



MITRE's Response to the OMB RFI on Guidance for Grants and Agreements

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For additional information about this response, please contact:

Duane Blackburn
Center for Data-Driven Policy
The MITRE Corporation
7596 Colshire Drive
McLean, VA 22102-7539

policy@mitre.org

(434) 964-5023

About MITRE

MITRE is a not-for-profit company that works in the public interest to tackle difficult problems that challenge the safety, stability, security, and well-being of our nation. We operate multiple federally funded research and development centers (FFRDCs) supporting civilian and national security agency missions, participate in public-private partnerships, and maintain an independent research program to explore policy, business process, workforce, technology, and data solutions to the government's most pressing challenges. MITRE's ~10,000 employees work in the public interest to address the Federal government's challenges, with integrity being fundamental to our existence. We are prohibited from lobbying, do not develop or sell products, have no owners or shareholders, and do not compete with industry—allowing MITRE's efforts to be truly objective and data-driven. Our multidisciplinary teams (including engineers, scientists, data analysts, organizational change specialists, policy professionals, and more) are thus free to dig into challenges from all angles, with no political or commercial pressures to influence our decision making, technical findings, or policy recommendations.

As the operator of the U.S. Department of the Treasury's FFRDC and several other FFRDCs supporting civilian and national security agencies, MITRE has applied its grants management expertise to:

- Assist the Office of Management and Budget (OMB) and Department of Health and Human Services (HHS) in developing and continuing to refine the Federal Integrated Business Framework (FIBF) Grants Management (GRM) Business Standards.¹
- Assist Federal agencies with reducing administrative burden on their grant program managers and grant recipients and improving the effectiveness of their grant programs and grant recipient projects.
- Conduct independent research that continually provides the Federal government with:
 - Approaches to improve social equity in Federal financial assistance²
 - A GRM Risk Management Framework (RMF) to assist Federal agencies in effectively managing grant program and grant recipient risks within the resources available to the grant program³

¹ OMB Memorandum 19-16, Centralized Mission Support Capabilities for the Federal Government, established a cross-government working group comprising OMB-designated functional leads that work together to design the integrated, end-to-end future state of mission support activities, in collaboration with each CXO Council and authoritative governance bodies over business processes or standards. Their standards follow the FIBF to identify common capabilities for designated mission-support functions. OMB has designated HHS as the Standards Setting Agency (SSA) for the GRM functional area. On June 20, 2021, OMB's Federal Data Policy Committee provided its concurrence with the first iteration of FIBF GRM Business Standards. The current version is publicly available on the GSA FIBF website: <https://ussm.gsa.gov/fibf-gm/>. The FIBF GRM Business Standards were developed using a cross-agency working group of grantmaking Federal agencies and designed to provide process and data standards for the entire grants management lifecycle including program administration, pre-award, award, post-award, program oversight, and grant recipient oversight; integrate with the FIBF Federal Financial Management (FFM) Business Standards; and enable implementation of the DATA Act and GREAT Act.

² J. Faubert & K. Lee. Improving Social Equity in Federal Financial Assistance. 2023. MITRE, <https://www.mitre.org/sites/default/files/2023-04/PR-23-1160-Improving-Social-Equity-in-Federal-Financial-Assistance-04-23.pdf>.

³ The GRM RMF is available on request to MITRE's Center for Data Driven Policy: policy@mitre.org

- A Blueprint for the Future State of Grants Management based on a demonstration project that validated business process, technology, and data solutions that reduce grant program manager and grant recipient burden and increase transparency into the use of Federal grant funds⁴

Comments on Proposed Rule Changes

Based on MITRE's experience supporting both the objective of reducing agency and recipient burden and the objective of improving Federal financial assistance management, transparency, and oversight, we offer the following overarching recommendations on the proposed revisions to the OMB Guidance for Grants and Agreements (2 CFR guidance):

- (a) **Recommendation:** Defer expanding the 2 CFR guidance to cover more than grants and agreements and changing references to "Grants and Agreements" to "Federal Financial Assistance" until:
- A lifecycle analysis of the functions and activities for loans management and benefits management is completed, and
 - The specific 2 CFR subsections applicable to each loans management and (or) benefits management activity have been identified and validated with a cross-agency work group.

