



Grants Management Plan

2021-2025



Mission

To provide exceptional financial stewardship of the U.S. Environmental Protection Agency's grant funds to support the Agency's mission to protect human health and the environment.

Strategic Goals & Objectives



Goal 1

Effectively Award and Manage Grants

Objective 1.1

Optimize Grants Management IT Systems and Automation

Objective 1.2

Maintain Effective Grants Management Policies

Objective 1.3

Streamline Processes and Reduce Administrative Burden (Internal)



Goal 2

Foster Collaboration and Enhance Partnerships

Objective 2.1

Integrate Input from Agency Partners and Public Stakeholders into Grants

Management Policies and Requirements

Objective 2.2

Improve Coordination among Headquarters and Regional Program and Grant Offices on New Requirements and Training Needs

Objective 2.3

Identify and Share Best Practices



Goal 3

Ensure Effective Oversight and Accountability

Objective 3.1

Establish a Data-driven, Risk-based Approach to Improve Recipient Compliance with Financial Grants Management Requirements

Objective 3.2

Strengthen Internal Oversight and Accountability Across the Agency to Manage Risk

Foreword



I am pleased to present the Environmental Protection Agency's (EPA) 2021–2025 Grants Management Plan. The Plan establishes the strategic framework to accomplish our critical fiscal stewardship responsibilities, including incorporating equity and environmental justice considerations into the grants process to accomplish our mission to protect human health and the environment. The Office of Mission Support (OMS) leads the Agency's core mission support functions to improve efficiency, coordination, and customer experience for internal customers, external stakeholders, and the public. The Plan, both in its development and objectives, reflects our priority on partnership and collaboration.

EPA awards approximately \$4 billion annually through over 100 grant programs. These grants are important tools to support EPA's mission to protect human health and the environment. Recipients include tribal, state and local governments, educational institutions, non-profit organizations, and other eligible entities.

The Plan lays out a five-year vision, goals and objectives, and measures of success to ensure excellence across the full spectrum of grants management activities and provides the flexibility to adapt to changing conditions. Through this Plan, the Agency will focus on effectively awarding and managing EPA grants, collaborating with partners and stakeholders to develop policy and maximize efficiencies, and reducing risk to ensure funds are managed to fulfill the Agency's fiduciary responsibilities.

It is a matter of public trust to ensure federal grant funds are awarded and managed efficiently and with strong fiscal integrity and accountability. This Plan provides a solid foundation to meet these crucial responsibilities. OMS looks forward to working across the Agency and with the broader grants community to advance grants management excellence.

A handwritten signature in black ink that reads "Donna Vizian".

Donna J. Vizian
Acting Assistant Administrator

A Message from the Agency's Senior Resource Officials

We are pleased to present the EPA's next Grants Management Plan, which provides a road map for performing our critical core grants management functions over the next five years. The Plan will help focus the Agency's priorities for grants management in a way that emphasizes efficiency, partnership, and collaboration.

The Plan has three overarching goals that establish a strong, flexible system of internal controls to meet the highest standards of fiduciary responsibility. Like EPA's previous plans, this Plan builds on successes and lessons learned as the grants management function has become increasingly complex at EPA and across the federal government.

Successful implementation of the Plan will require EPA staff to work across organizational lines and with our external partners. As senior managers responsible for the lifecycle management of more than 6,000 active awards totaling approximately \$21 billion in any given year, we are affirming our commitment to provide the leadership and support to ensure the success of the Plan.

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Introduction

Grants Management Plan Objectives

The EPA's Office of Mission Support (OMS), Office of Grants and Debarment (OGD) developed this Grants Management Plan: 2021-2025 (GMP or Plan) to focus priorities and activities on the core mission of grants management at the Agency for the next five years.

