



# What It Takes to Transform Federal Aid

Ten Key Practices of Successful Federal Grant Programs

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delivering results that endure

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Grants are some of the oldest and most widely used instruments of the federal government. Each year, more than 30 federal agencies make grants to fulfill some of our Nation's most critical needs—from building vital national infrastructure to providing support for public health resources and economic development. The federal government funds more than 1,700 grant programs valued at more than \$500 billion each year. The federal agencies that manage these programs face increasing pressure to do more with less and demonstrate results in highly transparent ways. Many agency leaders also face the challenge of integrating grant programs authorized decades ago with those created more recently under different governing requirements. In the midst of such change, are there proven practices that federal managers can apply to build successful grant programs?

Booz Allen Hamilton, a leading strategy and technology consulting firm, has worked hand-in-hand with federal grant-making agencies for more than 20 years, helping them fulfill some of our Nation's greatest needs. Through our recent experience supporting management of more than \$35 billion in grant funding across 10 federal departments, we have observed trends in grants management practices that agency leaders use to help their programs perform well. While there is no single practice that can guarantee success, the practices described below have helped federal managers realize tangible results.

We have identified 10 key practices that make federal grant programs more likely to produce positive measurable impacts in their mission area. When we have witnessed leaders applying these key practices, programs have achieved more effective allocation of funds, increased levels of compliance, improved program performance, and strengthened relationships with recipients—and important stakeholders in the Executive Branch and Congress. Application of the key practices that are most relevant to a given program can also enable flexibility to adjust to the numerous demands caused by incremental shifts in authorizing legislation and funding levels.

## Ten Key Practices of Successful Federal Grant Programs

There are 10 key practices in strategy, budget, and allocation; personnel and partnerships; and program administration that federal leaders can use to address the unique challenges of their grant programs.

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*Key practices of federal grant programs enable them to produce important positive effects on performance and impacts in their mission area.*

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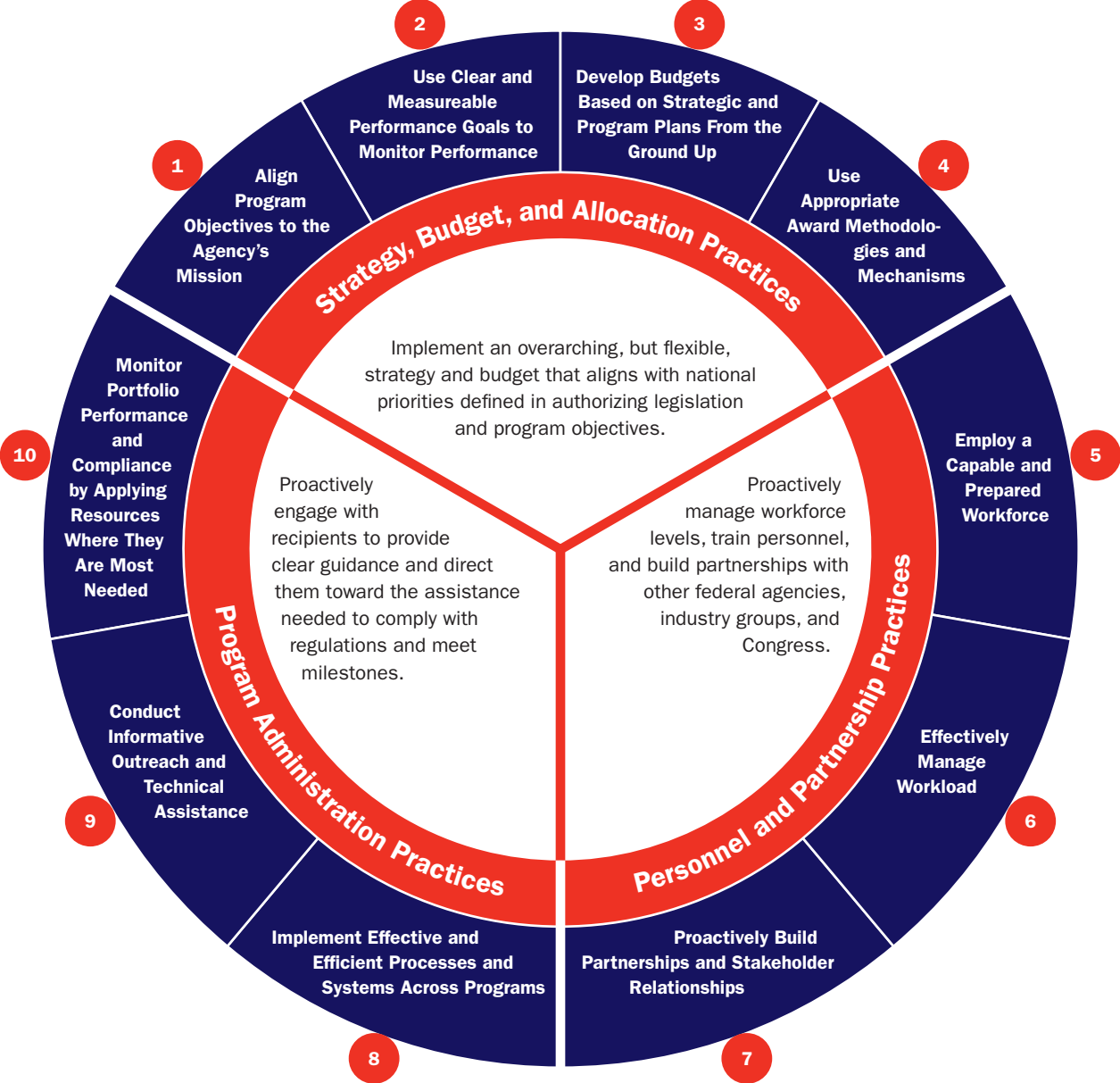
### 1. Align Program Objectives to the Agency's Mission

