opportunity has been advertised.

What considerations for a complex grants advice panel did officials identify? Officials from one grantmaking agency we spoke with suggested the panel’s value could be increased in two ways: by offering advice, as needed, after the grant program’s design is finalized—such as during the implementation phase—and by periodically sharing takeaways from the panel’s feedback for review and consideration by all grantmaking agencies for future grant proposals.

Grants Training Credential



What examples of grants training credentials exist in these governments? In 2022, the UK launched the *Grants Licence to Practise*, a 5-day training course for grants managers. The training course covers knowledge and skills for effective grants management. Participants then complete a formal assessment and are awarded their *Licence to Practise* accreditation in government grantmaking.

What challenges can a grants training credential address?

Government officials we spoke with from both central government and grantmaking agencies in the UK provided examples of how this reform effort helped address grants management challenges, including:



Government Grants Workforce: Training can help address skills gaps within the grants workforce so the workforce is better able to effectively manage grants management tasks. Officials from multiple grantmaking agencies told us the training has been useful. Officials from one of the grantmaking agencies noted that their accredited staff have increased confidence and ability in grantmaking.



Internal Control and Oversight: The training can help ensure internal controls are in place by providing the grants workforce with the skills required to deliver quality grants, compliant with grants guidelines. Officials from multiple grantmaking agencies in the UK noted that grantmakers—without training—may not be fully aware of the risks inherent to grantmaking. The training therefore helps ensure grantmakers know how to properly administer grants to help reduce the risk of fraud as well as how to put in place practices to help ensure that grant funds are used as intended.

What considerations for a grants training credential did officials identify? Officials from one grantmaking agency told us that the initial cost of the 5-day training prevented them from sending all relevant staff to gain the accreditation due to budget constraints. As of February 2024, the agency had only sent one staff member through the training. According to the officials, the central government is working to make the accreditation more accessible by reducing costs.

Grants Shared Service Center



What examples of grants shared service centers exist in these governments? A shared service center is a resource that handles common management activities on behalf of multiple agencies, creating efficiencies of scale and enabling the agencies to focus more on their areas of specialty. For example, Australia developed two shared service centers that administer grants on behalf of grantmaking agencies.¹⁸ Certain agencies in Australia are required to outsource grant

¹⁸Australia's two grants shared service centers—the Business Grants Hub and the Community Grants Hub—generally provide similar services but specialize in different types of grants and use different business models. The Business Grants Hub generally handles grants targeted to businesses and industry and handles all phases of the grants life cycle for each grant program. The Community Grants Hub generally handles grants targeted to individuals and nonprofit organizations, but offers an a la carte menu of services, where grantmaking agencies can choose, for each grant program, which phases of the life cycle will be handled by the Community Grants Hub and which will be handled by the agency.

implementation to one of the two shared service centers, unless the grant program has obtained a deferral or exemption. The shared service centers handle tasks related to grants administration—such as posting opportunities, reviewing applications, assessing project reports, and managing payments—while the responsible agencies make decisions regarding the policy and programmatic aspects of their grant programs—such as designing the grant opportunity to meet legislative requirements, selecting grantees, and offering technical support and expertise for program delivery. We also found examples of grants shared service centers in the EU and the UK.¹⁹

What challenges can a grants shared service center address?

Officials from multiple agencies in Australia, the EU, and the UK we spoke with provided examples of how this reform effort helped address grants management challenges, including:



Grantee Capacity: Shared service centers can reduce burden on grantees by aligning processes across different grant programs and agencies. Officials in Australia from central government and multiple grantmaking agencies as well as a grantee representative told us the shared service centers improve the grantee’s user experience. Specifically, grantees that work with multiple agencies see less variation in requirements and processes, reducing the time they need to spend applying for or administering their grants.



Government Grants Workforce: Shared service centers can address workforce challenges by simplifying roles—shared service center staff focus on grants expertise while agency staff focus on policy expertise. Shared service center staff in Australia noted that they have established training programs, standard operating procedures, and career paths for grants specialists within the shared service centers.

¹⁹In addition to Australia’s two grants shared service centers, in the EU, Executive Agencies serve as grants shared service centers for some EU grants and, in the UK, the *Government Grants Managed Service* pilot started in 2024 initially serving two agencies.



Streamlining: Shared service centers can address burdensome grants administration requirements by consolidating that work in a central location where the shared service centers can increase consistency and standardization across government grants and create economies of scale. Officials from some grantmaking agencies in both Australia and the EU noted that the central government agencies were able to create more efficient grants administration processes than the individual grantmaking agencies could on their own.

In addition, smaller, less resourced agencies can benefit from having access to shared service centers. Officials from multiple agencies in the UK said smaller agencies were outsourcing grants administration to consultants—at a considerable cost—because the agencies lacked the capacity and resources to administer the grants internally. Central government officials in the UK told us they anticipate their grants shared service center, once out of its pilot phase, will be more cost effective than outsourcing to consultants.



Internal Control and Oversight: Shared service centers can strengthen internal control systems by establishing procedures designed to reduce errors and identify potential compliance issues more efficiently. According to shared service center staff in Australia, the shared service centers focused on developing a strong internal control environment by establishing, testing, and revising procedures to ensure effectiveness for grantmakers and grantees and to protect the integrity of grant funding. Officials from a grantmaking agency in Australia noted that the shared service center they use has helpful checklists to ensure grantmakers do not miss any steps, reducing the risk of mistakes during grant administration. In addition, shared service center staff noted that during the COVID-19 pandemic, the shared service centers were able to effectively distribute a high volume of pandemic-related assistance with relatively few mistakes.

What considerations for grants shared service centers did officials identify? Officials from multiple agencies in Australia and the UK we spoke with provided insights on some of the trade-offs related to the reform effort, including:

-
- Australian officials from multiple grantmaking agencies said shared service centers may be best suited for low-value, high-volume grants—where there are many grantees receiving relatively low amounts of funding. Unique or complex grant programs may not be easily adapted to the shared service center’s standardized approach.
 - Australian officials from multiple agencies and an Australian grantee representative reported longer time frames to deliver grants through shared service centers. Central government officials and shared service center staff acknowledged that prior to the shared service center, an agency could pivot to prioritize quick implementation of a new grant, while the shared service centers require thorough onboarding processes to ensure that grant programs are fully compliant with grants guidelines.
 - Shared service centers may need external support to adapt to a surge in workload, such as when multiple grant opportunities are to be posted at the same time once a budget is passed or when a grant receives a higher-than-expected volume of applications. In the UK, central government officials said they hired contractors to provide surge capacity. Shared service center staff in Australia said they hire temporary and contract workers to provide surge capacity.
 - Officials from multiple agencies in Australia noted that despite increased consistency within each of its two shared service centers, they have different processes and nonintegrated information systems. The officials suggested that having only one shared service center or better integrating systems and aligning processes across multiple shared service centers would help streamline grants administration.
 - When the shared service centers are the main point of contact for grantees, agency staff lack a direct relationship with them. Officials from multiple Australian grantmaking agencies noted that they have less understanding of the issues and challenges their grantees are facing than they did prior to transitioning to the shared service center.

Automated Due Diligence Screener to Review Applicants



What examples of automated due diligence screeners exist in these governments? During the pre-award screening phase of the grants life cycle, grantmakers may review applications for eligibility and fraud risk, among others, by conducting due diligence screenings. When done manually, this process may take multiple hours per application as grantmakers check multiple information sources. The UK developed an automated tool specifically designed for grants that integrates multiple databases with government information on individuals and organizations. This tool, *Spotlight*, conducts preliminary due diligence screenings on thousands of grant applications in a matter of minutes, checking

applicants for risk, criminal history, and national security concerns, among others.

What challenges can an automated due diligence screener address?

Central government officials from the UK we spoke with provided examples of how this reform effort helped address grants management challenges, including:



Streamlining: The due diligence screener can reduce duplication and burden by consolidating multiple information sources and automating the screening process. Grantmakers still review any findings from the due diligence screening, but they do not need to do the initial screening themselves. Central government officials from the UK told us the due diligence screener saves hours of staff time per application reviewed.



Internal Control and Oversight: The due diligence screener can help ensure applicants are eligible to receive funds. *Spotlight* identifies ineligible or risky applicants in minutes. UK central government officials told us that prior to *Spotlight*, grantmakers did not always know how to effectively assess applicants for fraud risk. The officials estimate that the due diligence screener has saved the government millions of pounds annually by preventing fraud.

What considerations for an automated due diligence screener did officials identify? Officials from one agency in the UK noted that sharing or accessing sensitive data across government agencies can be challenging due to regulatory requirements related to privacy.