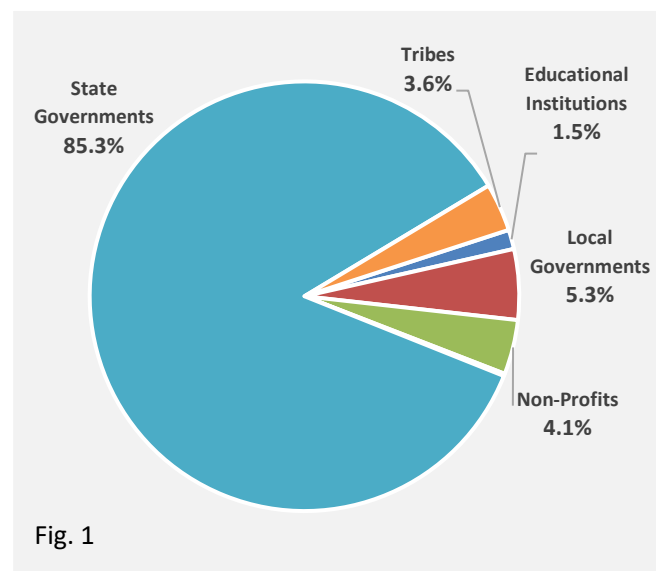
Building on the accomplishments achieved and lessons learned under previous plans (see below), the GMP establishes three overarching goals supported by strategic objectives and long-term performance measures: (1) to effectively award and manage grants, (2) to foster collaboration and enhance partnerships within the grants management community, and (3) to ensure effective oversight and accountability. The goals and objectives are intended to be flexible to accommodate changing priorities and circumstances and leverage opportunities to streamline and standardize procedures, reduce burdens on EPA staff and applicants/recipients, and enhance compliance to reduce financial risks to the Agency. The GMP also specifies performance measures for each goal to track progress and measure success.

Successful implementation of the GMP will require close collaboration and coordination among Headquarters and Regional grant and program

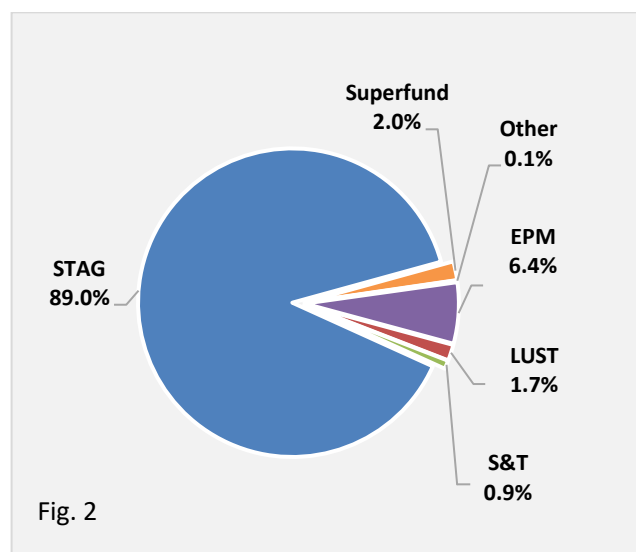
offices as well as with the Agency's external partners.

Background

The EPA awards approximately half of its annual budget in grants to states, local governments, federally recognized tribes, non-profit organizations, educational institutions, and other eligible entities to help the EPA achieve its mission of protecting human health and the environment as shown in **Figure 1. FY 2020 Grant Funds Awarded by Recipient Type (% of total)**.



In any given fiscal year, the EPA manages approximately 6,000 active grants and approximately \$21 billion. The vast majority of the Agency's grant funding comes from the State and Tribal Assistance Grants (STAG) appropriation. The EPA also issues millions of dollars in grants from the Environmental Programs and Management (EPM), Science and Technology (S&T), Leaking Underground Storage Tanks (LUST), and Superfund (SF) appropriations as shown in **Figure 2. FY 2020 Grants by Appropriation (% of Total)**.



Awarding and managing thousands of assistance agreements every year under multiple programmatic statutory and regulatory authorities requires a coordinated effort among OGD, National Program Managers (NPM), Regional Grants Management Offices (GMO), and Regional Program Offices. These offices work together to promote the effective and efficient use of the EPA's financial and other resources; ensure the timeliness of grant awards and achievement of environmental results; and reduce risk by preventing waste, fraud, abuse, mismanagement, and poor performance.

Specifically:

- OGD oversees the national management of the Agency's grants. It develops national policies, guidance, and training; provides national compliance support; administers grant agreements for Headquarters

programs; oversees and manages the Grants Competition program; and develops and maintains grants management information technology systems. OGD is also responsible for the Agency's Suspension and Debarment program, which works with other EPA organizations and external parties to address waste, fraud, abuse, poor performance, environmental noncompliance and other misconduct by taking actions against organizations or individuals who pose a business risk to the government.

