



The 2017 State of Grant Management Report



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Executive Summary: The Open Data Era

The open data movement is in full swing. Citizens, watchdog groups and government officials demand financial transparency. All want verification that taxpayer dollars are used as promised and performing at peak status.

However, capturing this information has historically been a Herculean task. Until recently, federal finances and expenditures were captured and housed in multiple formats across disparate agency systems. This made cross comparisons and publically accessible data near impossible. It also opened the door to waste, fraud and abuse.

Federal open data regulations, particularly the [Digital Accountability and Transparency Act \(DATA Act\)](#), however, have shifted this conversation. The promise for standardized government financial data is becoming reality, as consistent data fields and formats are adopted across federal agencies.

This shift toward transparency brings its own opportunities and challenges, as agencies and federal award-reliant organizations adapt to new requirements.

Our annual report assesses the state of grant management in this evolving landscape. Drawing on survey responses from almost 200 grant professionals, we examined current grant processes, common frustrations, technology use and compliance challenges.

I hope this report provides some insight into how you can better prepare your organization for enhanced transparency and accountability.

Thanks to all who participated in our annual survey.

Sincerely,

Adam Roth

Founder & CEO, StreamLink Software



Methodology

StreamLink Software conducted a nationwide survey to better understand the grant management landscape and challenges faced by today's grant professionals.

The survey consisted of 21 multiple-choice questions collected via SurveyMonkey in May 2017. Responses were solicited through the StreamLink Software website, email and social media. A total of 193 grant professionals responded.

Responses are compared to the 2015 survey conducted by StreamLink Software, which was published in August 2016. Download [The 2016 State of Grant Management Report](#) to view the report in its entirety.



Section 1: Grants a Critical Source of Capital

The DATA Act seeks to standardize the collection and reporting of federal grant data so that information can be easily aggregated, compared and published. Through the DATA Act, the public will gain greater insight into federal expenditures, and inspectors general will be better equipped to pinpoint fraud and misuse.

While the DATA Act became law in 2014, federal agencies weren't required to [report financial and award data in standardized formats until May 2017](#).

At that time, agencies started submitting information via a newly created DATA Act Broker, using data standards outlined in the [DATA Act Information Model Schema \(DAIMS\)](#). The DAIMS defines hundreds of data elements and formatting requirements to ensure consistent reporting cross agencies. Its creation was a collaborative effort between the Treasury and federal agencies over the past two years.

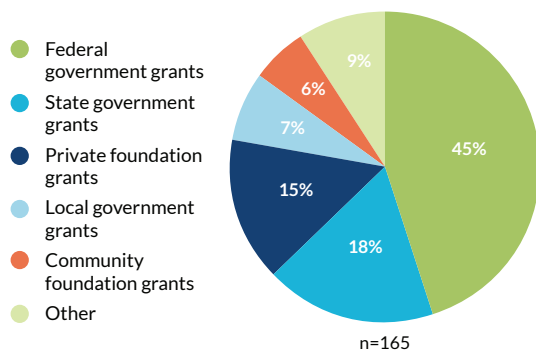
In May 2017, the DATA Act pilot program also came to fruition. [The two-year program for the Department of Health and Human Services \(HHS\)](#) tested the impact of standardized reporting on grantees and sub-recipients. A key result from the pilot was the creation of the [Common Data Element Reporting \(CDER\) Library](#). Building on the DAIMS, the CDER database defines more than 11,000 federal grant data elements, and could further standardization efforts if adopted across agencies.

The Impact on Grantees

While much of the DATA Act work to date has been at the federal level, changes in reporting formats and processes have had a trickle-down effect on grantees.

Comparable to previous years, 45% of respondents ($n=165$) rely on federal grants as their primary source of grant funds. When looking at all government grants—federal, state and local—the figure rises to 70% of total respondents ($n=165$) who rely on them as their primary grant source.

Primary Source of Grant Funds

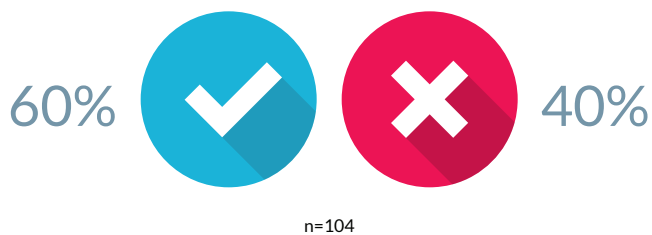




For many organizations, government grants are the lifeblood that help them thrive and deliver on their missions. Forty-two percent of organizations ($n=133$) receive more than half of their grant funds from federal grants (up from 33% in the previous year, $n=173$). Seventy-nine percent of organizations ($n=133$) receive at least some of their grant funds from federal grants (down a percentage point from 80% in the previous year, $n=173$).