Ensure the agency's mission and goals drive program objectives and grant funded activities. This top-to-bottom alignment among the agency's mission, program objectives, and recipient projects enables managers to show how allocated funds support the agency's mission. Managers who derive program objectives from the most recent authorizing legislation and know how allocations to recipients are intended to support objectives are more likely to achieve results and bolster support for future funding.

#### Practice **1** in Action

Booz Allen supported several discretionary grant programs in developing guidance and application toolkits that guided applicants in the development and submission of an "Investment Justification," or a business case, stating how requested funds would be used to support local needs and the program's objectives. Because the agency knew how each program aligned to the agency's mission, executives were able to show how funds used by each recipient supported the agency's mission.

# Ten Key Practices of Successful Federal Grant Programs



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## 2. Use Clear and Measurable Performance Goals to Monitor Performance

Programs that identify specific goals are more likely to achieve them. Successful programs have clear and measurable performance goals at the program and grant recipient levels and a systematic process to measure progress in reaching those goals. Managers who proactively define what they need to know, and have the information they need to measure it, are better equipped to answer the question: “What have we achieved?” Moreover, when data on performance measures can be aggregated and aligned to strategic program or agency goals, managers can better evaluate and report how their programs are performing. Grant programs that can show measurable progress toward meeting program objectives—

- Develop performance measures at both the recipient and program levels that answer important management questions related to program objectives
- Provide clear guidance to personnel and recipients on how and when to report requested information
- Establish an internal performance management plan

### Practice 2 in Action

Booz Allen has a long history of success in helping our federal clients develop holistic performance management tools—from creation of performance goals and Performance Assessment Tool (PART) measures to business intelligence IT tools that collect, analyze, and display performance management results. For a multi-billion dollar Recovery Act discretionary grant program, we worked with executive leaders to identify data sources and metrics and implement the supporting dashboard reporting tools needed to enable senior leaders to report to internal management and Congress on program performance from pre-award through post-award.

## 3. Develop Budgets Based on Strategic and Program Plans From the Ground Up

Use strategic goals to assess funding priorities and justify budget requests. Successful agencies let program strategies and priorities drive budget development. Developing federal agency budgets, from formulation to appropriation, can be a complex and politically charged process. While agency leaders may not be able to engage all individual program managers in their budget formulation process, agencies that take time to assess funding priorities across and within grant programs are better equipped to justify their needs. These agencies are also better prepared after appropriation to determine the optimal pre-award allocation across programs and to recipients in a timely manner.

### Practice 3 in Action

Booz Allen has supported federal agencies serving the homeland security and health care missions in juggling funding needs to develop justifiable budgets that support program objectives. During a change in administration, one federal agency took the opportunity to build a budget justification from the “ground up” by first assessing funding priorities across and within grant programs. As a result, agency leaders were better equipped to justify their program funding request and draw the connection between how their budget supported strategic plans and program-specific objectives.