- NPMs establish and carry out national programmatic policies and ensure the implementation of OGD-issued policies for grants for which they are responsible. They also set funding priorities and oversee the technical and programmatic aspects of Headquarters grants.
- Regional GMOs manage the administrative aspects of the EPA's regional grant activities.
- Regional Program Offices work closely with Regional GMOs to oversee the technical and programmatic aspects of regional grants.

Grants Management Plan History

The 2021-2025 GMP is the fourth grants management plan developed by the EPA and builds on the progress achieved under the three previous plans. The first two plans established a coherent grants management framework for the Agency, served as a road map to help the Agency manage its grant resources, and implemented internal controls to increase the efficiency and effectiveness of grant management operations. Building on the progress made under the first two plans, the 2016-2020 Plan established a strategic framework to maintain grants management successes, identify process improvements, and respond to future challenges while continuing to meet the highest stewardship and fiduciary standards.

Ensuring Leadership Accountability

Grants management accountability is ensured at the Senior Executive Service (SES) level through the SES Performance System. Consistent with the Plan's goals and objectives, all SES employees that administer grant funds are expected to manage them in a manner that instills public trust. SES National Program Managers who oversee grant programs ensure that grant funds are used to achieve environmental results in support of the Agency's mission. EPA's Senior Resource Officials (SROs) play a major leadership role under the Plan as members of the Agency's Grants Management Council, which makes major grants management policy decisions. SROs also oversee and guide the resource management activities within their respective organization. This includes responsibility for agreeing on annual priorities, certifying compliance with key grants management internal controls, and overseeing the performance of the staff within their purview. Finally, the Director, OGD, has overall responsibility for administering the GMP, including managing the annual priority setting process and providing necessary guidance to the Agency's Grants Management and Program Offices.

Stakeholder Engagement

Collaborating with the EPA's stakeholders was an essential activity during the development of the GMP. To do so, the EPA convened a workgroup comprised of grants management staff from across the Agency, including representatives from Regions 4, 5, and 10, and the Office of the Administrator, Office of Air and Radiation, Office of Research and Development, Office of Water, and OGD. Workgroup members brought their experiences and perspectives as practitioners and policy experts to the group to develop a practical, effective plan.

The workgroup collaborated to develop and refine the Plan's goals, objectives, and performance measures. They identified lessons learned from the previous plans and outlined a vision and framework for the current GMP. They also incorporated strategic planning best practices to ensure that the Plan provides an effective framework to achieve the EPA's grants management goals and address known and unknown challenges. The Grants Management Council, comprised of the Agency's SROs, reviewed and approved the draft GMP prior to publication.





Goal 1

Effectively Award and Manage Grants

The Agency strives to optimize internal grants management procedures and leverage information technology (IT) to administer grants efficiently and effectively. Increasingly, grants management staff use evolving collaborative software tools to serve a variety of needs, including managing grant files; responding to inquiries about policy interpretations and other questions; providing access to program details, policy references, and statutory authorities; training staff; assessing workforce needs; and identifying best practices. Under this goal, the EPA will complete the full deployment of Next Generation Grants System (NGGS), resulting in better access to monitoring and performance data and increased capacity for robust reporting. The EPA will also continue to optimize NGGS and other IT resources to improve grants management.

Under the Grants Management Plan 2016-2020, OGD created a comprehensive grants management framework to provide the foundation for evaluating new and existing policies. The Agency remains committed to continuously improving the development, issuance, and periodic evaluation of grants management policies, which encompass the

entire grants management lifecycle from pre-award through closeout. Within the 2021–2025 Plan, the EPA strives to incorporate grants policy directly into the design of automated tools and IT systems that support all stages of the grants management lifecycle to provide grants management staff with the information resources they need to clearly link processes to underlying policies.

Grants management staff across the Agency require timely and effective training on the new systems, tools, and policies that define their roles and responsibilities. As software tools and management systems evolve, expand, and become more integrated to support the grant lifecycle, the EPA recognizes that there is a growing need for standard operating procedures (SOP) that facilitate the proper implementation of policy and reduce burdens on staff. Through this goal, the EPA seeks to ensure that adequate and timely training and guidance is provided to allow staff to efficiently use NGGS, electronic document processing solutions, SOPs, and other management tools.