Comprehensive Grants Website



What examples of comprehensive grants websites exist in these governments? Australia, the EU, and the UK developed comprehensive grants websites that centralize all government grant opportunities, and in some cases also include application links, award data, and performance outcomes.²⁰ In one case—in the EU—the website also integrates with a grants information system that electronically manages grants-related documentation and processes. Specifically, the *Funding and Tenders Portal* website is integrated with the *eGrants* system, which is used by both grantmaking agencies and grantees. While the *Funding and Tenders*

²⁰For example, see <https://www.grants.gov.au/> for Australia, <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home> for the EU, and <https://www.find-government-grants.service.gov.uk/> for the UK.

Portal lists opportunities and results, *eGrants* handles all aspects of grants management, from publishing opportunities to submitting applications to processing payments to grantees, among others. In Australia, the *GrantConnect* website centralizes current and expected grant opportunities, includes application links, and publishes grant award data. In the UK, two connected sites—*Find-a-Grant* and *Apply-for-a-Grant*—centralize most government grant opportunities.

What challenges can a comprehensive grants website address?

Officials we spoke with from multiple agencies from all three governments provided examples of how this reform effort helped address grants management challenges, including:



Grantee Capacity: Making information more easily accessible and centralized can reduce administrative burden on applicants. Central government officials from Australia and the UK told us how applicants can save time by finding all central government grant opportunities and applying for them on one website. In addition, a streamlined format for opportunities and applications simplifies the application process for applicants interested in multiple grant programs.

Comprehensive websites may provide other opportunities to reduce burden on applicants, such as storing their information to reduce duplication of efforts. For example, in the EU, applicants using the *Funding and Tenders Portal* do not have to reenter the same information multiple times. Specifically, according to officials from an EU grantmaking agency, applicants complete an initial eligibility check for EU funding, which is done at the central government level and results in a validated code. The applicant can then use the code in subsequent applications for EU grants, without having to reenter that information or be revalidated.



Streamlining: Centralizing a comprehensive grants website can reduce duplication of efforts by reducing the need for each agency to maintain its own grants web page. By centralizing grant opportunities and applications in one website, agencies have a more standard format to work from when designing grant programs, reducing variation and the need for multiple agencies to each create similar documents. In addition, central government officials from the EU told us *eGrants* facilitates immediate information sharing between grantees and grantmaking agencies as well as across agencies. *eGrants* provides an automated, digital workflow for documents.



Transparency: Centralizing opportunities and award data in one location can make that information more easily accessible to policymakers and the public. According to Australian central government officials, the government has a better understanding of where grant money is being spent now that additional information is available on *GrantConnect*, although there are still limitations. Central government officials from the UK told us that transparent grants spending data helps decision-makers and policymakers make more informed decisions.

What considerations for comprehensive grants websites did officials identify? Officials from all four governments we spoke with provided insights on some of the trade-offs related to comprehensive grants websites, including:

- Officials we spoke with from UK central government and EU grantmaking agencies noted that centralized websites may require significant effort to develop data standards and integrate information systems, requiring agencies to change how they collect and report information. Likewise, officials from an EU partner organization noted that data protection challenges must be considered when moving multiple agencies to a shared system.
- Shared service center staff from Australia recommended that governments prioritize investing in an integrated, efficient grants information system. In addition to increasing efficiency for government agencies, such systems also improve customer service by not asking grantees to provide duplicate information.
- Although Canada does not have a comprehensive grants website comparable to the other selected governments, an official from a

grantmaking agency in Canada recommended incorporating coordinated data strategies early in reform. The official noted that grants programs can benefit from considering perspectives from other agencies as much as possible. In the absence of an integrated information system, agencies could benefit from greater data sharing about grantees.

- Centralized websites may give agencies less flexibility, as noted by officials from multiple governments. For example, officials from a grantmaking agency in the UK noted that the *Apply-for-a-Grant* website's format for grant applications is structured for simple, traditional grants. As a result, other types of grants—such as business grants that may have more complicated requirements and may include ministerial involvement—may be difficult to adapt to the application template. Officials from a grantmaking agency in the EU noted that additional flexibility beyond what a shared information system provides may be useful for some grant programs.

Standard Grant Documents



What examples of standard grant documents exist in these governments? All four of our selected governments developed one or more standardized grant documents that can be minimally customized. In particular, the selected governments developed standard templates for grant opportunities, award notifications, and grant agreements, including terms and conditions.²¹ For example, central government officials noted that the EU's *Model Grant Agreement* is used for EU grant awards, providing standard rules that can be adapted at the program level as needed, such as to comply with specific legislation.

What challenges can standard grant documents address? Officials from grantmaking agencies we spoke with in Australia, Canada, and the EU provided examples of how this reform effort helped address grants management challenges, including:

²¹For example, Australia uses *Grant Agreement Templates*, Canada uses *Standardized Funding Agreements*, the EU uses *Model Grant Agreements*, and the UK uses the *Model Grant Funding Agreement*.



Grantee Capacity: Standardizing grant documents can reduce administrative burden and complexity on grantees, who see similar grant documents across programs and years. Officials from grantmaking agencies in Australia and the EU both noted that standard grant documents can make it easier for grantees who apply for or receive grants from multiple grantmaking agencies. For example, in the EU, the *Model Grant Agreement* allows grantees to follow one set of rules that apply to all grant programs, rather than different rules for each grant program.



Streamlining: Standardizing grant documents can reduce duplication and administrative burden on grantmaking agencies, according to officials from multiple grantmaking agencies in Australia, Canada, and the EU. For example, officials from Canada noted that reducing the number of agreements they had to update annually and be familiar with made it easier to advise grantmakers within their agency. Officials from both Australia and the EU noted that standardized documents facilitated faster legal review because there was less variation across the agreements.

What considerations for standard grant documents did officials identify? A grantee representative from the EU suggested that finding the balance between uniformity and flexibility with standard grant agreements can be challenging. For example, a degree of flexibility with the language in the agreement is necessary to accommodate certain grant programs. However, the more tailoring a “standard” grant agreement requires, the less efficient the tool is for the grantmaking agency. In addition, the more options that are used to accommodate different types of programs, the more challenging a standard agreement may be for a grantee to interpret during implementation.

Risk-Based Grantee Selection Processes



What examples of risk-based grantee selection processes exist in these governments? Both Canada and the EU described using different selection criteria for different applicants—proportional to the risk determination of both the applicant and the grant program—rather than applying one process uniformly to all applicants. As a result, lower-risk applicants—such as repeat grantees with proven track records—for lower-risk grants may have fewer application requirements during the selection process. In some cases, they also may be subject to less intensive monitoring after the grant is awarded. For example, the Canadian Institutes for Health Research separates applications into two categories: applicants with proven track records and all other applicants.

Applicants with proven track records are eligible for grants with longer terms of service, minimizing how often they must reapply for funds. In the EU, some agencies can award a *Seal of Excellence* to eligible, strong applicants that were not awarded funding due to budget limitations. This designation may allow an applicant to more easily secure funding from other grantmaking agencies that also recognize the *Seal of Excellence*.

What challenges can a risk-based grantee selection process address? Officials from grantmaking agencies in both Canada and the EU we spoke with provided examples of how this reform effort helped address grants management challenges, including:



Grantee Capacity: Risk-based selection processes can reduce burden on applicants by reducing the amount of duplicative information requirements. As officials from some grantmaking agencies in the EU noted, applicants that have already been deemed eligible can more easily apply to other grant opportunities using a simpler application, which may reduce their administrative burden.



Internal Control and Oversight: Risk-based selection processes can address internal control challenges by right-sizing the government's procedures based on the risk assessment. By reducing duplicative or less necessary screening on low-risk applicants for low-risk grants, agencies can put more resources towards screening high-risk applicants for higher-risk grants, helping to reduce the risk of fraud. Therefore, limited government resources can be focused on higher-risk applicants, grantees, and grant programs. Officials from a grantmaking agency in Canada noted they instituted a risk-based approach after they found that half of the grant applications that went through their extensive review process were from repeat grantees and were more likely to be awarded funding.

What considerations for risk-based selection processes did officials identify? According to officials from a grantmaking agency in the EU, the initial application requirements for grantees can be fairly substantial before they are able to benefit from simpler application requirements for subsequent grant opportunities.

Simplified Payment Options



What examples of simplified payment options exist in these governments?

The EU allows for grantees to be paid based on criteria other than reimbursements for actual expenses.²² In general, approximate amounts of expected expenses are agreed upon in advance, with full terms of the payment options determined during the pre-award and award phases of the grants life cycle. Simplified payment options include any one or combination of the following:

- *Unit cost:* payments are based on the number of activities conducted, with unit amounts defined in advance. For example, they may be process based—such as hours of training conducted—or output based—such as number of trainings completed.
- *Lump sum:* amount defined in advance that can be paid based on completion of planned activities or the achievement of a certain outcome during the grant period. For example, the creation of an output such as a conference or feasibility study, once completed, would be eligible for a lump sum payment.
- *Flat rate:* payments based on applying a percentage to another category of costs. For example, a flat rate for overhead expenses may be applied to other direct grantee expenses.
- *Performance based:* payments are not related to costs but rather based on reaching performance milestones. For example, the EU's Recovery and Resilience Facility—a €357 billion grant program over 6 years—is entirely performance based. Member countries are paid only when they have achieved the agreed-upon milestones and targets included in their grant applications, independent of the actual costs to the member countries.