## 4. Use Appropriate Award Methodologies and Mechanisms

Allocate limited funds to the highest priorities by using effective award allocation methods and mechanisms. Federal agencies that administer discretionary or competitive grant programs have flexibility in how and to whom funding is allocated. The most mature discretionary



programs often use allocation methods supplemented by peer or panel reviews. As a result, programs can more effectively allocate limited funds to the highest priorities, justify award decisions, and adjust funding levels when appropriations are reduced or increased.

In addition, Booz Allen identified effective grant processing strategies that both discretionary and non-discretion-

ary grant programs have used to streamline and realize operational efficiencies in processing award distributions. For example, one research-oriented federal agency assigned codes to different award types that serve as indicators to program staff of which rules and regulations applied to the award. Use of these standardized codes reduced the processing time to distribute awards to recipients.

#### Practice **4** in Action

Booz Allen has supported development of innovative, award allocation methodologies and execution of large-scale 100+ peer review conferences and award processing for multiple federal agencies, each of which was responsible for annual allocations of billions of dollars in formula-based and discretionary awards.

One agency applied this practice by using an allocation methodology that ranked grant applications based how well the application scored in three

areas—risk assessments, peer review evaluations, and assessments of the effectiveness of grant applications in addressing national priorities. For another client, Booz Allen supported a cursory environmental impact review of all applications to highlight any recipient projects that potentially required extensive environmental impact reviews. These agencies were better able to justify award allocations, distribute funding within congressionally mandated timelines, and proactively identify at-risk recipients prior to award.

## 5. Employ a Capable and Prepared Workforce

Fill positions with personnel who address capability needs and retain them through training and an engaging work environment. Successful grant-making agencies understand the workforce capabilities that are needed—from financial management to highly specialized skills in environmental compliance or scientific expertise, and strategically select staff to fill these positions or obtain timely contractor support to address capability gaps in the agency's workforce. Booz Allen has observed that effective programs not only employ a capable workforce, but resources are allocated to provide all personnel—government and contractor support—with the tools and training to perform their assigned responsibilities. Further, the agencies that are the most successful in maintaining their workforce have leaders who know how to inspire a shared vision among their staff, foster collaboration across siloed programs, and enable people to get things done.

### Practice 5 in Action

Through development of grant operations workflow maps, standard operating procedures, and training materials, Booz Allen has assisted many agencies serving financial, homeland security, and telecommunication missions in preparing their workforce with needed skills. When staff better understand business unit roles and maintain consensus on how to perform their responsibilities, programs often experience efficiencies in grant operations that may also result in improved recipient satisfaction and compliance.

## 6. Effectively Manage Workload

Ensure the optimal number of people are available at the right time, based on the fluctuating workload

requirements common in grant programs. Successful programs plan ahead to ensure that appropriate levels of government and contractor staff are available and flexible enough to adjust to fluctuations in workload throughout the life of a federal grant program. Other agencies have used resource planning and cost models to estimate labor costs at different points in the program's lifecycle, which resulted in more efficient allocation of caseloads, increased productivity, and reduced program costs.

### Practice 6 in Action

Booz Allen has supported multiple grant-making agencies in effectively managing their workload. For a federal agency that needed to manage workload across 10 regional offices, we conducted a benchmarking study to compare regional office operation costs and workload levels relative to other similar grant-making organizations, including a comparison of the average caseload of award recipients per federal manager across different grant programs. The agency applied lessons learned through the benchmarking study to more efficiently allocate resources across the regional offices during implementation of the agency's operational plans.

## 7. Proactively Build Partnerships and Stakeholder Relationships

Know when you need the help of other organizations to achieve your program's mission. Successful programs recognize that their ability to fulfill their mission depends on the actions of a community of stakeholders that extends far beyond their office walls. Our experience in serving federal clients has shown that the most effective grant programs understand how to build on the shared interests that exist between important stakeholder groups to

cultivate strategic partnerships. Whether these strategic partnerships are public–private partnerships, interagency committees, or enhanced collaboration across local, state, and federal government, programs that regularly engage with important stakeholder groups are better equipped to drive positive and sustainable impact that often lasts beyond the life of the grant program.