Objective 1.1

Optimize Grants Management IT Systems and Automation

- Continue to deploy, integrate, and enhance EPA grants management systems, such as the NGGS and Grantee Compliance and Recipient Activity (COMPLY) database.
- Collaborate with EPA staff to implement enhancements to grants management systems and more closely link systems and automated processes to policy, strategic goals, and Intragovernmental initiatives such as the Grant Reporting Efficiency and Agreements Transparency Act (GREAT Act), Foundations for Evidence-Based Policymaking Act (Evidence Act), and the Grants Quality Service Management Office (QMSO) implementation plan.
- Collaborate with program and grant offices to adopt the EPA Grant File System as the Agency's electronic system for managing grant files to enhance consistency and facilitate transition to an official electronic recordkeeping system.
- Develop training and guidance documents for grants management system deployments and enhancements, and ensure these resources are accessible.

Performance Measures for Objective 1.1

Measures	Targets
Deploy NGGS and implement a Change Control Board governance process for future enhancements	2021
Manage all grants records in an official electronic recordkeeping system	2023

Objective 1.2

Maintain Effective Grants Management Policies

- Create an SOP for policy development that includes:
 - Procedures for coordinating with Headquarters and Regional program and grant offices and external partners when considering and developing new policies and guidance.
 - Criteria to ensure new policies are effective, contain streamlined procedures, and do not overlap with, but complement, existing policy.
 - Strategies to provide training on new policies and policy changes.
 - Details on archiving or superseding outdated policies.
- Assess the relevance, applicability, and effectiveness of existing grant policies against the comprehensive grants management framework, to include identification of areas where policies can be consolidated and where other vehicles such as SOPs or guidance may be more appropriate.

Performance Measures for Objective 1.2

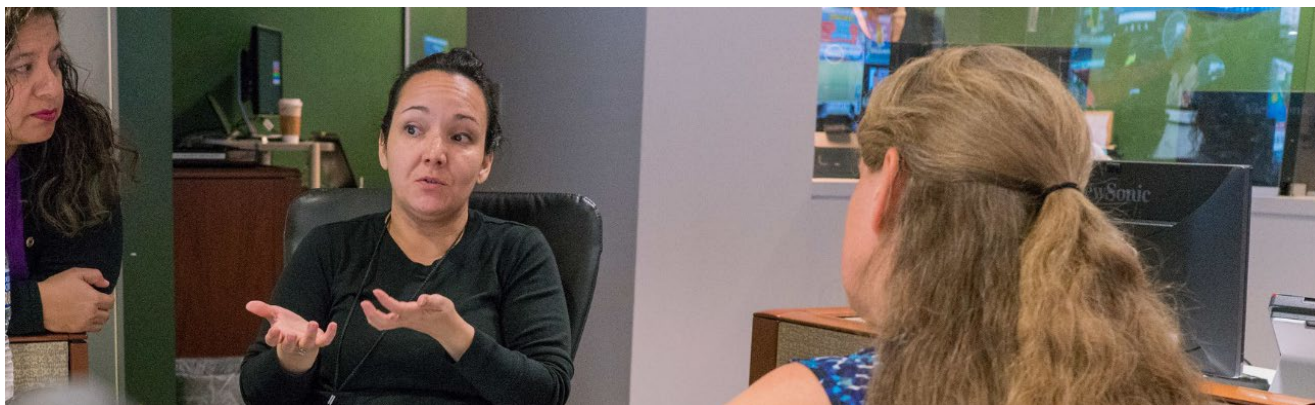
Measures	Targets
New SOP for policy development	2021
Percentage of new grants policy issuances (GPI) for which associated outreach, guidance and/or training is provided	100% annually
Percentage of existing policies (policies issued prior to October 1, 2021) that are assessed for relevance, applicability, and updates	2021: 20% of policies 2022: 40% of policies 2023: 60% of policies 2024: 80% of policies 2025: 100% of policies
Develop SOP for assessing the effectiveness of existing policies and implement a review schedule	2022

Objective 1.3

Streamline Processes and Reduce Administrative Burden on EPA Staff

- Engage grants management experts to identify grants management areas that place a high burden on staff.
- Establish criteria to rank and identify the highest burden areas and prioritize tools for development.
- Develop SOPs, checklists, templates, and other tools that will streamline processes and ease burden.
- Collaborate with internal and/or external stakeholders to ensure tools developed are practical and achieve the goal of reducing burden.
- Prepare training and guidance on use of new SOPs, templates, and streamlined processes.
- Collaborate with the Office of the Chief Financial Officer to develop a metric that promotes obligation of funds and award of grants earlier in the fiscal year and reduces end-of-year workload for grants offices.