What challenges can simplified payment options address? EU officials from multiple agencies we spoke with provided examples of how this reform effort helped address grants management challenges, including:

²²The EU generally refers to these payment options as *simplified cost options*.



Grantee Capacity: Simplified payment options help address grantee capacity issues by reducing the focus on detailed financial accounting so grantees can focus more on programmatic activities and achieving results. For example, EU central government officials provided an example of paying based on unit costs for training provided. Grantees would receive payment based on the number of people trained, without providing details of the expenses related to the training. According to grantmaking officials from multiple agencies—as well as officials from an EU partner organization—simplified payment options have had positive effects on grantees, particularly small organizations.



Streamlining: Simplified payment options can help reduce burdensome processing tasks for the government grants workforce. Officials from multiple EU agencies—as well as a grantee representative—told us that while there is a learning curve, the simplified payment options have reduced administrative burden and improved efficiency.



Internal Control and Oversight: Simplified payment options reduce the complexity of payment procedures—as well as evaluation and reporting procedures—which makes it easier to comply with grant rules. According to officials from an EU grantmaking agency, simplified payment options have resulted in fewer errors that get reported to the EU parliament each year.

What considerations for simplified payment options did officials identify? EU officials from multiple agencies we spoke with provided insights on some of the trade-offs related to the reform effort, including:

- Simplified payment options may not reduce overall administrative burden. An official from a grantmaking agency mentioned an EU evaluation that found that while grantees paid based on performance were not spending as much time reporting on their costs, they were still collecting and tracking that information for internal purposes.²³
- Simplified payment options may place more risk on the grantees. According to officials from an EU grantmaking agency, grantees have

²³European Commission, *Mid-Term Evaluation of the Recovery and Resilience Facility*, Commission Staff Working Document (Brussels, Belgium: Feb. 2, 2024).

expressed concerns that if they incur unexpected but allowable expenses, they would not be able to receive reimbursement. In addition, an EU grantee representative noted that if grantees do not meet agreed-upon milestones or generally implement a grant project as described in their agreement, they risk receiving partial funding or not receiving funding at all, which could affect their ability to maintain operations. Officials from one grantmaking agency noted the importance of accurate planning and forecasting by both the grantmaking agency and the grantee to help mitigate these risks. However, officials from another agency added that this challenge is also relevant for cost-based grants, where the grantees may also face financial consequences for improper implementation.

Seven Identified Practices May Help Facilitate Grants Management Reforms

We identified seven practices that may help facilitate grants management reforms based on our conversations with officials from the selected governments (see fig. 4).

Figure 4: Practices to Facilitate Grants Management Reforms, as Described by Officials from Selected Governments

- ✓ Tying reforms to **government-wide initiatives** can generate initial momentum.
- ✓ Securing support from **senior leadership** can advance reforms.
- ✓ Engaging **stakeholders to help design** reforms can increase usefulness and buy-in.
- ✓ Leveraging **existing resources** can facilitate faster implementation.
- ✓ Dedicating **new resources** to reform efforts can help to accelerate and manage change.
- ✓ Using **phased implementation** can help improve final outcomes.
- ✓ Collecting **data on results** can improve compliance and demonstrate progress.

Source: GAO analysis of interviews with government officials from Australia, Canada, the European Union, and the United Kingdom. | GAO-25-106920

Tying Reforms to Government-Wide Initiatives Can Generate Initial Momentum

- ✓ Tying reforms to **government-wide initiatives** can generate initial momentum.

Source: GAO analysis of interviews with government officials from Australia, Canada, the European Union, and the United Kingdom. | GAO-25-106920

Central government officials in Australia and Canada told us they were able to secure political support and funding to initiate reform efforts when the reforms were associated with government-wide initiatives. For example, an Australian national initiative called the *Digital Transformation Agenda* provided funds to the Departments of Social Services and

Industry, Science and Resources to establish two grants shared service centers as part of a plan to improve user experience with government.²⁴ Likewise, in Canada, central government officials told us that a policy renewal cycle—which is a process the Canadian government undertakes every 5 years to update its grants guidance—has at times coincided with government-wide initiatives or strategic reviews.²⁵ In response to recommendations that resulted from these reviews, the government has committed to reforming grants management, such as by simplifying administrative processes and strengthening accountability.

Although officials told us that government-wide initiatives may direct funds and attention to grants reform efforts, such initiatives may also constrain the time frame for reform. In Australia, the transition from decentralized to centralized grants administration through shared service centers occurred within 3 years due to the time frame of the *Digital Transformation Agenda*, according to central government officials leading the reform. Officials from a grantmaking agency told us that, once the policy had been announced, the grants shared service centers were under pressure to implement the reform quickly. The officials said the short timeline magnified other challenges—such as the need to develop clear operational plans and flexible requirements for grant programs of different types and sizes—during the implementation of the reform.

Securing Support from Senior Leadership Can Advance Reforms



Securing support from **senior leadership** can advance reforms.

Source: GAO analysis of interviews with government officials from Australia, Canada, the European Union, and the United Kingdom. | GAO-25-106920

²⁴Beginning in 2015, the *Digital Transformation Agenda* was an initiative across government services in Australia to improve user experience for individuals and businesses engaging with the government. The initiative included over AUD\$106 million for activities to streamline government grants administration.

²⁵In particular, the review of Canadian government grants was undertaken by the Independent Blue Ribbon Panel in June 2006, alongside a policy renewal cycle. The panel's report, which issued later that year, provided recommendations to improve grants administration. See Treasury Board of Canada Secretariat, *From Red Tape to Clear Results: The Report of the Independent Blue Ribbon Panel on Grant and Contribution Programs* (Ottawa, Ontario: December 2006).

Officials from each of the four selected governments told us that support from senior leadership, such as championing or mandating reforms, advanced their efforts by promoting engagement and compliance from grantmaking agencies. For example, in the UK, senior agency officials played a key role in reform efforts by recognizing the value of good grants administration and encouraging compliance within their agencies, according to central government officials. In particular, agency ministers agreed to mandate the *Find-a-Grant* website for all grant opportunities, increasing consistency across government, according to a central government official.

Officials at one Canadian agency told us that senior leadership also helped to advance reform efforts by mandating change. According to the officials, senior leadership at their agency required grant programs to adopt an information technology reform to improve accountability and manage payments to grantees. The reform facilitated major changes in the agency's grants administration, according to the officials. More broadly, the Treasury Board of Canada Secretariat hosts meetings of leaders across government agencies, to help identify innovation, increase support, and guide implementation of grants management reforms, according to central government officials.

Conversely, some officials noted that changes in administration could disrupt reform efforts. For example, shared service center staff in Australia told us that changing agency ministers early in the implementation of the grants shared service centers affected staff recruitment. The new ministers had different ideas related to their agencies' business practices and structure than their predecessors, according to the officials. To mitigate these types of challenges, multiple Australian officials said it was important to coordinate at all levels of the workforce, including among staff planning and implementing reforms.

Engaging Stakeholders to Help Design Reforms Can Increase Usefulness and Buy-in



Engaging stakeholders to help design reforms can increase usefulness and buy-in.

Source: GAO analysis of interviews with government officials from Australia, Canada, the European Union, and the United Kingdom. | GAO-25-106920

Officials from Australia, the EU, and the UK said that government and non-government engagement during the design of reform efforts

increased efficacy and enthusiasm for new approaches. For example, in the UK, a central government official said the Government Grants Management Function built the *Find-a-Grant* website through a method of co-creation with grant applicants. They began the process by gathering feedback from more than 30 grant applicants on their needs and expectations for the website, according to the official. After receiving that feedback, the official said the government conducted broader outreach to find grant applicants who would participate in round tables, surveys, and other feedback sessions on *Find-a-Grant*. According to the official, more than 1,000 people expressed interest in participating. The official also said that the community's enthusiasm may have encouraged agency ministers to later mandate *Find-a-Grant* for all government grant opportunities.²⁶

Officials from agencies in Australia, the EU, and the UK also told us that collaborative design required negotiation and compromise. For example, officials from a small grantmaking agency in Australia noted that reform efforts may apply to most, but not all, agencies and grantees. Central government officials in Australia said that, although small agencies were represented in relevant working groups, the speed at which the shared service centers were implemented made it difficult for small agencies to provide input on planned reforms.