### Practice **7** in Action

We have supported multiple agencies in using cutting-edge social media technologies and workshops to build partnerships among recipients across geographic boundaries. These partnerships frequently result in recipients sharing best practices and developing relationships that last beyond the life of the grant program. Booz Allen has also supported several cross-governmental initiatives requiring interagency partnerships that resulted in increased standardization in reporting mechanisms and streamlined grant processes across the more than 30 federal agencies administering federal grant programs.



## 8. Implement Effective and Efficient Processes and Systems Across Programs

Make grant operations efficient, consistent, coordinated across programs, and user-friendly for your primary customers—recipients. The proliferation of grant programs over the last few decades across so many agencies has contributed to development of different application and reporting requirements and siloed grants management IT systems that vary from agency to agency, and even within agencies. As a result, multiple federal laws and recipient stakeholder groups have called for a more standardized and streamlined approach to grants management across the federal government. The agencies that find ways to standardize grants processes across programs and use interfacing IT systems to support grant operations throughout the lifecycle—from collection and review of grant applications to delivery of technical assistance and monitoring—experience increased accuracy, cost efficiency, and timeliness in grant program activities.

### Practice **8** in Action

Booz Allen has observed that the benefits of implementing effective and efficient processes and systems are experienced by both recipients and federal staff. Booz Allen supported agencies in at least four federal departments in improving grant business processes and modernizing grants management IT systems. We partnered with a research-oriented agency to modernize and integrate legacy systems to provide one seamless environment used by both the federal grants administration and management personnel and external recipients throughout the award lifecycle. For a transportation agency, we consolidated several legacy systems into one portal for grant recipient financial management, resulting in increased payment accuracy and timely financial reconciliation between systems.

## 9. Conduct Outreach and Technical Assistance

From application to closeout, help recipients understand their responsibilities and how to fulfill them. Technical assistance and outreach are among the principle tools that agencies can use to help their stakeholders understand—and effectively meet—program objectives while complying with requirements. Successful programs use outreach and technical assistance to provide recipients with clear guidance on how to find, apply for, and effectively manage their funds. When recipients have easy access to key information—from program guidance and frequently asked questions to best practices and regional onsite workshops—they are more likely to fulfill their responsibilities. The most effective programs regularly assess recipient needs through feedback channels and address them through outreach, technical assistance, and monitoring activities.

### Practice 9 in Action

Booz Allen has supported seven federal agencies in conducting outreach and in designing and delivering technical assistance services to recipients in all 56 states and territories. Successful programs often provide clear guidance to recipients and a targeted portfolio of technical assistance services that are provided through tiered levels of service—including on-demand guidance materials or help desk support; self-service, web-based assistance; and interactive, on-site workshops. Booz Allen has worked alongside many agencies to—

- Translate policy and programmatic requirements into clear guidance for recipients
- Develop and deliver effective, cost-efficient technical assistance solutions that result in increased stakeholder capabilities

## 10. Monitor Portfolio Performance and Compliance by Applying Resources Where They Are Most Needed

Establish mechanisms that strategically monitor how funds are being used by recipients within and across grant programs. The limited availability of monitoring resources has historically reduced agencies' ability to proactively address issues that affect recipients' ability to perform and comply with federal regulations. The programs that are most effective in overseeing the performance and compliance of their recipients prioritize, plan, and conduct monitoring activities throughout the lifecycle. Monitoring can begin in the application phase by conducting thorough due diligence reviews to identify more risky recipients early and by applying special conditions that address key areas of program- or recipient-specific risk. After award, programs can apply a risk-based monitoring approach, coupled with improvement and corrective action plans, to put limited federal staff resources to work in the most targeted way.

### Practice 10 in Action

Booz Allen has provided comprehensive post-award management support to multiple federal clients, each of which was responsible for overseeing multi-billion dollar grant portfolios to thousands of recipients. The benefits of applying this key practice are exhibited through our support to a research-oriented federal agency responsible for managing a rapidly expanding award portfolio without the benefit of commensurate increases in budget. We assisted the agency with development and implementation of a risk-based portfolio monitoring approach and tools. Our partnership with the client resulted in significantly improved oversight of its grant portfolio and an annual agency-level Financial Statement Audit Report that did not include any findings related to post-award monitoring practices.