Rationale: The business processes and information required to execute loans and benefits are significantly different from grants and agreements. Expanding the 2 CFR rules to additional types of financial assistance without clearly indicating which subsections apply to all, some, or specific types of financial assistance will increase burden and create inconsistencies when agencies and grant recipients attempt to determine on their own which 2 CFR subsections are applicable or not applicable to each type of financial assistance.

- (b) **Recommendation:** Rather than removing references to "OMB-designated governmentwide systems," adjust the terminology so as not to limit it to traditional "systems" and add an example referencing the current system; for example, "OMB-designated technology solutions, e.g., Federal Audit Clearinghouse."

Rationale: This approach adds clarity for grant program managers and grant recipients and does not:

- Impede the Federal government's ability to pilot and quickly implement new technology solutions that otherwise could be perceived as prohibited for use because the 2 CFR system reference is singular and specific, or
- Significantly delay new technology solution implementations waiting for the Federal rulemaking process to complete.

⁴ The MITRE demonstration project employed a public-private partnership of Federal agencies, grant recipients, and commercial solution providers to build and validate the future state business operating model and functional proof-of-concept that used distributed ledger technologies. The future state design, test results, and implementation recommendations generated by the demonstration project are publicly available in *Blueprint for the Future State of Grants Management* at https://www.mitre.org/sites/default/files/2023-07/PR-23-0939-Blueprint-for-the-Future-of-Grants-Management_0.pdf.

(c) **Recommendation:** While it is important to add language to emphasize that Federal agencies do not have a direct legal relationship with subrecipients and contractors of pass-through entities, also include language that allows Federal agencies to:

- With the approval of the pass-through entity, disburse Federal grant or agreement funding directly to the subrecipient.
- Have direct access to grants management information made accessible by the subrecipient using modern information sharing technology solutions (e.g., distributed ledger technologies).

Rationale: Inclusion of this language provides flexibility for Federal agencies to expediently and efficiently disburse Federal funding to organizations executing projects and/or delivering services or limit the Federal agencies' ability to access subrecipient grants management information in a timely and efficient manner.

(d) **Recommendation:** When specifying information to be incorporated into Assistance Listings and associated Notices of Funding Opportunity:

- Use consistent terminology where information is common to both the Assistance Listing and associated Notices of Funding Opportunity. Where information is not common, provide clear, distinct definitions of each information item.
- Align the 2 CFR terminology and definitions used to specify Assistance Listing and Notice of Funding Opportunity information with the Business Data Elements defined for the FIBF GRM Business Standards activities "Grant Program Set-Up and Maintenance" and "Grant Program Funding Opportunity" and FIBF Federal Financial Management (FFM) Business Standards for the Accounting Classification Structure (ACS).⁵
- Align the Federal government centralized services that Federal agencies use to enter and publish Assistance Listing and Notice of Funding Opportunity information with the FIBF GRM Business Standards.⁶

Rationale: Enables grant recipients to more readily identify and understand commonalities and differences between the Assistance Listing and associated Notices of Funding Opportunity. Improves visibility into Federal grantmaking agency program funding received and planned spend by aligning information in the Assistance Listing and associated Notices of Funding Opportunity with FFM ACS.

⁵ OMB has designated the Department of Treasury as the SSA for the FFM functional area. The current version of the FIBF FFM Business Standards is publicly available on the GSA FIBF website: <https://ussm.gsa.gov/fibf-fm/>. The FIBF FFM Business Standards were developed using a cross-agency working group of Federal agencies, validated with the grants management functional area using the cross-functional area Business Standards Council established by OMB M-19-16, and designed to enable integration of FFM and GRM Business Data Elements throughout the grants management lifecycle.

⁶ Use of the term "align" is not intended to imply a requirement to change existing system data structures or user interface designs except where an FIBF GRM business data element needs to be added. The intent is to ensure that the breakdown of grant or agreement information into distinct pieces of information is aligned across Federal government technology solutions.