Goal 2

Foster Collaboration and Enhance Partnerships

Successful grants management will require close collaboration and engagement with internal and external partners. Under this goal, the Agency will continue to promote and provide opportunities for open collaboration among EPA Headquarters and Regional offices, applicants, recipients, and other Agency partners. The EPA will seek feedback about best practices, training needs, policy decisions, and how to reduce burden and enhance efficiency while meeting federal requirements. The EPA will also foster partnerships with other federal agencies and leverage findings observed during business process improvement events to develop best practice recommendations that can be implemented throughout the Agency.

A key focus of the GMP is to more effectively help EPA staff and grant applicants and recipients access and use EPA's grants-related resources. The [EPA Grants website](#) provides the public with access to grants management policies, forms, and training, including recently developed training to introduce grant applicants and recipients to key aspects of the grant lifecycle and grant budget development. Under this goal, the Agency will ensure that grants applicants and recipients have streamlined access

to the resources they need to apply for and manage grants.

Within the Agency, several activities will be pursued to foster collaboration across Headquarters and Regional Offices. For example, the EPA is developing an online Assistance Agreement Almanac to serve as a hub for policies, procedures, and other types of resources to support grants management staff. The Agency is also creating a searchable federal Assistance Listings tool to provide seamless access to policy and management details about each grant program--the tool will help staff collaborate about evolving requirements and identify inconsistencies.

Plans are also underway to enhance the promotion of existing and new grants management tools, resources, and training by distributing listserv messages, delivering webinars, and conducting training sessions. Feedback will be requested from Agency staff about grants management training priorities and job needs; input will be analyzed to identify trends and deficiencies; and training, SOPs, and other resources will be developed as needed.

Objective 2.1**Integrate Input from Agency Partners and Stakeholders into Grants Management Policies and Requirements**

- Obtain feedback from the Agency’s applicant and recipient communities about policies, best practices, challenges, training needs, opportunities to reduce burden, and how the EPA can be more efficient while still meeting federal requirements.
- Seek comments from the recipient community on new policies and procedures.
- Build capacity of EPA grants staff to assist applicants and recipients with technical or policy questions.

Performance Measures for Objective 2.1

Measures	Targets
Seek and consider feedback on new EPA grant regulations and policies that significantly affect recipients	100% annually

Objective 2.2**Improve Coordination among Headquarters and Regional Program and Grant Offices on New Requirements and Training Needs**

- Maintain central access to grants management policies, procedures, manuals, training, and resources through the OGD intranet and other available collaboration tools.
- Increase awareness of existing tools, resources, policies, trainings, etc. by conducting webinars, sharing on-demand trainings, and utilizing existing grants management communication networks.
- Use collaboration tools to solicit and collect feedback from grants management staff in Headquarters and Regional program and grant offices about job responsibilities, policies, best practices, challenges, training needs, and other issues affecting the performance of the grants management workforce.
- Request input and feedback from Agency staff about short- and long-term training priorities related to grants management.
- Analyze trends based on issues reported by grants management staff and create training resources and job aids to address deficiencies.
- Establish a curriculum for each grants management role.
- Develop an annual plan that details agency-wide training that will be developed and delivered by OGD according to the needs identified in the above steps.

Performance Measures for Objective 2.2

Measures	Targets
Develop Grant Program Crosswalk PowerApp in SharePoint	2021
Update and promote the Assistance Agreement Almanac	2022
Establish a curriculum for each grants management role	2022
Develop and implement an annual training plan	By October 1 each year

Objective 2.3**Identify and Share Best Practices**

- Enhance existing or develop new processes and mechanisms for sharing best practices.
- Develop a standard template or structure for national SOPs and best practice resources.
- Obtain feedback from the Grants Management Offices and Program Offices about gaps in standard practices.
- Identify best practices observed during business process improvement events conducted at the Regional or Program Office levels.
- Evaluate the findings and results of process evaluations to develop best practice recommendations to share with Agency staff at the national level.
- Foster partnerships with other federal agencies to share best practices and tools.

