

Considerations for Creating a New Federal Grant Program: In Brief

February 22, 2024

Congressional Research Service https://crsreports.congress.gov R47928

Contents

Introduction	1
Program Authorizations Versus Appropriations Grant Program Authorities: Differentiating Statutory, Regulatory, and Grant Guidance	1
Provisions	2
Elements of Grant Program Authorizing Legislation	3
New Versus Existing Grant Program Authorizations	3
Role of the Federal Administering Agency	4
Subject Matter Expertise Versus Applicant Familiarity	4
Multiple Agencies and Consultation	4
Oversight	5
Eligible Applicants	5
Applicant Types	5
Federal Grant Pass-Through Considerations	5
Technical Assistance Considerations	6
Eligible Activities	7
Stakeholder Outreach for Evolving Policy Areas	7
Grant Funding Allocation and Distribution	7
Formula Grants Versus Competitive Grants	8
Grant Agreements and Cooperative Agreements	
Program Administration Timelines and Project Completion Timelines	9
Program Administration Sunset Provisions1	0
Project Period of Performance Provisions 1	0
Cost-Share Provisions 1	0
Requested Funding Levels1	1
Oversight and Transparency Provisions1	1

Figures

Figure 1. Federal Grant Funding Pass-Through	(6
--	---	---

Contacts

No table of contents entries found.

Introduction

Federal grant programs are a mechanism by which Congress can provide federal financial assistance to state and local governments and other eligible entities for activities that align with certain policy objectives of the federal government. Congress authorizes federal agencies to administer grant programs based on statutory provisions enacted into law. Funding for grant programs is also provided by Congress. Grant programs are typically authorized through a two-step process that involves authorizing the grant program and subsequently appropriating funding for that program.

The structure and complexity of grant program authorizing legislation varies program by program. Authorizing legislation typically includes several common elements necessary to administer the program: designation of a federal administering agency, eligible grant recipients, and eligible activities. In addition, the legislation typically includes descriptions of the funding

allocation method, the role of the federal government in grant-funded projects or programs, financial and performance reporting requirements for administering federal agencies and grant recipients, and language explicitly authorizing a desired level for program funding. Additional elements, such as the establishment of an application review panel, technical assistance provisions, grant recipient matching requirements, and additional eligibility provisions such as planning requirements, may also be included in the authorizing legislation.

Federal Financial Assistance

As defined in the Code of Federal Regulations, Title 2, Part 200, "Federal Financial Assistance" means assistance that nonfederal entities receive or administer in the form of:

- (I) Grants;
- (2) Cooperative agreements;

(3) Non-cash contributions or donations of property (including donated surplus property);

- (4) Direct appropriations;
- (5) Food commodities; and

(6) Other financial assistance (except assistance listed in paragraph (b) of this section).

This report discusses considerations for

navigating the process for authorizing new grant programs, including potential policy and programmatic outcomes based on certain structural decisions.

Program Authorizations Versus Appropriations

Federal grant program authorities include (1) program authorization legislation that authorizes the federal administering agency to implement the program, and (2) spending authority provided through appropriation law. Grant program funding may be provided as either discretionary spending or mandatory spending. The Congressional Budget Office (CBO) states that:

The labels **discretionary** and **mandatory** identify the process by which the Congress provides funds for federal programs or activities. The distinction is generally made at the time a law creates a program or provides authority to undertake an activity. The Congressional rules and statutory procedures that govern budget enforcement differ for those two types of spending.

Discretionary spending results from budget authority provided in appropriations acts. (A few mandatory programs are also funded through appropriation acts).... Through the appropriations process, the Congress decides on the amount of funding for a program (such as veterans' health care) or an activity....

Mandatory spending (also called direct spending) consists of outlays for certain federal benefit programs and other payments to individuals, businesses, non-profit institutions, and

state and local governments. That spending is generally governed by statutory criteria and, in most cases, is not constrained by the annual appropriation process. Social Security, Medicare, and Medicaid are the three largest mandatory programs.¹

Federal grant programs that utilize discretionary spending are typically awarded through *competitive grants programs*. For discretionary spending, federal grant program authority is generally provided through a two-step process. Separate legislation to establish or continue federal agencies, programs, policies, projects, or activities is presumed to be enacted first, and legislation that provides funding for these purposes is presumed to follow.²

While the two steps are generally enacted separately for grant programs, in some cases (such as when a program's authorization may expire) a federal administering agency may be provided with both the continuing authority to administer a grant program as well as its funding in appropriations legislation.³

Grant Program Authorities: Differentiating Statutory, Regulatory, and Grant Guidance Provisions

The federal administering agency has the authority to make decisions regarding how a federal grant program is administered as long as the agency follows the statutory, regulatory, and program-specific guidance established for the grant program. Program implementation begins when the program is authorized in statute, with the regulatory provisions and guidance documents developed based on the statutory authority. Once a program is authorized in statute, the federal administering agency promulgates regulations for the new grant program:

The federal agency has the authority to implement statutes through regulations and other means. Typically authorizing statutes only provide the basics of the grant program and the Federal agency provides the details through regulations. A regulation has the force and effect of law.