## Beyond Grants: Leadership Strategies That Work in Times of Change

In addition to the 10 key practices of successful federal grant programs, Booz Allen has identified proven leadership practices that can be readily applied by any federal government leader at any level to achieve mission goals. We teamed with Harvard University Professor of Public Management Steven Kelman to identify the best “leadership practices” used by successful government executives to transform their agencies and achieve mission goals, especially in times of change or transition. Over the course of 18 months, we interviewed more than 250 federal leaders and their stakeholders from the last 16 years and reviewed agency budgets, congressional testimony, and other public documents to determine which practices differentiated the leaders chosen by other federal executives as most successful. For the study, we defined success as the execution of a strong vision requiring significant organizational change—not just general organizational success.

Among the methods used by successful leaders, we found that they commonly—

- **Pursue just two or three goals.** Successful leaders identified and pursued fewer goals and had goals that were outcome-oriented and quantifiable.
- **Collaborate with employees and work proactively with stakeholders, particularly Congress.** The single most-mentioned technique the successful leaders used was a collaborative management style with employees and congressional leaders to gain support for their agenda.
- **Use a strategy planning process—but without overdoing it.** Seventy-five percent of the successful agencies used a defined planning process. While not all successful agencies produced a written plan, their goals were effectively communicated by other means and were consistently understood.
- **Manage within your organization, not just at the 50,000-foot level.** Successful leaders focused half of

their time on management efforts inside the agency. Leaders who did not achieve their goals spent just one-quarter of the time internally.

- **Use performance measures to achieve goals.** Successful agencies used measures to move their agenda forward and often included measures of customer satisfaction and quality, not just measures focused on cost and operations.
- **Be ready to implement your strategy—because just developing a great idea is not enough.** Implementation is one of the most prominent differentiators of successful leaders. Successful leaders reviewed their strategies’ implementation at least annually and ensured that there was a person or office responsible for every part of it.

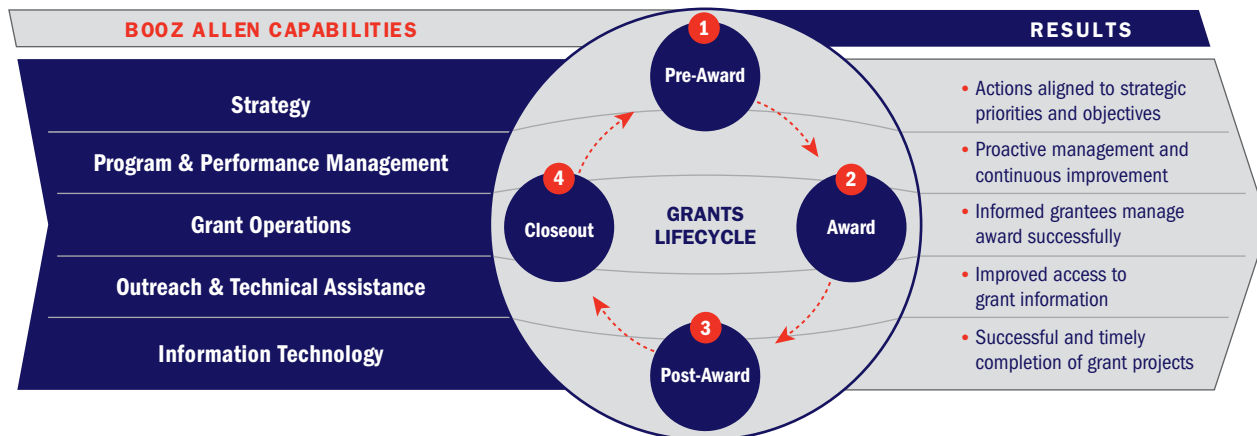
To learn more about the *What It Takes to Change Government* study, visit: [www.boozallen.com/consulting/advance-our-government/what-it-takes-to-change-government](http://www.boozallen.com/consulting/advance-our-government/what-it-takes-to-change-government)

### Your Mission Is Our Mission

Working hand-in-hand with our federal agency clients, Booz Allen Hamilton supports the management of more than \$35 billion in grant funding in the following mission areas:

- Scientific research
- Health research
- Community development and financing
- Early childhood education
- Port and transit security
- Homeland security
- Emergency preparedness
- Health IT
- Public computing centers
- Motor carrier safety
- Rural development
- Broadband infrastructure and adoption
- Transit and high-speed rail systems

## Booz Allen's Comprehensive Grants Management Capabilities



### Services to Help Agencies Manage Their Grant Programs

Booz Allen's reputation is built on nearly a century of experience, and we are committed to delivering results that endure. We take pride in knowing that our customers return to Booz Allen time and again to help them solve their toughest problems. In fact, more than 90 percent of our business is with repeat customers who rely on us.