Specific recommendations related to proposed revisions of sections of the 2 CFR guidance are presented below.

[200.331]

Recommendation: After stating “The Federal agency does not have a direct legal relationship with subrecipients or contractors of any tier.”, include the statement “This does not preclude a Federal agency from disbursing (with approval from the pass-through entity) Federal grant or agreement funding directly to the subrecipient, and/or preclude a Federal agency from accessing information made accessible by the subrecipient using information sharing technology solutions.”

Rationale: Inclusion of this language provides flexibility for Federal agencies to expediently and efficiently disburse Federal funding to organizations executing projects and/or delivering services or limit the Federal agencies’ ability to access subrecipient grants management information in a timely and efficient manner.

[200.203(b)(4)], [200.204(a)(1)], [Appendix I to Part 200(b)(1)(i)(A)]

Recommendation: Align the “Federal Agency Name” information in the Assistance Listing and Notice of Funding Opportunity with the Federal organization hierarchy as defined in the General Services Administration’s Integrated Award Environment. Specifically, require the following information elements to be included in both Assistance Listings and associated Notices of Funding Opportunity:

- Department/Agency Name
- Department/Agency Sub-tier Name
- Department/Agency Sub-tier Office Name

Rationale: Improves clarity for grant recipients and spending transparency by enabling key information to be more easily searched, evaluated, and compared across Federal agency grant programs and between an Assistance Listing and associated Notices of Funding Opportunity.

[200.203(b)(4)]

Recommendation: For both the Assistance Listing and Notice of Funding Opportunity, remove the “for example” preceding “Treasury Account Symbol(s).”

Rationale: Strengthens the connection between Federal agency programs and associated Federal agency funding and spending. Aligns with the GRM-FFM Business Information Exchange specifications publicly available on the GSA FIBF website.

[200.204(a)(8)], [Appendix I to Part 200(b)(1)(i)(H)]

Recommendation: Separate the Assistance Listing executive summary into the following information elements associated with the Federal agency grant program:

- Grant Program Goals – A description of the direction and focus of a grant program that identifies the change the grant program should advance and/or achieve. Goals serve as the foundation for developing objectives.

- Grant Program Objectives – A description of the effects or results the grant program can achieve toward advancing its goal(s). Objectives stem from established goals and are specific, measurable, achievable, relevant, and timebound.
- Grant Program Performance Measures⁸ – A set of measures against which progress toward achieving program goals and objectives can be assessed. This can be quantitative (e.g., counts, percentages) or qualitative (e.g., description of an accomplishment, product, or results).
- Target Beneficiaries – A description of the entities intended to benefit from the change the grant program advances or achieves.
- Eligible Applicants.⁷

Recommendation: Remove “Federal Agency Funding Priorities and Focus Areas” from the Assistance Listing executive summary.

Rationale: Provides greater clarity of the Federal agency’s priorities and focus areas to grant applicants, oversight entities, and the public by specifying information on the Federal agency program’s goals, objectives, performance measures, target beneficiaries, and eligible applicants. Enables key information to be more easily searched, evaluated, and compared across grant programs and between Assistance Listing and associated Notices of Funding Opportunity.

[200.203(b)(1)], [Appendix I to Part 200(b)(3)(A-C)]

Recommendation: Separate the Notice of Funding Opportunity program description into the following information elements associated with the Federal agency grant project:

- Grant Project Goals – A description of the direction and focus of a grant project that identifies the change the grant project should advance and/or achieve. Goals serve as the foundation for developing objectives.
- Grant Project Objectives – A description of the effects or results the grant project can achieve toward advancing its goal(s). Objectives stem from established goals and are specific, measurable, achievable, relevant, and timebound.
- Grant Project Performance Measures⁸ – A set of measures against which progress toward achieving grant project goals and objectives can be assessed. This can be quantitative (e.g., counts, percentages) or qualitative (e.g., description of an accomplishment, product, or results).