The rulemaking process is prescribed by the [Administrative Procedure Act], 5 U.S.C. 551-559. The terms "regulation" and "rule" are used interchangeably. A regulation is the Federal agency's statement that implements, interprets, or prescribes law or policy. A regulation may also describe the organization, procedure, or practice requirements of the Federal agency.

The Federal agency publishes proposed regulations in the Federal Register for public review and comment.⁴

In addition to promulgating program-specific regulations, federal agencies also develop grant guidance that provides more detailed direction regarding applications for, and management of, a

¹ Congressional Budget Office, *Common Budgetary Terms Explained*, December 2021, p. 2. For additional discussion of funding mechanisms in the budget process, see CRS Report R44582, *Overview of Funding Mechanisms in the Federal Budget Process, and Selected Examples*, by Jessica Tollestrup.

² For additional discussion of the appropriations process, see CRS Report R46497, *Authorizations and the Appropriations Process*, by James V. Saturno, p. 1.

³ Because the distinction between authorization and appropriation is a construct of congressional rules, Congress may choose to enact appropriations even when a program's authorization has expired. In such cases, the enacted appropriation, in effect, carries its own authorization and is available to the agency for obligation and expenditure. Government Accountability Office, *Principles of Federal Appropriations Law* (4th ed., 2016), GAO-16-464SP, chapter 2, p. 2-79.

⁴ Chief Financial Officers Council, *Introduction to Federal Financial Assistance*, 2023, p. 26. For additional discussion of the Administrative Procedure Act, see CRS In Focus IF10003, *An Overview of Federal Regulations and the Rulemaking Process*, by Maeve P. Carey.

federal grant under the program's authorization. Grant program administration activities are thus governed by a combination of provisions in statute, regulation, and program administration guidance. While the origination and the level of detail in each provision varies, there is a clear hierarchy for implementing the various grant program authorization provisions:

There is an order of precedence related to statutes, regulations, and other requirements which are enforceable to award recipients. If there is any inconsistency between any of the requirements, the following order of precedence should be followed:

- applicable laws and statutes of the United States including any specific legislative provisions mandated in the statutory authority for the award.

- Code of Federal Regulations.
- Office of Management and Budget (OMB) guidance.
- agency policies, standard terms and conditions, award specific terms and conditions.⁵

Since the provisions in the authorizing statute have the highest precedence, the elements included in the grant program authorizing legislation play a significant role in overall program administration.

Elements of Grant Program Authorizing Legislation

There are several decisions when creating a new federal grant program, including:

- whether to establish a new program authorization or amend an existing authorization;
- how to describe the role of the federal administering agency and other federal agencies;
- how to identify eligible applicants and eligible activities;
- how to allocate funding to recipients and distribute funding to sub-grantees at each level of the pass-through;
- how to establish the duration of federal grant funding and identify what share of the project costs will be matched by the recipient;
- how to identify the level at which subsequent appropriations should be authorized;
- whether to cap individual award amounts; and
- how to establish financial and performance reporting requirements.

These decisions, as well as potential outcomes, are discussed below.

New Versus Existing Grant Program Authorizations

One of the first steps in evaluating the potential for a new grant program is typically to determine whether there is an existing grant program that can already award funding for the desired purpose, or whose authorizing statute could be amended to expand the eligible use of funding to incorporate the new projects or program activities. If so, evaluation of previous grant awards can provide insight into the likelihood of funding being directed towards the intended activities without further legislation. If there is a desire to increase funding for certain categories of

⁵ Ibid., p. 5.

activities, legislation options include amending the authorizing language to set aside a specific percentage or amount of appropriated funds for targeted activities. The federal administering agency could also be directed to implement criteria in evaluating applications to incorporate priority consideration for certain types of applicants or projects. Implementing new criteria into the application review process would be an administrative activity but would involve amending the authorizing legislation for the existing grant program in cases where Congress wanted to ensure that specific criteria were included in the review process. Other considerations for amending the existing authorizing legislation include expanding the description of eligible applicants or changing the eligible use of grant funds.