Government-reliant organizations are more likely to feel the effects of federal reporting changes. Of those who receive federal funding ($n=104$), 60% believe new federal funding requirements are creating more work for their organization.

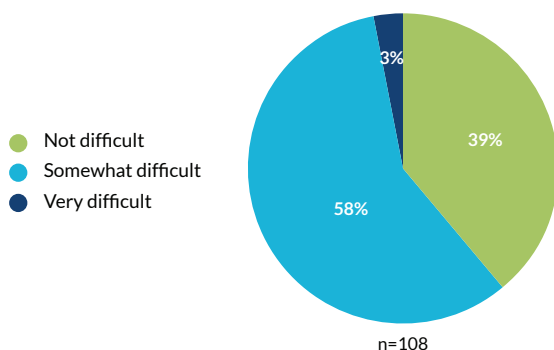
Are Changes in Federal Funding Requirements Creating More Work for Your Organization?




As with any large-scale rollout, there is an expected upfront adjustment period as organizations update their processes. That said, our research indicates that work expectations are trending downward. Last year, 72% of federal-award-reliant organizations ($n=141$) indicated requirements were creating more work. Adoption of automated grantee reporting could further drive efficiencies in the future.

The difficulty of work is also a consideration. Of the respondents that receive federal funding ($n=108$), 61% expect some level of difficulty adapting to federal reporting requirements, and 3% think it will be very difficult. Similarly, of those that receive at least 50% of their funding from the federal government ($n=54$), 57% anticipate some level of difficulty, and 2% expect much difficulty.

How difficult will it be for your organization to fully adapt to federal reporting requirements ongoing?





The level of difficulty could be dependent on whether organizations have already seen a change in the way grant data is collected and reported.

According to our findings, 57% of federal grant recipients ($n=105$) have noticed federal grantors have made changes to grant reporting processes since the passage of the DATA Act. The other 43% of federal grant recipients have not noticed changes. Sixty-eight percent of respondents that stated they have noticed these changes ($n=59$) said it is somewhat to very difficult to adapt to federal reporting changes.

To reduce the reporting burden, nonprofits and public sector organizations could turn to technology. [Grant management software](#), for example, can automate data collection and reporting, while still maintaining compliance with DATA Act standards.



Section 2: Tools and Technology

A shift in the federal reporting landscape, stemming from DATA Act implementation, is driving the need for more sophisticated grant systems and processes.

The Data Foundation's May 2017 report, [Managing Grants in a Time of Transformation](#) cites "the federal government's move toward standardization and performance reporting and the lack of growth in grant expenditures" as key drivers of the need for modernized grant processes in today's organizations.

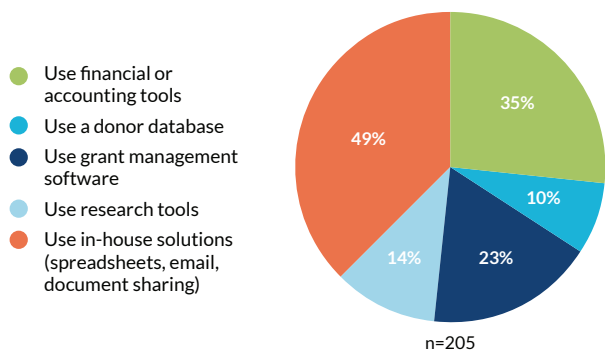
Likewise, "Gartner expects the adoption of new grant management solutions to increase over the next year to enhance user functionality and reporting capabilities in compliance with DATA standards," as stated in its April 2017 [Market Guide for U.S. State and Local Grant Management Solutions](#).

As requirements become more complex, it is often easier to work within tools thoughtfully designed for grant management.

Technology Use

Despite the benefits, many nonprofit and public sector organizations are still not using grant management software to standardize and automate grant processes and ensure compliance with federal regulations. While up slightly from last year, only 23% of respondents ($n=205$) use grant management software (compared to 19%, $n=205$).

What does your organization use to manage grants? (Select all that apply.)



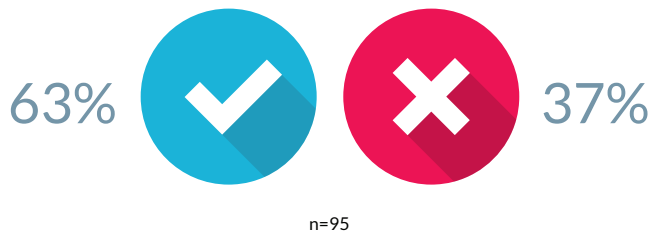
Almost half of respondents (49%) still use in-house solutions to manage grants. Ad hoc systems, such as spreadsheets, email and document sharing, are difficult to manage, require manual data entry and can introduce collaboration challenges. As such, they introduce risks of human error, oversight, missing data and inaccurate reporting.