Rationale: Provides greater clarity of the relationship between the overall Federal agency program versus the specific grant project opportunity to grant applicants, oversight entities, and the public. Improves consistency of guidance between 2 CFR 200 sections. Enables key information to be more easily searched, evaluated, and compared across grant programs and between the Assistance Listing and associated Notices of Funding Opportunity.

⁷ The FIBF GRM Business Data Elements provides a list of “Business Type Values” that should be re-validated by a cross-agency working group of grantmaking Federal agencies.

⁸ Based on the MITRE Future State of Grants Management demonstration project, additional refinements to the Grants Management Business Data Elements related to performance measure were identified. MITRE will provide these refinements to the Grants Management SSA.

[Appendix I to Part 200(a)(3)]

Recommendation: Combine Notice of Funding Opportunity sections for “Basic Information” and “Program Description” into “Grant Project Information.”

Rationale: Reduces duplication and streamlines content in the Notice of Funding Opportunity.

[200.204]

Recommendation: Rather than limiting the Notice of Funding Opportunity to the “information that is necessary for the effective communication of the program objectives,” provide key information identified in the table below.

Rationale: Improves applicant’s ability to determine if they are eligible for grant project funding and can comply with the grant project requirements post-award.

[200.203(a)(2)], [200.204(a)], [Appendix I to Part 200], [200.204(a)(9)], [Appendix I to Part 200(b)(1)(i)(I)]

Recommendation: Where similar information is necessary or useful, more closely align the information elements required for the Assistance Listing with the information elements required for associated Notices of Funding Opportunity. Also align the information elements with the FIBF GRM Business Data Elements.

Information Element Name	Assistance Listing Section	NOFO ⁹ Section
Awarding agency/department name, sub-tier name, and sub-tier office name	Grant Program Information	Grant Project Information
Awarding agency contact information, including: Agency point of contact <ul style="list-style-type: none"> • Position Title • First Name • Middle Name • Last Name • Name Suffix • Domestic Telephone Number • Foreign Telephone Number • Facsimile Number • Email Address Agency Address <ul style="list-style-type: none"> • Address Line 1 • Address Line 2 • Domestic City • Foreign City • State or Territory • Foreign Subdivision 	Grant Program Information	Grant Project Information

⁹ Notice of Funding Opportunity (NOFO)

Information Element Name	Assistance Listing Section	NOFO ⁹ Section
<ul style="list-style-type: none"> • Zip Code • Zip+4 Code • Foreign Postal Code • County • Country 		
Assistance listing title	Grant Program Information	N/A
Assistance listing number	Grant Program Information	Grant Project Information
Related federal assistance listings	Grant Program Information	N/A
Funding opportunity title	N/A	Grant Project Information
Funding opportunity number	N/A	Grant Project Information
Funding opportunity announcement type	N/A	Grant Project Information
Statutory/regulatory requirements	Grant Program Information	Grant Project Information
Program goals	Grant Program Information	N/A
Program objectives	Grant Program Information	N/A
Program performance measures	Grant Program Information	N/A
Project goals	N/A	Grant Project Information
Project objectives	N/A	Grant Project Information
Project performance measures	N/A	Grant Project Information
How awards will contribute to achieving the grant project's goals and objectives	N/A	Grant Project Information
Target beneficiary entity types	Grant Program Information	Grant Project Information
Target beneficiary description	Grant Program Information	Grant Project Information
Funding basis	Grant Program Funding	Grant Project Information
Whether this is a new grant project or one-time initiative	N/A	Grant Project Information
Total amount of funds available	Grant Program Funding	Grant Project Information
Anticipated number of awards	Grant Program Funding	Grant Project Information
Expected dollar amount of individual awards	Grant Program Funding	Grant Project Information
Statutory authority for funding	Grant Program Funding	Grant Project Information
Funding agency/department name, sub-tier name, and sub-tier office name	Grant Program Funding	Grant Project Information
Treasury Account Symbol(s)	Grant Program Funding	Grant Project Information
Period of time when funding is available	Grant Program Funding	Grant Project Information
Period of time when funding must be spent	Grant Program Funding	Grant Project Information
How funding is released	Grant Program Funding	Grant Project Information
Funding use restrictions	Grant Program Funding	Grant Project Information
Substantial involvement for cooperative agreements	N/A	Grant Project Information