The process for amending an existing grant program can be complex. In certain cases, it may be more feasible to create a new grant program.

Role of the Federal Administering Agency

A central element of creating a new grant program involves selecting which federal agency to designate as the federal administering agency. As discussed previously, the federal administering agency has broad discretion in administering federal grant programs.

Subject Matter Expertise Versus Applicant Familiarity

Some considerations in selecting a federal administrating agency include evaluating subject matter expertise or pre-existing experience with the potential grant recipients of the new program. For example, if Congress wants to establish a new grant program to direct funding to first responder organizations to develop educational outreach materials, it may consider multiple federal agencies as administrators. Congress may select the Department of Education as the federal administering agency based on its subject matter expertise, though the Department of Justice or the Federal Emergency Management Agency may have more experience working with first responder organizations as grant recipients. In certain cases, if the subject matter expertise is critical to the overall successful implementation of grant-funded projects, then selection based on federal agency subject matter may be beneficial. In other cases, if the potential applicants have unique characteristics where federal experience with those types of applicants is beneficial, then basing the federal agency selection on grant recipient type may be helpful.

Multiple Agencies and Consultation

In some cases, Congress may see a benefit to involving more than one federal agency in the proposed grant program administration, in which case Congress may consider incorporating a consultation component in the authorization legislation. Because of the legal nature of grant program administration, grant programs are generally structured with one designated lead federal agency. However, the lead agency can be directed in statute to consult with other specified agencies in the development of certain components of the program administration, such as the criteria used to score grant applications, or the compilation of the grant program authorization is whether there is appropriate authority for the consultative agency to influence the lead agency decisions. For example, there may be legal considerations to directing the lead agency to gain the approval of another federal agency before making an award decision. Generally, interagency coordination or collaboration in grant programs is through consultation rather than strict approval or denial of lead agency decisions.

Oversight

Additional considerations for selecting the federal administering agency may include evaluating which congressional committee may have jurisdiction over the new grant program. In some cases where the program authorization legislation involves more than one federal agency, there may be more than one congressional committee involved in oversight of the new program.

Eligible Applicants

One of the key components of grant program authorizations is the designation of the eligible recipients of the grant funding. One consideration for determining the eligible grant recipients is to evaluate how the funding would be passed from the federal agency to the final recipient expending the funds. This process is called the federal grant funding pass-through.

Applicant Types

The authorizing legislation for a federal grant program establishes who is eligible to apply for funding from that program. Information about specific grant program eligibility is also provided in funding opportunity announcements in the *Federal Register*. In general, applicants for federal grant programs include:

- Governmental organizations: state, local, city or township, special districts, territories, and certain Native American tribal governments;
- Educational organizations: independent school districts, public and statecontrolled institutions of higher education, private institutions of higher education;
- Public housing organizations;
- Nonprofit organizations: nonprofit designation includes designation as an organization with 501(c)(3) status with the Internal Revenue Service, or holding a nonprofit designation under state requirements;
- Small businesses;
- For-profit organizations (other than small businesses);
- Individuals: however, most individuals are beneficiaries of programs administered by other applicant types rather than being the primary applicant; and,
- Foreign applicants: foreign entities may be eligible in certain circumstances depending on program-specific criteria.

The above applicant types may be either the primary applicant to a federal grant program, or a sub-applicant to the primary applicant. Governmental organizations and educational organizations are generally the primary grant applicant for federal grant programs.

Federal Grant Pass-Through Considerations

There may be multiple levels of grant recipients and sub-grant recipients before the funding reaches the recipient that will be expending the funding. **Figure 1** shows one example of a grant program funding pass-through scenario.



Figure 1. Federal Grant Funding Pass-Through

Source: Congressional Research Service, January 2024.