Grant Software Benefits

Grant management software, on the other hand, enables data centralization, standardization and automation. With data in a [machine-readable format](#), post-award programmatic and financial reporting is simplified. In fact, 63% of respondents not already using grant management software ($n=95$) feel they could benefit from it.

Do you feel your organization can benefit from grant management software?



The prevalent reliance on in-house grant solutions could play a role as to why so many organizations are finding it difficult to adapt to federal grant reporting changes. Fifty-nine percent of non-users that expect some level of difficulty adapting to new federal reporting requirements ($n=54$) feel they would benefit from grant software.

In addition, the more federal funds received, the greater the need for software. Of non-software users that receive 50% or more of grant funds from federal grantors ($n=33$), 67% believe they could benefit from grant management software. This is compared to 44% of those that receive less than 50% of grant funds from federal grantors ($n=86$).

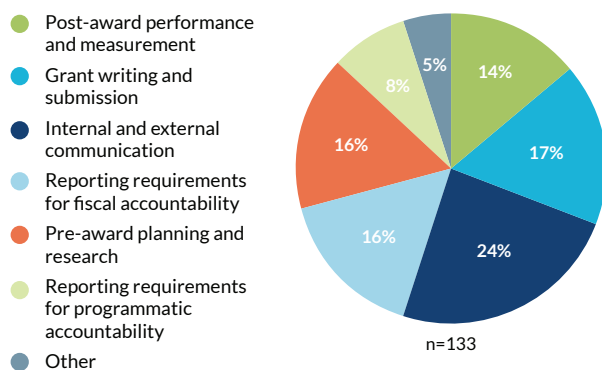




Section 3: Common Challenges and Frustrations

Compliance and reporting, however, aren't the only challenges facing grant managers this year. While, post-award performance and measurement was the leading grant management frustration in 2013 (21%), 2014 (25%) and 2015 (22%), this year the top frustration shifted to internal and external communications.

2016 Biggest Grant Management Frustration



As noted earlier, 49% of respondents rely on in-house solutions to manage grants (the most widely cited tool). In many cases, this means that data is restricted to a few individuals with others funneling information requests through them. Siloed information can cause confusion, introduce error and limit knowledge share across the organization.

Similarly, in-house solutions are the primary sub-recipient communication method:

- Seventy-one percent of respondents are either lead or fiscal agents in charge of one or more grants ($n=133$). Most (87%) lead recipients ($n=90$) use in-house solutions to communicate with sub-recipients; 7% use grant management software; and 7% use other tools.
- Sixty-one percent of respondents are the sub-recipient for one or more grants ($n=133$). Most (81%) sub-recipients ($n=84$) use in-house solutions to communicate with lead recipients; 10% use grant management software; and 10% use other tools.

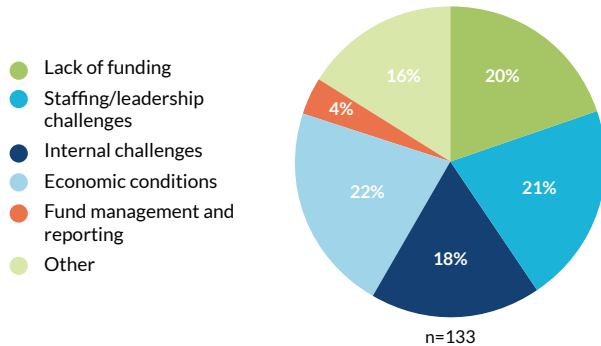
Without consistent internal and external communication practices in place, organizations run the risk of misplaced data, missed deadlines and inaccurate reporting. A centralized hub that consolidates data, documents, communications and task assignments can help team members stay on track, access information as needed and maintain a clear audit trail.



Organizational Challenges

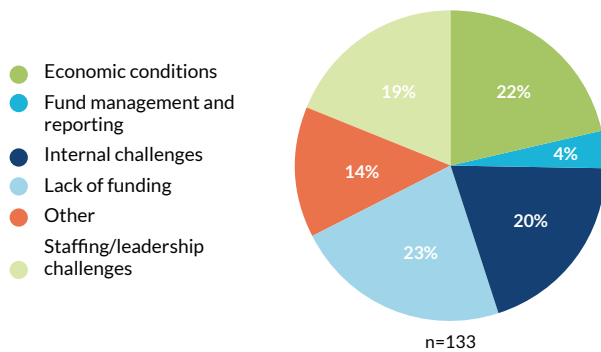
In 2016, the biggest organizational challenge was economic conditions (22%, $n=133$), followed closely by lack of funding 20%.

