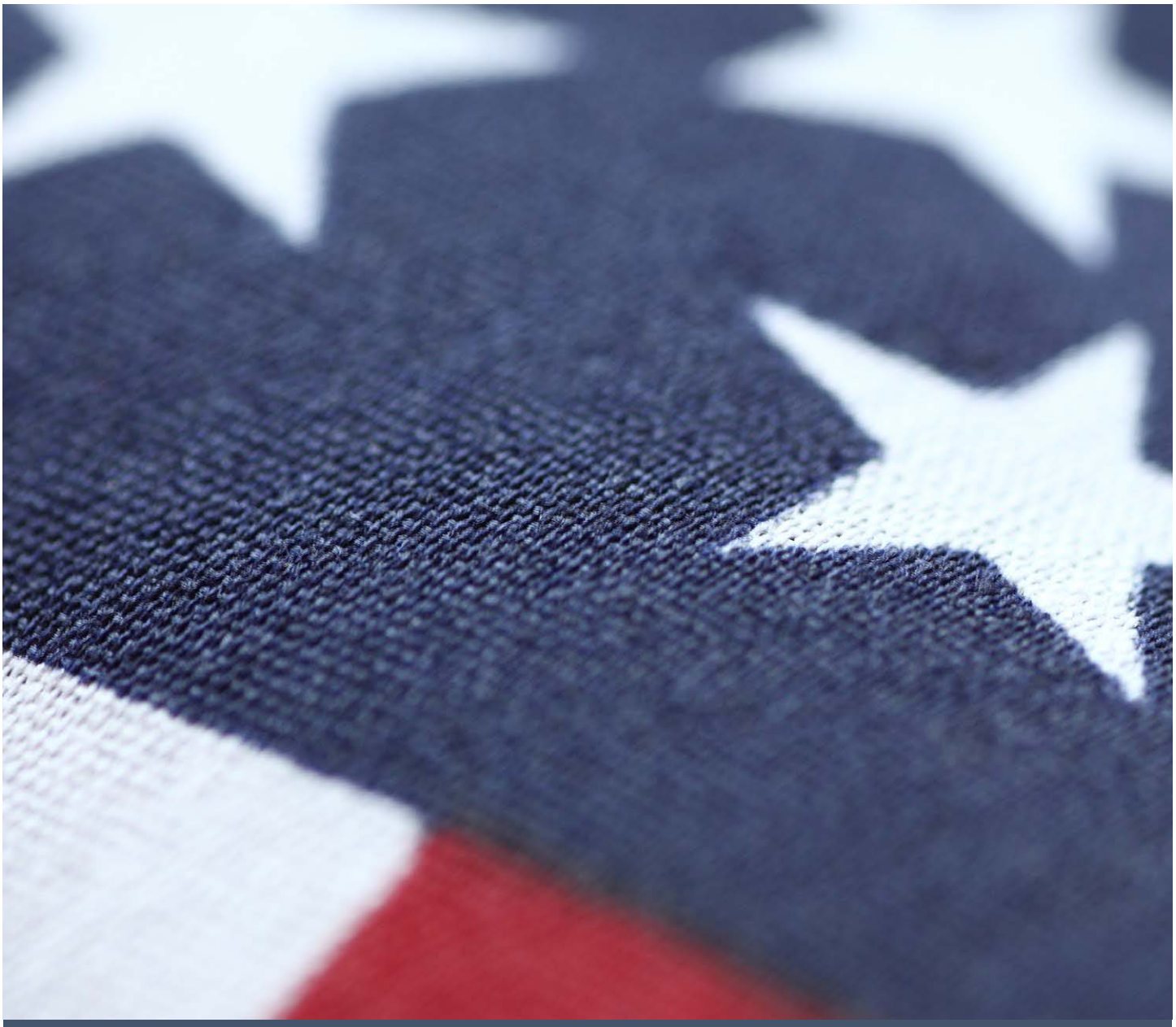


MANAGING FOR RESULTS:

The Performance Management Playbook for Federal Awarding Agencies

April 2020

VERSION I

Executive Summary

In coordination with the Chief Financial Officers Council (CFOC) and the Performance Improvement Council (PIC), the President's Management Agenda (PMA) Cross Agency Priority (CAP) Goal, Result-Oriented Accountability for Grants, Performance Workgroup is proud to release version I of the "Managing for Results: The Performance Management Playbook for Federal Awarding Agencies (PM Playbook).