The authorizing statute for the new grant program can be broad and address only the primary grant recipient eligibility. Alternatively, the eligibility provisions can also be more prescriptive and include provisions that provide specific directives on how the funds should be awarded at each level of the pass-through. For example, the federal-to-state funding may be provided based on a formula allocation. In the absence of specific statutory language, the state can decide how to pass the funding through to the sub-state level. For example, the state may decide to sub-contract the federal grant funding, or again award it to sub-grant recipients through a formula allocation. If Congress wishes to designate a specific allocation method for the pass-through of grant funds, such as requiring that the states compete the funding at the state-to-local level, that provision can be incorporated into the authorizing legislation.⁶

Technical Assistance Considerations

Assessing eligible grant recipients and sub-grant recipients may include evaluating the ability of the new program grant applicants and recipients to successfully navigate the federal grant process and implement program activities. In some cases, new grant programs are developed in response to a desire to provide federal grant funding opportunities to underserved organizations or communities, or to direct funding to recipients that are not currently receiving federal financial assistance. If the new grant program may provide funding for grant recipients that are new to the federal grant process, additional considerations could include incorporating technical assistance resources into the authorizing legislation.⁷

⁶ For additional information about grant funding allocation, see report section "Grant Funding Allocation and Distribution."

⁷ For additional discussion of federal grant technical assistance considerations, see CRS Report R47607, *Federal Grant Technical Assistance: Definition, Use, and Considerations for Congress*, by Natalie Keegan.

Eligible Activities

Another element in the grant program authorization is the designation of eligible activities. The broader the eligible use provisions in the authorizing statute, the greater the federal administering agency discretion in selecting specific types of projects or programs to receive grant funding. For example, a new grant program may stipulate that the grant funds shall be used for community outreach. However, if the program authorization does not provide a detailed definition of community outreach or provide a range of activities that may be considered allowable under the community outreach category, then the federal administering agency would face designating what activities would be allowable when the agency promulgates the program regulations and the grant guidance. If Congress wishes to more specifically target funding to certain activities, then the grant program authorization may include more detailed descriptions of eligible activities.

One consideration for designating eligible activities is whether there is a clear understanding of what types of projects may be submitted for funding under the new grant program. If there is uncertainty regarding specific types of projects, then broader eligible activity language may be beneficial in the initial authorizing statutory provisions. Once the new grant program is implemented and the initial round of applications are received, there may be a better sense of the types of projects and activities for which applicants are seeking federal funding. The authorizing legislation can be amended at a later point to make adjustments to the list of eligible activities.

Stakeholder Outreach for Evolving Policy Areas

Another consideration for evaluating potential eligible activities under a new grant program is whether to incorporate stakeholder outreach prior to developing regulations or grant guidance. New grant programs are sometimes proposed for evolving policy areas that do not reasonably fall within existing grant program parameters. Because of the evolving nature of these policy areas, there may be a benefit to conducting stakeholder outreach to assess the best approaches to implementing a new grant program. In addition to requiring the federal administering agency to conduct outreach, the authorizing legislation can also require the primary grant recipient to conduct outreach activities prior to sub-granting the federal funding. Stakeholder outreach may also result in the collection of information regarding additional areas of funding shortfalls or best practices that could be shared to enhance program effectiveness. The authorizing legislation could also incorporate a reporting requirement that the federal administering agency provide a report to Congress on the use of the new grant program funds to aid Congress in evaluating whether amendments to the program authorization may be beneficial and to assess future appropriation levels.

Grant Funding Allocation and Distribution

The grant program authorization generally includes provisions that direct how the appropriated grant funds will be distributed. The allocation method includes the process by which grant award amounts are determined, and the mechanism by which funds are transferred from the federal agency to the grant recipient. Grant award amounts are generally determined based on a formula calculation or a competitive grant project selection. An allocation method is sometimes used to describe a grant program, with grant programs called a "formula grant" or a "competitive grant." Other common ways to describe grant programs may be based on how broad or prescriptive the statutory language is in establishing the eligible activities under the program, with broader use of funds referred to as a "block grant" and more prescriptive use of funds referred to as a

"categorical grant."⁸ Establishing eligible activities in new grant programs is discussed in more detail in the "Eligible Activities" section of this report. Grant programs are also sometimes described based on the type of legal agreement used to award funding to the grant recipient, such as "a grant agreement" or a "cooperative agreement." Grant agreements and cooperative agreements are mechanisms for conveying the terms and conditions attached to the awarded funding.

Formula Grants Versus Competitive Grants

Grant funding can be allocated by designating criteria in the program authorization to be used by the federal administering agency to select grant recipients and set award amounts. Some grant programs use a formula allocation method in which Congress sets forth specific criteria or specific amounts to be used to calculate the award amount for eligible recipients. This approach is generally categorized as a *formula grant* structure.

Another allocation method involves selecting recipients based upon a competitive process, and awards amounts based on the requested funding in successful applications. This approach is generally considered to be a *competitive grant* structure.