Leveraging Existing Resources Can Facilitate Faster Implementation



Leveraging **existing resources** can facilitate faster implementation.

Source: GAO analysis of interviews with government officials from Australia, Canada, the European Union, and the United Kingdom. | GAO-25-106920

Government officials in Australia, Canada, and the UK told us that scaling existing systems or tools government-wide facilitated faster implementation by allowing agencies to leverage established resources, expertise, and processes. For example, central government officials in Australia said that the agencies selected to host the grants shared service centers were chosen, in part, because they had preexisting systems for grants management. Shared service center staff said that the Department of Social Services, which hosts one of the shared service centers, already

²⁶*Find-a-Grant* was launched in April 2022 but not mandated for all agencies until a year later, in April 2023.

had a grant application portal and a customer service call center that could support grantmaking agencies and grantees.

In some cases, officials told us that leveraging existing resources required adjustments to ensure that systems built for one purpose were applicable across diverse agencies, programs, and grantees. For example, a Canadian agency official described using existing systems to build a database for tracking grants. In practice, the agency struggled to refine its business processes in such a way to allow for a horizontal data collection and comparative analysis to meet its goals, according to the official. The official said the agency had to revise its objectives to achieve a smaller, but more realistic, improvement. Even after the agency adjusted its goals, the official said technology continues to be a major pain point in grants management.

Dedicating New Resources to Reform Efforts Can Help to Accelerate and Manage Change



Dedicating **new resources** to reform efforts can help to accelerate and manage change.

Source: GAO analysis of interviews with government officials from Australia, Canada, the European Union, and the United Kingdom. | GAO-25-106920

Officials from Australia, Canada, and the UK told us that new resources, such as dedicated staff or temporary funding, helped to accelerate reform efforts and manage cultural change. For example, after a 2014 report by the UK National Audit Office found that grant effectiveness was impeded by limited government coordination, the UK expanded the grants management workforce by establishing the Government Grants Management Function.²⁷ As of December 2023, the Government Grants Management Function has over 50 staff supporting effective grantmaking in the UK. Multiple officials we spoke with said that the Government Grants Management Function has helped raise the professionalism of grantmaking government-wide.

In Australia, central government officials said the government provided new funding to government agencies to facilitate reform. Specifically, the officials said the *Public Service Modernisation Fund* helped to smooth out and accelerate the onboarding process from agency to centralized grants

²⁷See National Audit Office, *Government Grant Services* (London, UK: July 3, 2014).

shared service centers. The funding was used, in part, to support agencies transitioning to the shared service centers and for the centers to improve their service delivery capability. Central government officials told us that, without the funding, grantmaking agencies may have been more resistant to the new requirement to use grants shared service centers.

Although officials told us additional resources could help reduce resistance to reform, some Australian officials also said that temporary resources may not be enough to accomplish reform goals. For example, the officials said the initial funding to establish the grants shared service centers was not sufficient to cover their implementation. To complete the reform, officials from the agency said they had to subsidize the grants shared service center from their own agency budget.

Using Phased Implementation Can Help Improve Final Outcomes



Using **phased implementation** can help improve final outcomes.

Source: GAO analysis of interviews with government officials from Australia, Canada, the European Union, and the United Kingdom. | GAO-25-106920

Officials in all four selected governments said that using phased approaches helped them to implement reforms, such as by improving proposed tools and policies, facilitating stakeholder buy-in, and reducing disruption to established grant programs. For example, the UK piloted the *Find-a-Grant* website with programs from multiple grantmaking agencies before launching it government-wide. During the pilot, it gathered feedback from users to help understand how the website worked for agencies and grantees and to improve its design and functionality. The pilot evaluation concluded that *Find-a-Grant* helped save the government and grant applicants time and increased compliance with grants guidelines.

Agency officials from multiple selected governments said they used phased implementation to adopt new approaches to grants management. For example, an official from a grantmaking agency in the EU said the

agency piloted simplified payment options on a small grant program before expanding their use to a larger, higher-value program.²⁸

Collecting Data on Results Can Improve Compliance and Demonstrate Progress



Collecting **data on results** can improve compliance and demonstrate progress.

Source: GAO analysis of interviews with government officials from Australia, Canada, the European Union, and the United Kingdom. | GAO-25-106920

Central government officials in Australia and the UK said that collecting metrics on the results of grants management reforms helped to increase compliance and demonstrate the effect of reform efforts. For example, officials we spoke with said that the UK's Government Grants Management Function coordinates regular assessments of grantmaking agencies that improve compliance with recommended grants management approaches. Grantmaking agencies receive scores that provide an indication of their grants management capability, according to a UK audit report.²⁹ The report found that median scores have improved steadily over time and that several individual agencies have taken steps to improve their capabilities. According to a central government official, the Government Grants Management Function publishes findings from the assessments on an internal government website, then allows agencies time to address any issues identified in the process. Another UK central government official told us that, after receiving an average rating, one grantmaking agency increased its use of grants management tools and resources to improve its rating the following year.

When available, data on the results of reform efforts can be used to demonstrate that the reforms are achieving their intended results. However, officials from Australia and the UK described challenges in collecting baseline data to measure progress. For example, in Australia, central government officials told us they had limited comparable grants

²⁸Simplified payment options, as discussed earlier, allow for the reimbursement of grant expenditures through predefined methods based on agreed-upon processes, outputs, or results, rather than reimbursement based on actual expenses. In the EU, examples of simplified payment options include flat rate financing, standard unit costs, and lump sum payments.

²⁹See National Audit Office, *Government's General Grant Schemes*, Session 2024-25 HC 126 (London, UK: July 9, 2024).

data across government agencies prior to implementing reforms. In particular, the officials said they lacked baseline data on the cost of grantmaking across government grant programs. Therefore, the officials said they were unable to quantify the extent to which the grants shared service centers had met one of their key goals of reducing administrative costs.

Agency Comments

We provided a draft of this report to the Office of Management and Budget for review and comment. Office of Management and Budget provided technical comments, which we incorporated as appropriate.

We also provided excerpts of the draft report to cognizant officials from Australia, Canada, the European Union, and the United Kingdom. These officials provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Director of the Office of Management and Budget, representatives of the selected governments, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-6806 or ArkinJ@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff members who made key contributions to this report are listed in appendix IV.



Jeff Arkin
Director, Strategic Issues

Appendix I: Entities Involved in Our Study

Table 1 lists the entities in our selected governments that provided insights through interviews, documentation, or both.¹

Table 1: List of Entities Involved in GAO’s Study of Grants Reform Efforts in Other Governments

Selected Government	Entity
Australia	<ul style="list-style-type: none"> • Australian National Audit Office • Community Services Advisory Group • Department of Education • Department of Finance • Department for Foreign Affairs and Trade • Department of Health and Aged Care • Department of Industry, Science and Resources • Department of Infrastructure, Transport, Regional Development, Communications and the Arts • Department of the Prime Minister and Cabinet • Department of Social Services • Joint Committee of Public Accounts and Audit
Canada	<ul style="list-style-type: none"> • Canada Foundation for Innovation • Canadian Institutes of Health Research • Canadian Northern Economic Development Agency • Employment and Social Development Canada • Health Canada • Natural Sciences and Engineering Research Council of Canada • Office of the Auditor General of Canada • Social Sciences and Humanities Research Council • Treasury Board of Canada Secretariat

¹Interviews with Canadian, European Union, and United Kingdom officials were conducted virtually, with one exception. One interview with a European Union official was conducted in person. Interviews with Australian officials were generally conducted in person, with additional virtual meetings.

Appendix I: Entities Involved in Our Study

European Union

- Directorate General for Budget
- Directorate General for Education, Youth, Sport and Culture
- Directorate General for International Partnerships
- Directorate General for Neighborhood and Enlargement Negotiations
- Directorate General for Regional and Urban Policy
- Directorate General for Research and Innovation
- European Court of Auditors
- European Education and Culture Executive Agency
- European Research Council Executive Agency
- European Research Executive Agency
- National Contact Point for Horizon Europe
- Secretariat General for European Funds, Spain

United Kingdom

- Cabinet Office, Crown Commercial Service
 - Cabinet Office, Government Grants Management Function
 - Department for Business and Trade
 - Department for Education
 - Department for Science, Innovation and Technology
 - Department for Transport
 - Foreign, Commonwealth and Development Office
 - Ministry of Housing, Communities and Local Government
 - National Audit Office
-

Source: GAO. | GAO-25-106920

Appendix II: Grants Management in Selected Governments

This appendix provides detailed information on the four selected governments whose grants management reform efforts are described in this report: Australia, Canada, the European Union, and the United Kingdom. For each government, we present information on key players, selected tools and resources, and a timeline of selected precipitating events and grants reform efforts.¹

¹We did not conduct an independent legal analysis to verify the information we obtained about the laws, regulations, or policies of the governments selected for this study. Instead, we relied on appropriate secondary sources, including government websites, interviews, and other sources to support our work.