2016 Biggest Challenge




Respondents also predicted the top challenge for 2017 will be lack of funding (23%, $n=133$), followed closely by economic conditions (22%).

In 2017, what do you anticipate will be your organization's biggest challenge in achieving its mission?



While it's apparent that money matters, almost half of respondents (59%, $n=132$) failed to drawdown some of their awarded funds in 2016, up from 58% in 2015 ($n=173$). The amount of money lost wasn't insignificant either. Twenty percent of respondents failed to drawdown 10% or more of their awarded funds.

Lost funds often result from an inability to properly track period closeout and reporting deadlines, a misunderstanding of legal and/or contract requirements, inadequate documentation of expenditures and poor planning.



Like other challenges, technology could be the answer. Of non-software users who failed to drawdown at least some of their grant funds ($n=54$), 65% feel that they would benefit from grant software. [Grant software](#) helps ensure all awarded funds are received by automating deadline reminders, tying spend to budget line-items, centralizing documentation (approved budgets, receipts and timesheets), and tracking expenditures against activities, goals and allocated funds.

Closing Comments

Overall, key findings support that evolving federal reporting regulations are shifting the way nonprofits and public sector organizations handle grant management. As these organizations continue to rely on federal funding, grant process changes are needed to eliminate common challenges and frustrations along the way.

Grant management software can decrease manual efforts, improve accessibility of information, automate reoccurring tasks and simplify compliance reporting.

To see the software in action, [schedule an AmpliFund demo today](#).



About AmpliFund

Founded in 2008, StreamLink Software (StreamLinkSoftware.com) is the leading grant management software-as-a-service provider for nonprofit and public sector institutions.

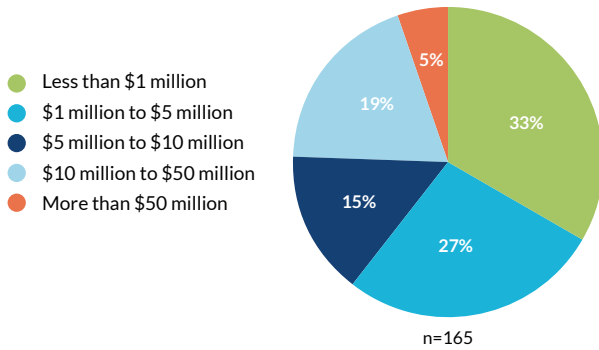
The company's flagship grant management solution, [AmpliFund](#), was built to simplify the growing complexities of grant management. It creates a comprehensive, yet intuitive, hub where grant managers can efficiently oversee the entire grant lifecycle. As a result, nonprofit organizations and public entities can drive additional revenue and capacity through more streamlined processes, and easily ensure regulatory compliance with advanced reporting functionality.

Connect with StreamLink Software on [Facebook](#), [Twitter](#), [LinkedIn](#), [YouTube](#) and on [our blog](#).

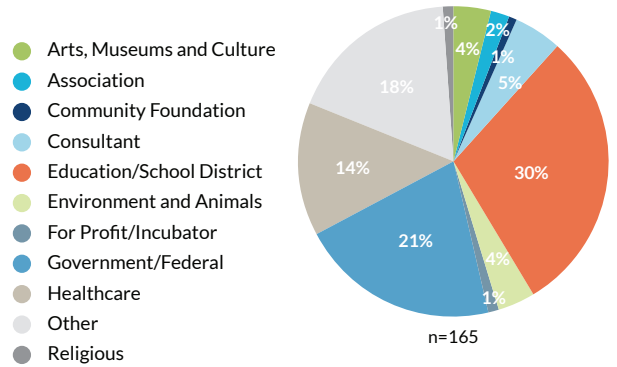


Demographics

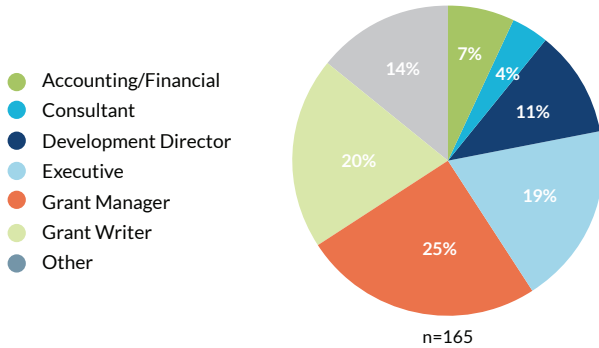
Annual Grant Revenue



Organization Type



Role



Operating Budget