Formula Grant Considerations

Some considerations for structuring a formula grant program include the ability to determine a minimum award amount for each eligible applicant, and to gauge the potential number of eligible applicants that may be requesting funding.

Establishing formula grant programs may involve evaluating the minimum funding thresholds and the anticipated number of grant recipients in order to

Why Establish a Minimum Grant Award?

Establishing a minimum award amount ensures that the total award amount is not less than the cost to administer the funding (there is a threshold in which the administrative cost of managing a federal grant may exceed the actual amount of grant funding received). Most federal grant programs require the recipient to track the use of the federal funds and submit reports to the federal government on the financial and performance-based data associated with the grant-funded project, which incurs costs. If the amount of federal money is disproportionate to the cost of managing the grant funding, there would be a disincentive for the grant recipient to accept the federal funding.

determine anticipated funding levels. This can be challenging for new grant programs if it is unclear what types of projects may be submitted or how many applicants may seek funding. In some cases, it may be beneficial to pilot the new grant program as a competitive grant in order to collect information on these components of the program before determining the criteria to establish a formula allocation method.

Competitive Grant Considerations

Competitive grant program authorizations may include a wide range of provisions to establish the process by which grant applications are selected. In some cases, the authorizing provisions are broad and designate the federal administering agency to select successful projects based on general guidelines. In other cases, the authorizing legislation may be very detailed and include specific criteria for reviewing and scoring applications and prioritizing certain categories of projects. One consideration is to assess whether the federal administering agency would establish selection application review factors, and weight those factors, in an appropriate manner to accomplish the goals of the new grant program. If there are specific characteristics of potential

⁸ For additional discussion of categorical grants and block grants, see CRS Report R40486, *Block Grants: Perspectives and Controversies*, by Joseph V. Jaroscak.

grant projects that should be given priority funding consideration, those characteristics could be identified in the authorizing legislation. For example, if the grant program is intended to fund activities in rural or urban areas, then the authorizing legislation can require that additional points be assigned to the application score for projects that benefit that type of area.

Another consideration for allocating funding is whether to specify the type of agreement that will be used to award funding to the grant recipient.

Grant Agreements and Cooperative Agreements

The federal administering agency generally utilizes a grant agreement or a cooperative agreement as the mechanism to provide grant funding to nonfederal entities pursuant to the Federal Grant and Cooperative Agreement Act of 1977.⁹ The decision to use a grant agreement or a cooperative agreement is based on the role of the federal administering agency in the grant-funded project. Federal agencies are directed to use a grant agreement whenever:

(1) the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the State or local government or other recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute, rather than acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government; and

(2) no substantial involvement is anticipated between the executive agency, acting for the Federal Government, and the State or local government or other recipient during performance of the contemplated activity.¹⁰

In some cases, the grant-funded project or program may require the federal agency, acting on behalf of the federal government, to provide additional resources beyond the grant funds to implement the project or program. In those cases, the federal agency is directed to use a cooperative agreement when awarding grant funds to the recipient whenever:

(1) the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the State or local government or other recipient to accomplish a public purpose of support or stimulation authorized by Federal statute, rather than acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government; and

(2) substantial involvement is anticipated between the executive agency, acting for the Federal Government, and the State or local government or other recipient during performance of the contemplated activity.¹¹

The grant agreements and cooperative agreements also incorporate terms and conditions relating to relevant periods of performance and project cost-sharing requirements.

Program Administration Timelines and Project Completion Timelines

Establishing timelines in grant program authorizations generally involves setting sunset provisions on the authority of the federal administering agency to administer the program, as well as designating allowable periods of performance for awarded projects.

⁹ Federal Grant and Cooperative Agreement Act of 1977, P.L. 95-224, February 3, 1978.

¹⁰ Ibid., 92 Stat. 4.

¹¹ Ibid., 92 Stat. 5.

Program Administration Sunset Provisions

Grant program authorizations may include a provision that specifies a timeframe in which the authority of the federal administering agency to administer the program exists. When the program administration authority expires on a date specified in the authorizing legislation, it is known as a "sunset provision." In the absence of a sunset provision, the federal administering agency would continue to have the authority to administer the program. However, the funds necessary to cover the administrative costs would still depend on appropriations for the program. Because the distinction between authorization and appropriation is a construct of congressional rules, Congress may choose to enact appropriations even when a program's authorization has expired. In such cases, the enacted appropriation, in effect, carries its own authorization and would be available to the agency for obligation and expenditure.