Grants Management in Australia



“Each year, billions of dollars of Australian Government grants are provided across a breadth of activities and can range in value from as low as AUD\$50 up to AUD\$1 billion. Types of grants include but are not limited to: research grants; grants that provide for the delivery of services such as health services and legal services; grants that help fund infrastructure; or grants that help build capacity.”

Source: Department of Finance Submission to the Joint Committee of Public Accounts and Audit, November 2022. | GAO-25-106920

Key Players in Grants Management

There are several government actors with key roles in the implementation and oversight of grants, according to Australian officials:

- **Department of Finance** provides policy and program leadership on grants administration.
- **Business Grants Hub** provides grants administration services focused on grants to business and industry. The hub is administered by the Department of Industry, Science and Resources.
- **Community Grants Hub** provides grants administration services focused on grants to individuals and community organizations. The hub is administered by the Department of Social Services.
- **Joint Committee of Public Accounts and Audit**—a legislative committee—self-initiates, conducts, and reports on specified inquiries, including those related to grants administration.

Tools and Resources for Grants Management

A variety of tools and resources has been developed to support grantmaking in Australia, including the following:

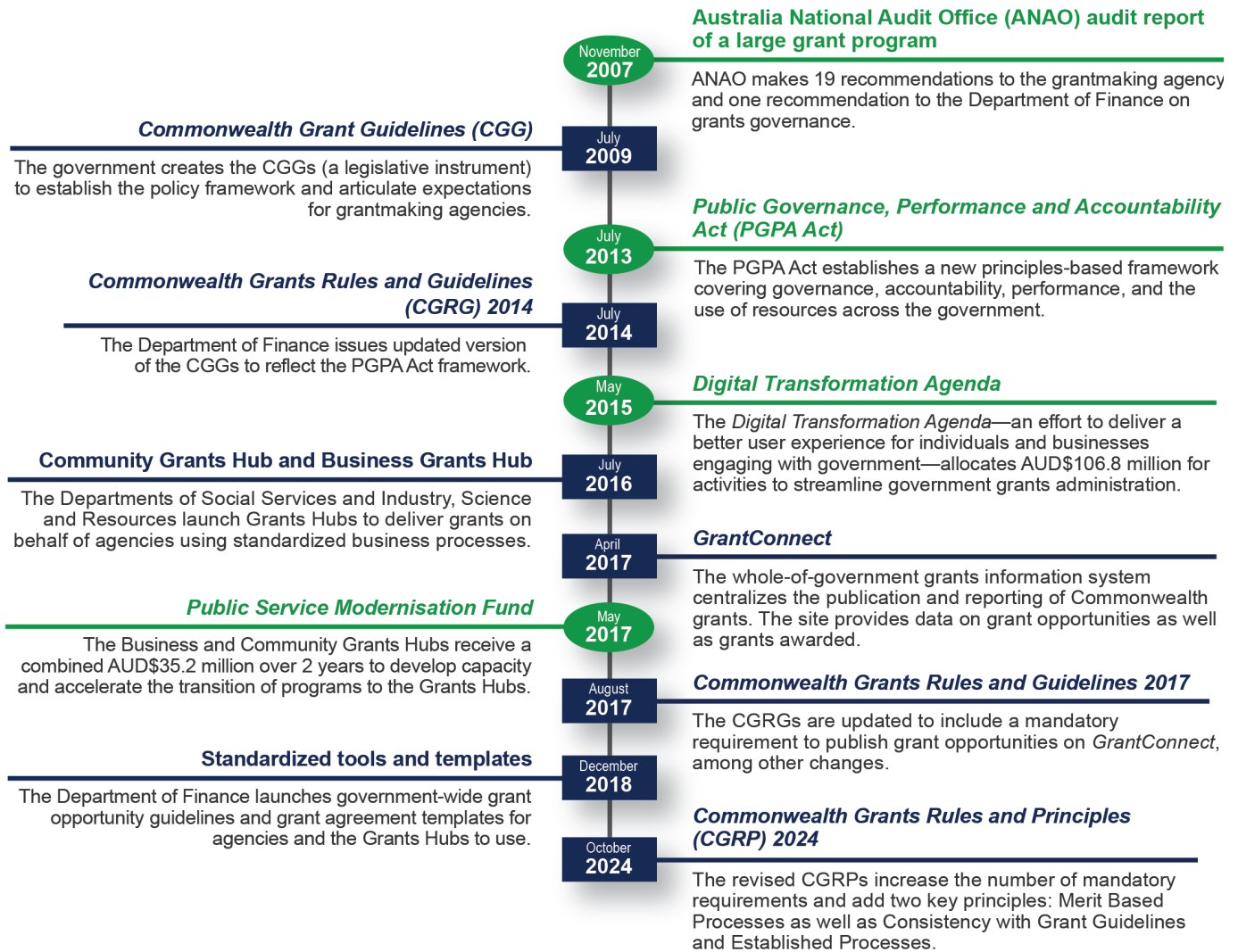
- **Commonwealth Grants Rules and Principles** are the overarching framework and expectations related to Australian grants administration. They include mandatory requirements and explain how agencies should apply the nine key principles of grants administration across the grants life cycle.
- **GrantConnect** is a website that provides centralized publication of current and expected government grant opportunities, as well as data on awarded grants.
- **Grant Opportunity Guideline Templates** and **Grant Agreement Templates** are suites of templates to help agencies comply with the *Commonwealth Grants Rules and Principles*, along with a decision tool to assist agencies in selecting the appropriate template.
- The **Grants Governance Scaling Tool**, developed jointly by the Department of Health and Aged Care and the Community Grants Hub, can be used by grantmakers from any agency to consider the funding arrangement, amount, and risk of a particular grant and simplify the management process accordingly. Based on the assessment results, the agency can reduce the administrative burden for both the grantee and the government grants workforce.
- The **Grants Prioritisation Guide** provides agencies with suggested approaches to prioritize funding to Indigenous Australian organizations during grant design and administration.

Australia Uses a Principles-Based Approach to Grants Management

A principles-based approach is defined by various guidelines that are applied based on judgment and context, as opposed to a rules-based approach with mandated rules and procedures. Australia’s grants guidance contains some requirements, followed by best practices to apply nine key principles of grantmaking. The goal of using a principles-based approach is to provide officials with the flexibility to administer grants that contribute to a range of outcomes, in collaboration with a variety of non-government stakeholders.

Grants Management in Australia

Figure 5: Timeline of Selected Precipitating Events and Grants Management Reform Efforts in Australia



● Precipitating events ■ Grants management reform efforts

Source: GAO analysis of interviews and Australian government documentation. | GAO-25-106920

Note: We did not conduct an independent legal analysis to verify the information we obtained about the laws, regulations, or policies of the governments selected for this study. Instead, we relied on appropriate secondary sources, including government websites, interviews, and other sources to support our work.



“[Grants] represent a large part of the Government of Canada’s spending and touch the lives of Canadians and others every day in all sectors of society. The government is committed to ensuring that [grants] are designed, delivered, and managed with integrity, accountability, and transparency in a recipient-focused manner.”

Source: *Policy on Transfer Payments, Canada.* | GAO-25-106920

Key Players in Grants Management

There are several government actors with key roles in the implementation and oversight of grants, according to Canadian officials:

- **The Treasury Board of Canada Secretariat** develops policy and leads government-wide initiatives related to transfer payments. The Treasury Board of Canada Secretariat works closely with the **Department of Finance**—responsible for budget—and the **Privy Council Office**—responsible for priority setting.
- **Vanguard or Pathfinder Departments** represent agencies that generally initiate innovative approaches that can be scaled up government-wide. According to a central government official, Canada has 54 grantmaking agencies in total, and both large and small agencies engage in innovative grants management practices.
- **Canada Research Coordinating Committee** provides a senior strategic forum of research funding agencies that work together to advance priorities, coordinate policies, and collaborate on forward-looking initiatives.

Tools and Resources for Grants Management

A variety of tools and resources has been developed to support grantmaking in Canada, including the following:

- **Policy on Transfer Payments** provides overarching policy guidance and a framework for the design and delivery of transfer payments. It undergoes policy renewal every 5 years.
- **Centres of Expertise** are internally facing offices that help streamline and simplify grants management and administration. They are common practice within Canadian grantmaking agencies, according to Canadian officials.
- **Interdepartmental Sharing Forum** consists of representatives from agencies with *Centres of Expertise* who meet monthly to share ideas and best practices and facilitate bilateral collaboration. In addition, there are multiple other interdepartmental committees and communities of practice both at the working level and senior official level focused on grants.
- **Funding flexibility** such as multiyear agreements and payment based on performance milestones or costing formulas. For Indigenous grantees, options also include fixed, flexible, and block funding.
- **Risk-based assessment** through the design of programs, the preparation of agreements, and grantee monitoring and auditing decisions.
- **Standard funding agreement templates** have been developed by most individual agencies to streamline agency-level grantmaking, according to Canadian agency officials.
- **Grants and Contributions Learning Series** are trainings designed for public servants in program officer and program manager roles with transfer payment responsibilities.