Booz Allen offers a comprehensive suite of grants management capabilities that address the entire lifecycle of grants management: Strategy, Program and Performance Management, Outreach and Technical Assistance, Information Technology, and Grant Operations.

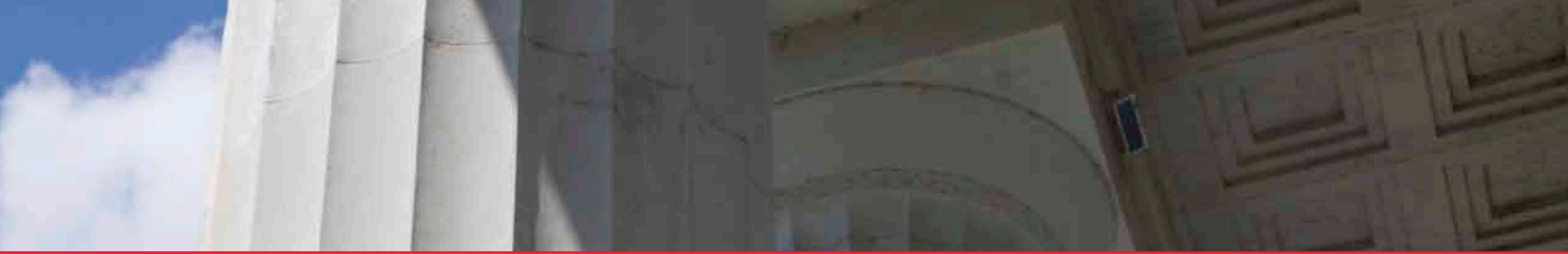
- **Strategy and Planning.** Booz Allen provides strategy and planning support through services that include strategic planning, program design, workforce analyses, portfolio analytics and tradeoff analysis, and legislative affairs support.
- **Program and Performance Management.** Our services include project and performance management, risk management, financial and programmatic monitoring, quality control, and dashboard reporting.
- **Outreach and Technical Assistance.** Booz Allen helps our clients communicate with stakeholders

by providing strategic communications support and materials, such as fact sheets and program guidance, web-based and in-person training, conference support, and help desk and hotline solutions.