Information Element Name	Assistance Listing Section	NOFO ⁹ Section
Statutory/regulatory eligibility requirements	Eligibility Requirements	Eligibility Requirements
Eligible applicant entity types	Eligibility Requirements	Eligibility Requirements
Eligible applicant description	Eligibility Requirements	Eligibility Requirements
Additional restrictions on eligibility	Eligibility Requirements	Eligibility Requirements
Eligibility factors for the principal investigator or project director	Eligibility Requirements	Eligibility Requirements
Eligible/ineligible project types	Eligibility Requirements	Eligibility Requirements
Funding opportunity announcement release date	Applying for Assistance	N/A
Funding opportunity announcement release description	Applying for Assistance	N/A
Application submission deadline	Applying for Assistance	Submission Dates and Times
Application submission deadline description	Applying for Assistance	Submission Dates and Times
Criteria for selecting proposals (optional)	Applying for Assistance	Application Review Information
Process for selecting proposals	Applying for Assistance	Application Review Information
Estimated amount of time needed to process applications	Applying for Assistance	Application Review Information
Anticipated award date	Applying for Assistance	Award Notices
Appeals	Applying for Assistance	Award Notices
Renewals	Applying for Assistance	Other Information
Post-award requirements (including single audit requirements)	Post-award Requirements and Administration	Post-Award Requirements and Administration

Rationale: Reduces burden on grant program managers to develop separate but similar or overlapping information. Reduces confusion for grant applicants applying for funding. Enables key information to be more easily searched, evaluated, and compared across grant programs and between the Assistance Listing and associated Notices of Funding Opportunity.

[200.203(b)(5)], [200.204(a)(8)], [Appendix I to Part 200(b)(2)(i)(A)]

Recommendation: Update the list of eligible applicant entity types currently in SAM.gov¹⁰ after re-validating the entity types identified in the Business Type Values tab of the FIBF GRM Business Data Elements with a cross-agency working group of grantmaking Federal agencies.

Rationale: Enables better targeting and analysis for purposes of equitable distribution of financial assistance.

¹⁰ Today, the SAM.gov entity type selections do not allow agencies to clearly identify the types of eligible applicant entities. For example, SAM.gov has an eligible entity selection of “Public nonprofit institution/organization (includes institutions of higher education and hospitals)”; however, for some grant awards, only institutions of higher education are an eligible entity type, not hospitals.

[200.407(e)(f)(h)(k)(r)(t)(w)], [200.311], [200.313], [200.413], [200.421], [200.438], [200.454], [200.456], [200.467]

Recommendation: Align the list of grant and cooperative agreement cost items to the Cost Categories defined in the FIBF GRM Business Standards.

Rationale: Provides an explicit list of cost items for grant program managers and grant applicants and recipients to consider when developing the Assistance Listing, Notices of Funding Opportunity, grant project budgets, and grant agreements that:

- Reduces the burden on grantees and grant program managers when determining which costs to include, allow, or disallow in grant project budgets and when determining compliance with grant agreements.
- Enables automation of reviews of payment requests against grant project budget and grant agreement information based on agency-defined business rules.¹¹
- Enables grant program managers to compare the effectiveness of various projects and identify best practices.
- Enables stakeholders, including taxpayers and policymakers, to evaluate the uses of Federal funding more easily.

Recommendation: Remove exchange rates and taxes from the prior written approval requirement, but do not remove the following eight items: real property, equipment, direct costs, entertainment costs, memberships, participant support costs, selling costs, and marketing costs.

Rationale: These eight items have a higher risk that improper charges could be attributed to the grant and later disallowed, putting the grant recipient in a negative position. Exchange rates and taxes are driven by entities external to the grant recipient, reducing the likelihood of grant recipient fraud or abuse.

¹¹ Automated reviews of payment requests against grant project budget and grant agreement information using the FIBF GRM Business Standards Cost Categories and based on agency-defined business rules was one of the capabilities demonstrated as part of the MITRE Blueprint for the Future State of Grants Management.