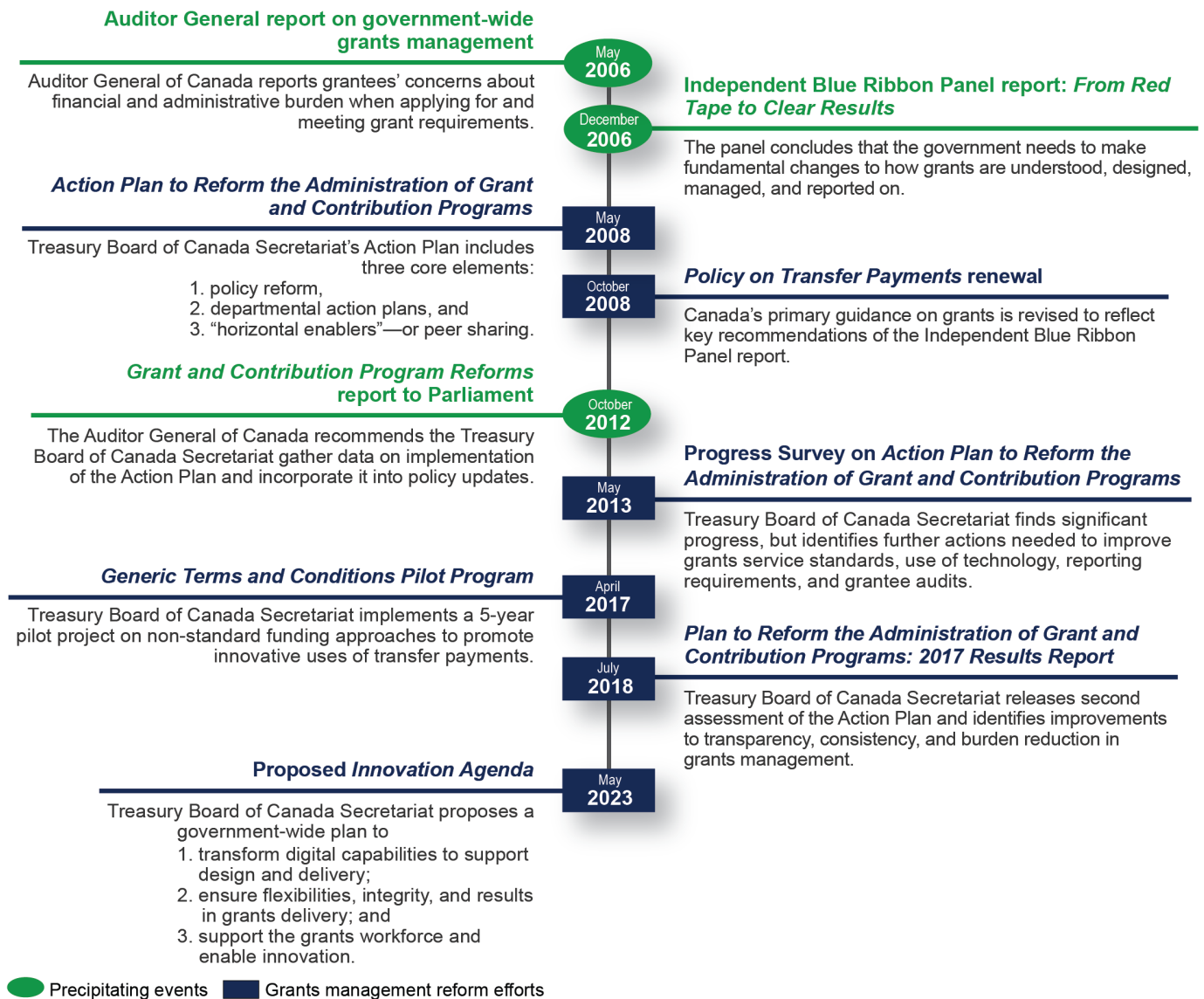
Grants Management in Canada

Not All Grants Are Grants in Canada

Transfer payments are payments that do not generally result in any goods, services, or assets received. **Grants** are payments subject to eligibility criteria, but not generally subject to audits and may be subject to reporting requirements. **Contributions** are payments subject to performance conditions, reporting requirements, and audits.

Source: Treasury Board of Canada Secretariat. | GAO-25-106920

Figure 6: Timeline of Selected Precipitating Events and Grants Management Reform Efforts in Canada



Source: GAO analysis of interviews and Canadian government documentation. | GAO-25-106920

Note: We did not conduct an independent legal analysis to verify the information we obtained about the laws, regulations, or policies of the governments selected for this study. Instead, we relied on appropriate secondary sources, including government websites, interviews, and other sources to support our work.

Grants Management in the European Union



“The European Union budget—which includes grants—is crucial for responding to the challenges the European Union faces. The budget creates jobs, funds projects that improve health, education, transport, and energy infrastructure; improves the security of its borders; helps combat climate change; and promotes the digital transition of its societies.”

Source: European Union website: *How the EU Budget is Spent*. | GAO-25-106920

Key Players in Grants Management

There are several institutions and officials with key roles in the implementation and oversight of grants, according to European Union (EU) officials:

- **Directorate General for Budget’s** Central Financial Service manages the EU’s budget and leads changes to and oversight of the financial rules (guidance) governing the establishment, implementation, and control of the budget. It is also responsible for the legal framework for all EU grants and manages guidance for *eGrants* and the *Funding and Tenders Portal*, among other responsibilities, according to central government officials.
- **Directorates General** are responsible for funding programs under a particular policy area. For example, the **Directorate General for Research and Innovation** manages the Horizon Europe program, the EU’s flagship program for research and innovation grants. This Directorate General also hosts the Common Implementation Centre that operates the *eGrants* system used by all grantmaking agencies.
- **Executive Agencies** manage certain grants administration tasks on behalf of the Directorates General. There are six executive agencies that support the implementation of almost all of the EU’s funding programs, according to central government officials.
- **National contact points** are officials from member countries who provide grants support and expertise in their native languages to potential applicants and grantees for specific EU programs.

Tools and Resources for Grants Management

A variety of tools and resources has been developed to support grantmaking in the EU, including the following:

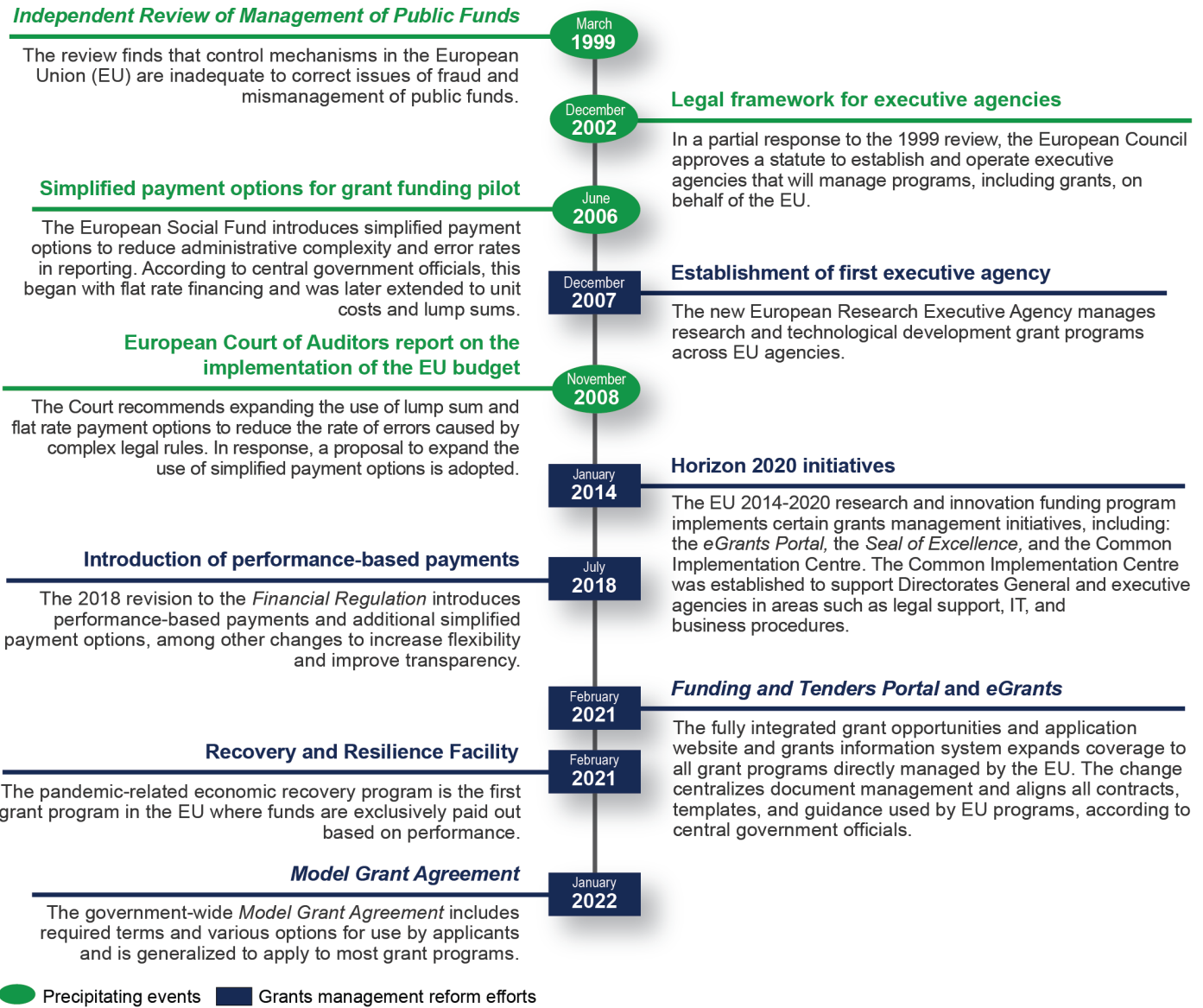
- **Financial Regulation** provides rules for all forms of funding, including grants. The *Financial Regulation* describes common rules that apply to all funding types and provides options for grantmaking agencies, including **simplified cost options** (a way of paying grants based on inputs, outputs, or results, rather than reimbursing actual costs) and **financing not linked to costs** (a way of paying out grants based on the fulfillment of preestablished conditions or results).
- **Funding and Tenders Portal** is the EU’s website that lists all government grant opportunities, award data, and results information. The website is integrated with *eGrants*, the information system used by all EU grantmaking agencies and grantees.
- **The Model Grant Agreement**, used for all EU grant awards, provides standard rules that can be adapted at the program level as needed, such as to comply with specific legislation.

How the EU Acts as a Government

The EU is a supranational political and economic union of 27 member states. The European Commission—part of the EU’s executive branch—is responsible for implementing the EU budget and managing funding for programs, including grants. In this way, it is like the executive branches of the national governments in our study. Therefore, in this report, we refer to the EU, and its component branches and agencies, as a government.

Grants Management in the European Union

Figure 7: Timeline of Selected Precipitating Events and Grants Management Reform Efforts in the European Union



Source: GAO analysis of interviews and EU documentation. | GAO-25-106920

Note: We did not conduct an independent legal analysis to verify the information we obtained about the laws, regulations, or policies of the governments selected for this study. Instead, we relied on appropriate secondary sources, including government websites, interviews, and other sources to support our work.

Grants Management in the United Kingdom



“Grants play a vital role in achieving the government’s aspirations by fostering innovation, supporting pioneering research, and driving progress in various sectors. Grants enable the government to invest in cutting-edge scientific advancements, creating a thriving economy and benefiting society as a whole.”

Source: *Government Strategy for Grants Management 2023-2025*, United Kingdom. | GAO-25-106920

Key Players in Grants Management

There are several government actors with key roles in the implementation and oversight of grants, according to United Kingdom (UK) officials:

- **Government Grants Management Function** is a central department—a government function—within the Cabinet Office that provides policy, tools, and expertise to government agencies.
- **Grants Champions** and **Senior Functional Leads** are positions within each grantmaking agency, responsible for encouraging compliance with grants management best practices and sharing resources and guidance with their colleagues.

Tools and Resources for Grants Management

A variety of tools and resources has been developed to support grantmaking in the UK, including the following:

- **The Government Grants Information System** captures information about grant funding across the whole of government. Statistics on government grant funding are published annually.
- **The Grants Functional Standard** sets expectations for the management of government grants, including the 10 minimum requirements, which detail rules that officials must follow when administering a government grant.
- **Find-a-Grant** and **Apply-for-a-Grant** are online systems listing competitive grant opportunities, where potential applicants can search for opportunities, sign up for notifications, and submit applications.
- **Spotlight Due Diligence Tool** is an automated due diligence tool that highlights areas of risk to inform grantmaking decisions.
- **The Complex Grants Advice Panel** is an independent, cross-government group of experienced grantmakers who advise on the design, development, and management of high-priority, high-risk, or high-value grants.
- **The Grants Licence to Practise** training program covers key knowledge and skills required for effective grants management—with a focus on practical skills, networking, and peer-to-peer learning—resulting in a formal accreditation.
- **The Government Grants Managed Service** is a centralized, shared service center that aims to improve productivity and efficiency, and minimize risk in grants administration. The service was initially piloted with two agencies in 2024.

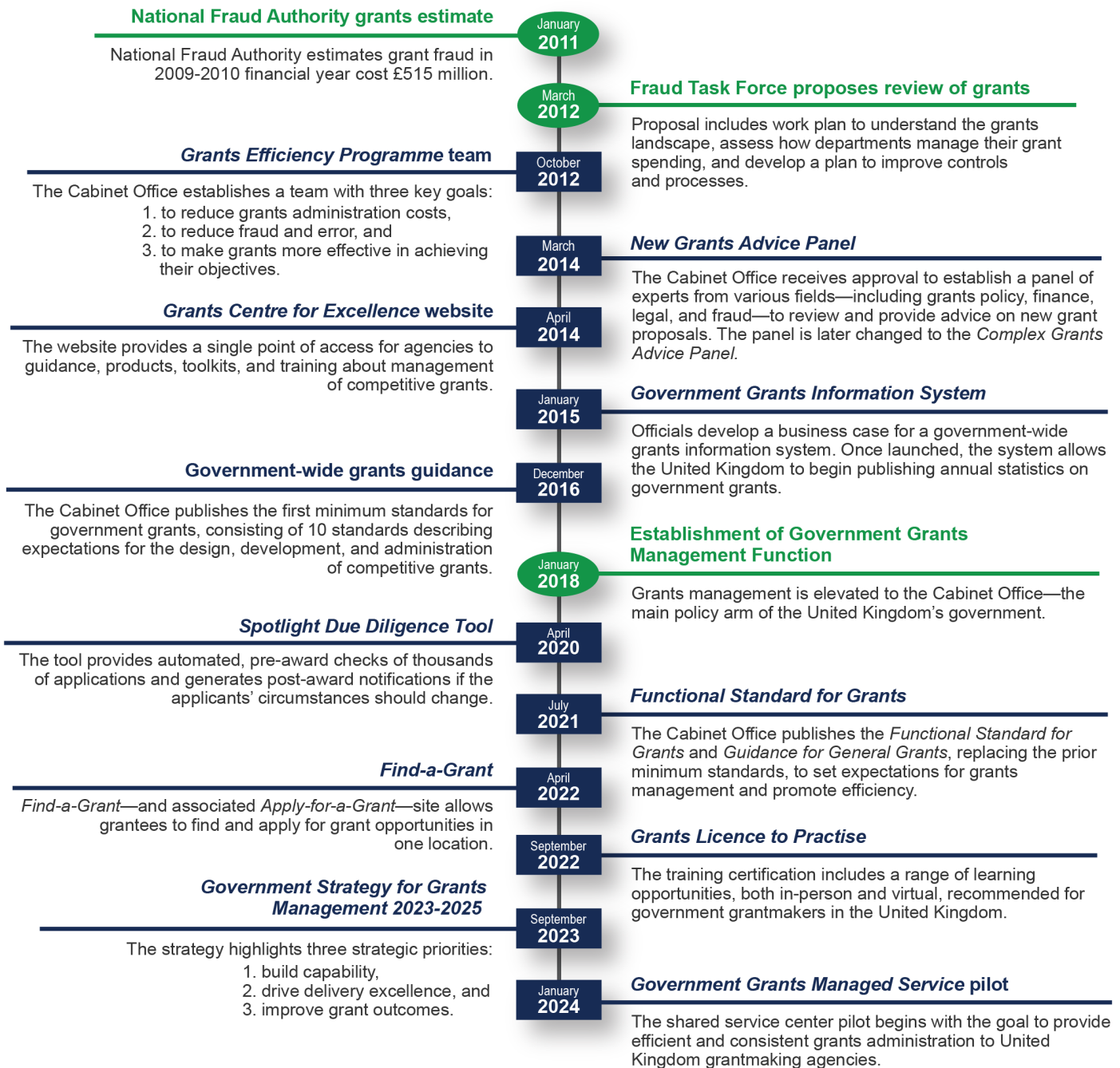
Grants Management Is a Government Function

Grants management is one of 13 government functions in the UK—some of the others include finance and human resources. A government function forms a framework for collaboration across agencies, and each function supports excellence and consistency. The Government Grants Management Function (1) provides expert advice and sets the standards for how government grants should be delivered; (2) develops tools for grantmakers such as *Find-a-Grant*; and (3) manages data, analytics, and the *Spotlight Due Diligence Tool*.