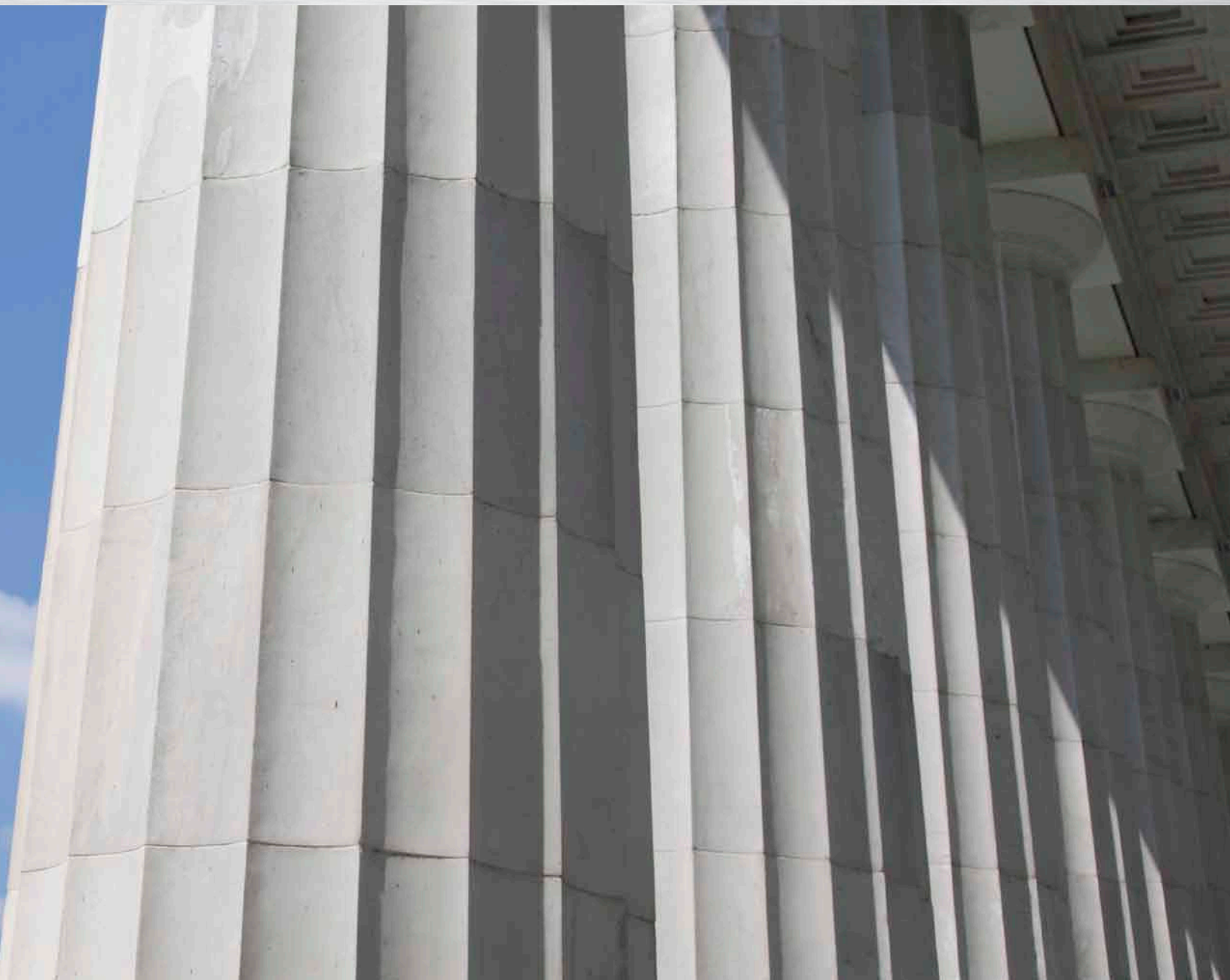
- **Information Technology.** Our IT services span the systems development lifecycle, from planning and architecture to e-Grants and Grants.gov integration, database and web development, and data and document management.
- **Grant Operations.** Booz Allen's skilled grants professionals are available to assist clients with the design and implementation of program operations across all phases of the grant lifecycle.

### Conclusion

Leaders of successful federal grant programs do not achieve their goals by accident. The programs that strategically harness these practices are more likely to produce measurable, sustainable results. Booz Allen has witnessed how federal grant programs apply these practices to achieve effective allocation of funds, increased grantee compliance, and data-driven accomplishments. Our experienced grants practitioners offer a practical and comprehensive understanding of program challenges and the solutions that best address them throughout the life of federal grant programs—from inception through post-award and closeout.



**“Successful federal grant programs do not achieve their goals by accident, but by harnessing proven practices in strategy, personnel and partnerships, and program administration. ”**



## About Booz Allen Hamilton

Booz Allen Hamilton has been at the forefront of strategy and technology consulting for nearly a century. Today, the firm is a major provider of professional services primarily to US government agencies in the defense, security, and civil sectors, as well as to corporations, institutions, and not-for-profit organizations. Booz Allen offers clients deep functional knowledge spanning strategy and organization, technology, operations, and analytics—which it combines with specialized expertise in clients’ mission and domain areas to help solve their toughest problems.

The firm’s management consulting heritage is the basis for its unique collaborative culture and operating model, enabling Booz Allen to anticipate needs and opportunities, rapidly deploy talent and resources, and deliver enduring results. By combining a consultant’s problem-solving orientation with deep technical knowledge and strong execution, Booz Allen helps clients achieve success in their most critical missions—as evidenced by the firm’s many client relationships that span decades. Booz Allen helps shape thinking and prepare for future developments in areas of national importance, including cyber-security, homeland security, healthcare, and information technology.

Booz Allen is headquartered in McLean, Virginia, employs more than 25,000 people, and has annual revenues of approximately \$5 billion. *Fortune* has named Booz Allen one of its “100 Best Companies to Work For” for six consecutive years. *Working Mother* has ranked the firm among its “100 Best Companies for Working Mothers” annually since 1999. More information is available at [www.boozallen.com](http://www.boozallen.com).

To see how Booz Allen can help your grant-making efforts, please contact one of our consultants:

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