



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 18, 2004

M-04-14

MEMORANDUM FOR CHIEF FINANCIAL OFFICERS AND CHIEF INFORMATION OFFICERS

FROM

Linda M. Springer
Controller

Karen S. Evans
Administrator, IT and E-Gov

SUBJECT: FY 2004 Grants.gov Funding and Advance Planning Guidance for FY 2005 – FY 2006

Through the Presidential E-Government initiative, Grants.gov, individuals, businesses, and other organizations are able to electronically find and apply for competitive grant opportunities from Federal grant-making agencies. These capabilities were built on behalf of all Federal grant-making agencies, thereby eliminating redundant investments by multiple Federal agencies which would otherwise have to build their own sites to perform this common government-wide business function.

This initiative has been embraced by the public and by the twenty-six Federal grant-making agencies, and agencies are congratulated for the significant work undertaken to reach this goal. This success has demonstrated how cross-agency collaboration can result in increased mission effectiveness and leveraging of Federal resources to prevent wasteful spending on redundant efforts. As of May 21, 2004, more than 3,000 grant announcements have been posted and over 115 grant programs are available for electronic application. In addition, almost 8,000,000 visitors have come to the site, and over 340 grant applications have been submitted electronically through Grants.gov.

To continue to build on this progress, the purpose of this memorandum is to provide

- Information to Federal agencies on the implementation of the guidance outlined in the January 7, 2004, OMB memorandum (M-04-05), including informing agencies of funding for Grants.gov for the remainder of FY 2004; and
- Advance planning guidance to agencies for funding Grants.gov from FY 2005 – FY 2006.

As you know, grant-making agencies were informed as part of their FY 2005 budget guidance that FY 2004 development and modernization funding related to grant systems would be applicable to supporting more efficient government-wide solutions for grants.

Transitioning from Development to Utilization

With the launch of the new government-wide effort, the Grants Management Line of Business, Grants.gov was refocused on increasing the adoption and utilization of the FIND and APPLY functionality. As a result, the proposed FY 2004 agency contributions to Grants.gov were significantly decreased to address Grants.gov work on finalizing FIND and APPLY for the first six months of FY 2004. With the completion of this work, the primary costs facing Grants.gov include the operations and maintenance costs, enhancement costs to the existing FIND and APPLY functionality, and the costs of developing new electronic forms to support additional agency grant programs consistent with the agency ramp-up schedules. Therefore, the intent of this memorandum is to address agency contributions to Grants.gov for the remainder of FY 2004, which are based in part on the FY 2004 grants-related development and modernization funding.

The goal of the Grants.gov initiative mirrors the intent of both the Economy Act and the Clinger-Cohen Act which promote cross-agency initiatives on common business functions. Pursuing government-wide solutions rather than continuing with redundant and stove-piped agency efforts leads to improved productivity and efficiency for individual agencies while reducing wasteful spending. The transition of Grants.gov from development to utilization continues this goal of maximizing resources to achieve more effective results. Grants.gov will provide additional information to Federal agencies concerning this transition as well as a memorandum of understanding covering support for Grants.gov for the remainder of FY 2004. As part of this effort, OMB will work with agencies to identify FY 2004 development, modernization, and enhancement funds that should be used to support Grants.gov, the government-wide solution for finding and applying for Federal grants, as opposed to continuing agency investments in stovepiped systems.

FY 2005 – FY 2006 Planning Guidance

The Grants.gov Executive Board approved a funding algorithm to support Grants.gov transition to a fee-for-service effort in FY 2005 and continuing in FY 2006. Attachment A provides a list of agency membership on the Executive Board. Attachment B includes the funding algorithm, based on the FY 2002 grants award data submitted to the Federal Assistance Award Data System (FAADS). Agencies' contributions are based on their total grant dollars awarded, including discretionary and mandatory awards. The Executive Board used the natural break points in the FAADS award data to categorize grants-making agencies as large, medium, or small.

Federal agencies are encouraged to begin planning now to ensure a smooth transition to the fee-for-service model. Agencies should plan to transfer their FY 2005 funding within a month after enactment of their FY 2005 appropriation.

Questions related to this guidance can be directed to Kamela White at kgwhite@omb.eop.gov.

Attachment A

I. Grants Executive Board Membership As of May 19, 2004

Executive Members

Charles Havekost, Deputy Assistant Secretary/Chief Information Officer, Department of Health and Human Services

Tom Dowd, Deputy Assistant Secretary for Employment and Training Administration, Department of Labor

- David J. Litman, Senior Procurement Executive, Department of Transportation
- Vickers Meadows, Assistant Secretary for Administration/Chief Information Officer, Department of Housing and Urban Development
- Chris Niedermayer, Associate Chief Information Officer, eGovernment, Department of Agriculture
- Mary Santonastasso, Director of the Division of Grants and Agreements, National Science Foundation
- Dr. William Berry, Director for Basic Research, Department of Defense
- David Zeppieri, Chief Information Officer/Office of Justice Programs, Department of Justice
- Jack Martin, Chief Financial Officer, Department of Education
- Otto Wolf, Chief Financial Officer/Assistant Secretary for Administration, Department of Commerce
- Van Pace, Director, Grant Policy & Oversight Office, Department of Homeland Security
- Representative, Rotating Agency
- Representative, Rotating Agency

Ex-officio Members:

- Rebecca Spitzgo, Grants.gov Program Manager and Executive Board Chair
- Kamela White, OMB, Government-to-Government Portfolio Manager

**II. Schedule of Agency Rotations on the Grants Executive Board
May 19, 2004**

The Grants.gov Program Manager will request that the Agencies' Chief Financial Officer designate an Executive Board member based on the schedule below. The email request will be sent to Agencies' Chief Financial Officer, with a copy to Agencies' Chief Information Officer and Senior Grants Policy Official.

July 2004 – December 2004:	Environmental Protection Agency National Endowment for the Arts
January 2005 – June 2005	Department of Energy National Endowment for the Humanities
July 2005 – December 2005	Department of Interior National Archives and Records Administration
January 2006 – June 2006	Institute for Museum and Library Services Department of Treasury
July 2006 – December 2006:	Social Security Administration U.S. Agency for International Development
January 2007 – June 2007	Small Business Administration National Aeronautics and Space Administration
July 2007 – December 2007:	Department of Veterans Affairs Department of State
January 2008 – June 2008	Corporation for National and Community Service Environmental Protection Agency