Source: GAO analysis of government documentation from the UK. | GAO-25-106920

Grants Management in the United Kingdom

Figure 8: Timeline of Selected Precipitating Events and Grants Management Reform Efforts in the United Kingdom



● Precipitating events ■ Grants management reform efforts

Source: GAO analysis of interviews and United Kingdom government documentation. | GAO-25-106920

Note: We did not conduct an independent legal analysis to verify the information we obtained about the laws, regulations, or policies of the governments selected for this study. Instead, we relied on appropriate secondary sources, including government websites, interviews, and other sources to support our work.

Appendix III: Selected Grants Management Reform Efforts in the United States

U.S. agencies and the Office of Management and Budget have taken some steps to address grants management challenges. These efforts were not within the scope of our audit. However, below we identify a selection of potentially similar U.S. reform efforts which were either related to our prior work or identified in consultation with Office of Management and Budget staff (see table 2). This is neither an exhaustive list of reform efforts by the U.S. nor an exhaustive list of reform efforts for each type.

Table 2: Selected Examples of Potentially Similar Reform Efforts in the United States

Reform Effort by Selected Governments	Selected Examples of Potentially Similar Reform Efforts in the United States
Principles-based guidance	<p>In April 2024, the Office of Management and Budget announced it had updated its grants guidance—<i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i>—to make the guidance more clear, concise, and consistently implemented.^a According to Office of Management and Budget staff, while some of the guidance is rules based—often reflecting statutory requirements—other aspects of the guidance have principles-based elements. For example, the staff noted that the guidance on program design and program monitoring, in some cases, sets forth principles of design and oversight rather than specific requirements.</p>
Central department for grants policy	<p>The Office of Management and Budget is responsible for developing government-wide grants guidance.^b The Department of Health and Human Services’ Office of Grants—in addition to providing agency-wide leadership on grants—serves several government-wide roles fostering collaboration, innovation, consistency, and accountability in the administration and management of federal financial assistance.</p>
Network of government grants leaders	<p>In August 2023, the Office of Management and Budget established the Council on Federal Financial Assistance, an interagency forum consisting of senior officials responsible for grants policy to improve coordination, transparency, and accountability for the award and management of federal funding.^c</p>
Complex grants advice panel	<p>According to Office of Management and Budget staff, some agencies have different processes or policies in place for grants over a certain threshold amount, which may include more complex risk assessments, more senior officials serving on selection panels, or more experienced grants professionals assigned to oversee the grant.</p> <p>The staff also noted that the White House and Office of Management and Budget, in partnership with the Pandemic Response Accountability Committee, began holding “Gold Standard” meetings to institute a more cooperative and early prevention model for fraud prevention and program integrity, creating a forum with agency program staff and their inspector general, to consider concerns and issues before implementing a grant program. According to Office of Management and Budget staff, these meetings were later institutionalized in guidance and are now being used more broadly.</p>

Appendix III: Selected Grants Management Reform Efforts in the United States

Grants training credential	<p>There are examples of agency-level training credentials for the government grants workforce. For example, we reported in December 2023 that the Department of Health and Human Services designed a certification program intended to provide comprehensive training for grants management specialists and promote common competencies and transferable skills across the agency. Department of Health and Human Services officials reported that the initiative allowed the agency to provide consistent training for its grant management and program office staff and reduce the cost of training.^d</p> <p>According to Office of Management and Budget staff, other agencies also require some form of certification. The staff noted that the Department of State requires grants officers to be certified to oversee grants up to \$100,000 and to take additional training to be certified to oversee grants at higher amounts.</p>
Grants shared service center	<p>In April 2019, the Office of Management and Budget established a process for designating agencies as Quality Service Management Offices to improve federal shared services, among other goals.^e In January 2021, the Office of Management and Budget designated the Department of Health and Human Services to house the Grants Quality Service Management Office. The office creates and manages a government-wide marketplace for grants technology solutions and services, advises agencies on grants technology investments to reduce costs and avoid duplicative spending, and drives implementation of grants data standards.</p>
Automated due diligence screener to review applicants	<p>As we reported in December 2023, the Department of Health and Human Services developed the Recipient Data Insights tool, which helps multiple federal agencies assess the pre-award risk of awarding funds to grant applicants. The tool automates the collection of applicant and grantee data from eight different federal databases, keeps the information up to date, and presents the data in a single system. At the time, agency officials estimated that the tool reduced review time per application by 45 minutes, on average.^f</p>
Comprehensive grants website	<p>Multiple websites provide information on federal grants, including:</p> <ul style="list-style-type: none"> • <i>Grants.gov</i>, which lists federal grant opportunities; • <i>USAspending.gov</i>, which presents searchable data on federal grants spending; • The System for Award Management (<i>SAM.gov</i>), which centralizes information about grantees and provides a central location for grantees to change their organizational information; and • The Federal Program Inventory (<i>FPI.omb.gov</i>), which aggregates information about federal programs, including grants. <p>In addition, Congress passed the Grant Reporting Efficiency and Agreements Transparency Act of 2019 to modernize reporting by federal grantees and strengthen agency management and oversight of federal grants through the standardization of grant data elements.^g</p>
Standard grant documents	<p>According to Office of Management and Budget staff, many federal agencies have standardized templates for grant awards. For example, the U.S. Agency for International Development requires all grant agreements for non-U.S. nongovernmental organizations to include a set of standard provisions, resulting in a level of standardization across the agency's grant agreements.</p>
Risk-based grantee selection processes	<p>Federal grants guidance requires agencies to conduct a risk assessment for competitive grant awards.^h For example, as we reported in April 2024, the U.S. Agency for International Development conducts pre-award assessments to determine the risks posed by potential grantees.ⁱ The pre-award assessment required differs on the basis of factors such as type of award and type of grantee.</p>
Simplified payment options	<p>The U.S. has a few grant programs that use alternative payment options. For example, the U.S. Agency for International Development has used a Pay-for-Results model for some of its grants.^j</p>

Source: GAO analysis of prior GAO work and Office of Management and Budget information. | GAO-25-106920

^eOffice of Management and Budget, *Reducing Burden in the Administration of Federal Financial Assistance*, M-24-11 (Washington, D.C.: Apr. 4, 2024).

^h31 U.S.C. § 503(b)(2)(C).

**Appendix III: Selected Grants Management
Reform Efforts in the United States**

^cOffice of Management and Budget, *Establishment of the Council on Federal Financial Assistance*, M-23-19 (Washington, D.C.: Aug. 9, 2023).

^dGAO, *Grants Management: HHS Has Taken Steps to Modernize Government-wide Grants Management*, [GAO-24-106008](#) (Washington, D.C.: Dec. 14, 2023).

^eOffice of Management and Budget, *Centralized Mission Support Capabilities for the Federal Government*, M-19-16 (Washington, D.C.: Apr. 26, 2023).

^f[GAO-24-106008](#).

^gPub. L. No. 116-103, § 2, 133 Stat. 3266 (2019), *codified at* 31 U.S.C. §§ 6401 note, 6402 note, 6401-04, 7505. We evaluated progress in creating grant reporting data standards as required by the act in GAO, *Grants Management: Action Needed to Ensure Consistency and Usefulness of New Data Standards*, [GAO-24-106164](#) (Washington, D.C.: Jan. 25, 2024).

^h2 C.F.R. § 200.206(b).

ⁱGAO, *Foreign Assistance: USAID Should Strengthen Risk Management in Conflict Zones*, [GAO-24-106192](#) (Washington, D.C.: Apr. 30, 2024).

^jSee, for example, U.S. Agency for International Development, *Key USAID Pay for Results Models and Case Studies*, White Paper #1 (Chemonics International: June 2020, updated November 2021).

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Jeff Arkin, (202) 512-6806 or arkinj@gao.gov

Staff Acknowledgments

In addition to the contact named above, Barbara Lancaster (Assistant Director), Kimberly Bohnet (Analyst in Charge), Gabriella Baxter, Jieun Chang, Amalia Konstas, Maia O'Meara, Steven Putansu, Robert Robinson, Norma-Jean Simon, and Mercedes Wilson-Barthes made key contributions to this report.

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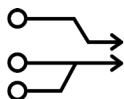
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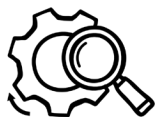
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