Performance Measures for Objective 2.3

Measures	Targets
Develop a standard structure for national SOPs and best practices	2021





Goal 3

Ensure Effective Oversight and Accountability

The EPA is accountable to its stakeholders and the public for managing grant funds with the highest stewardship and fiduciary standards to advance its mission to protect human health and the environment. Considering that the EPA awards approximately half of its annual budget in grants, it is essential that the Agency prioritize monitoring activities and efforts on higher-risk grant recipients. Under this goal, the Agency will develop a risk management framework that establishes a data-driven, risk-based approach to improve recipient compliance with grants management requirements. Associated guidance will be prepared to help grants management staff focus monitoring efforts on higher-risk metrics and higher-risk grant recipients.

Each year, the EPA conducts baseline monitoring activities on every EPA grant and advanced monitoring on a statistical sample of awards. The EPA uses monitoring activities to assess compliance with federal requirements and confirm that grantees appropriately use funds to achieve the anticipated results. Under this goal, data from post-award monitoring reviews will be analyzed to identify trends, and tools and training will be

developed to help applicants and recipients correct deficiencies and reduce future vulnerabilities.

The Agency also seeks to ensure effective coordination and collaboration among Headquarters and Regional Grant and Program Offices to identify areas of risk and measures to manage risk. OGD will engage with the Agency's SROs to identify grant management priorities, areas of vulnerability, and strategies that can be implemented to mitigate risk. Tools, resources, and protocols will be developed to help grants management staff identify high-risk recipients and to provide guidance on addressing potential vulnerabilities. In addition, EPA will update its Project Officer (PO) and Grants Specialist (GS) training courses to provide guidance on conducting effective, targeted monitoring activities and risk reviews. EPA will also continue to implement its grant competition policies to provide a meaningful opportunity for applicants to apply for grants to meet Agency priorities. Finally, EPA will utilize suspension and debarment resources to ensure that recipients who misuse grant funds are held accountable.

Objective 3.1**Establish a Data-driven, Risk-based Approach to Improve Recipient Compliance with Financial Grants Management Requirements**

- Develop a risk management framework that defines data elements, levels of risk, and monitoring activities associated with each level.
- Conduct pre-award and post-award baseline and advanced monitoring on awards using the risk management framework.
- Use information gathered from post-award monitoring reviews to identify trends, develop tools, and correct deficiencies.
- Identify common grant financial audit findings and provide training to applicants and recipients to prevent and mitigate future issues.
- Collaborate with recipients to address and resolve grants management issues at the lowest appropriate level and reduce the risk of improper payments.

Performance Measures for Objective 3.1

Measures	Targets
Develop risk management framework and guidance	FY 2022
Conduct monitoring activities according to the new risk management framework	Starting in FY 2023
Provide additional outreach, guidance and/or training for recipients on significant and recurring grant financial audit findings	Annual recipient training
Reduce or maintain improper payment rate	Below threshold annually (1.5% of total grant outlays)

Objective 3.2**Strengthen Internal Oversight and Accountability Across the Agency to Manage Risk**

- Engage with SROs to identify areas of vulnerability, e.g., through the Federal Managers' Financial Integrity Act (FMFIA) review and reporting and the Agency's Lead Region process.
- Identify best practices for monitoring recipients and managing risk and share with grants community.
- Develop protocols and standards to address weaknesses and improve the accountability of grants management staff (e.g., update and or/revise PO and GS performance measures).
- Update the PO and GS training courses to address identified areas of potential vulnerability.

- Provide tools and resources to assist PO and GS with identifying vulnerabilities.
- Increase awareness by grants management staff of recipients who may pose a higher risk.
- Manage pre-award risk by ensuring that new discretionary grants are awarded competitively to the maximum extent practicable and consistent with the Policy for Competition of Assistance Agreements (Competition Policy) and Agency priorities.
- Ensure accountability by assessing the use of administrative remedies for noncompliance, including suspension or debarment, and training grants management staff on identification of fraud, waste, and abuse and the suspension and debarment referral process.

Performance Measures for Objective 3.2

Measures	Targets
Percent of grants management workforce trained to use protocols to monitor recipients and manage risk	2022: Develop training 2023: 50% of workforce trained 2024: 100% of workforce trained
Competitively award new grants or funds covered by the Competition Policy	90% of new awards or funds awarded annually



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