Project Period of Performance Provisions

The program authorization may sometimes include specific provisions that set forth the period of performance that the federal administering agency may allow for awarded grant projects. This is typical in programs where there is a need for a multi-year project period of performance, such as in grant programs that fund construction work that cannot be completed in a single fiscal year. When considering whether to include provisions addressing the allowable period of performance, Congress may evaluate the type of projects that may be funded under the new grant program. Construction projects, commonly called "brick and mortar" projects, may be given a longer period of performance than service-based projects where the grant funds cover costs associated with providing services (often within a one-year period). If the anticipated projects for a new grant program include both brick and mortar and service projects, the authorizing legislation can remain silent on the period of performance issue and the federal administering agency would have the authority to set the period of performance as appropriate for each individual grant award.

Cost-Share Provisions

The authorizing legislation generally includes provisions addressing the federal cost-share for grant-funded projects. A cost-share requirement is the requirement that the grant recipient cover a certain portion of the grant-funded project costs using nonfederal funds. Cost-sharing is an approach that is generally seen as a mechanism to encourage the grant recipients to invest their own resources to leverage federal funding and establish a long-term interest in the outcome of the project. Cost-share requirements vary across federal grant programs, with some programs not requiring any nonfederal funding and other programs requiring at least half (50%) of the project costs covered by nonfederal funds.

In evaluating whether to include a cost-share provision and, if so, what share of the project costs would be federal, state, or local funds, Congress may consider the available resources of the anticipated grant recipient and whether the objectives of the funding have a largely national focus. For grant recipients that do not have adequate resources to meet a nonfederal cost-share, a cost-share provision may disincentivize the potential grant recipient from applying for federal grant funding. For grant programs that are intended to encourage nonfederal entities to undertake activities that may have a national benefit, a lower cost-share may encourage the potential applicants to apply for funding. If the new grant program is intended to be a short-term federal funding measure designed to cover the initial costs of a program or project, with the expectation that the grant recipient will eventually cover the full costs of the program at some point in the future, then a higher cost-share may serve as a transition from a federally-funded approach to a locally-funded effort.

Requested Funding Levels

The program authorization may include an authorization of appropriations section that provides a requested funding level to be provided through appropriations legislation over a set period of time. One consideration for new grant programs is how to determine what the requested funding levels should be. In some cases, there may be data on the funding shortfalls for the types of eligible activities and potential grant recipients that can inform the calculation of anticipated program funding needs. In other cases, there is a general sense that funding is necessary, but Congress may lack precise information on exactly how much funding needs are uncertain, the new grant program authorization could be structured as a pilot program. Pilot programs generally include additional reporting requirements that are designed to capture information regarding the types of project applications received that were both funded and unfunded as a way to assess the future funding needs for the program. These program evaluation reporting provisions can be incorporated into the overall reporting requirements included in the oversight and transparency provisions of the program authorization.

For programs funded through discretionary appropriations there is no requirement that they be funded at the level of the authorization. Congress may choose to appropriate an amount less that the amount authorized for any year.¹²

Oversight and Transparency Provisions

Federal grant program authorizations generally include provisions that direct the federal administering agency to collect information related to both overall program performance and project-specific performance. Federal administering agencies and grant recipients are required to report certain financial information under other financial management laws such as the Single Audit Act of 1966, as amended (Single Audit Act) and the Federal Funding Accountability and Transparency Act (FFATA).¹³ Consequently, grant program authorizations generally include performance reporting requirements rather than financial reporting requirements that would otherwise duplicate requirements under the Single Audit Act and FFATA. Performance reporting requirements are specific to the objectives of the individual grant program and may include data

¹² See CRS Report R46497, Authorizations and the Appropriations Process, by James V. Saturno, p. 10.

¹³ Single Audit Act of 1984, (P.L. 98-502), as amended by the Single Audit Act Amendments of 1996 (P.L. 104-156); Federal Funding Accountability and Transparency Act (P.L. 109-282), as amended by section 6202(a) of P.L. 110-252.

collection on a range of activities. For example, performance reporting may require grant recipients to report on the number of jobs created by the grant-funded project. New grant programs, in particular, may benefit from specific performance reporting that highlight the benefits of the new program as a way to collect information to incorporate into future program authorization amendments or appropriation requests. Additionally, the grant program authorization may include a provision that directs the Government Accountability Office (GAO) to conduct a program evaluation at some point after implementation to provide information on program performance and implementation.

Author Information

Natalie Keegan Analyst in American Federalism and Emergency Management Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.