Playbook Purpose. The purpose of the PM Playbook is to provide Federal awarding agencies with promising practices for increasing their emphasis on analyzing program and project results as well as individual award recipient performance, while maintaining, and where possible minimizing, compliance efforts. Some ideas in the PM Playbook are reflected in the proposed revisions to Title 2 of the Code of Federal Regulations (2 CFR) for Grants and Agreements. As a playbook, this document is not Office of Management and Budget (OMB) guidance but a resource for Federal awarding agencies as they continue efforts to improve the design and implementation of Federal financial assistance programs for awards. This first version of the PM Playbook is released with the intent to engage stakeholders on practices and principles for improving performance to help shape the Federal strategy in this area and to influence future revisions to 2 CFR. Importantly, the PM Playbook represents the Federal government's shift in a direction toward performance and focusing on results. Subsequent versions of the PM Playbook will be released as organizational learning occurs in implementing the practices and concepts outline in the document.

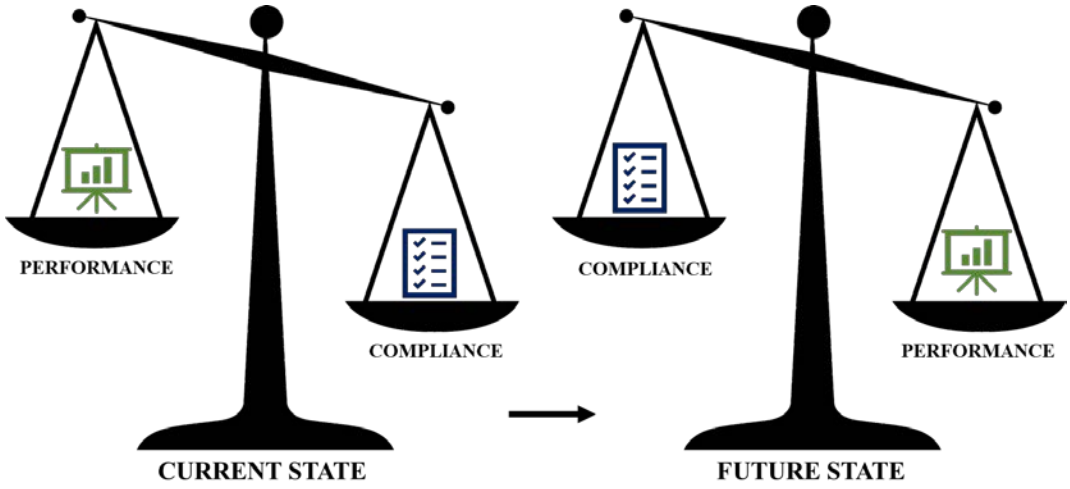
Shifting the Grants Management Paradigm. Federal awarding agencies are encouraged to begin to make a paradigm shift in grants management from one heavy on compliance to a more balanced approach that includes establishing measurable program and project goals and analyzing data to improve results. This effort supports the President's Management Agenda (PMA), which seeks to improve the ability of agencies to "deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people."[1] To track and achieve these priorities, the PMA leverages Cross-Agency Priority (CAP) Goals, including the Results-Oriented Accountability for Grants CAP Goal (Grants CAP Goal). The purpose of the Grants CAP Goal is to "maximize the value of grant funding by applying a risk-based, data-driven framework that balances compliance requirements with demonstrating successful results."[2]

Strategy for Getting There. The Grants CAP goal has four strategies, including one dedicated to "achieving program and project goals and objectives." The objective of this strategy is to demonstrate advancement toward or achievement of program goals and objectives by focusing

[1] The President's Management Agenda website: https://www.performance.gov/PMA/PMA.html
[2] The President's Management Agenda, Results-Oriented Accountability for Grants website: https://www.performance.gov/CAP/grants/

on developing processes and tools to help Federal awarding entities improve their ability to monitor program and project performance, improve award recipient performance, and ultimately demonstrate to the American taxpayer that they are receiving value for funds spent on grant programs. The PM Playbook is a product of that effort. An interagency workgroup is charged with achieving the goals of this strategy, including the development of the PM Playbook.[3] The intended audience for the PM Playbook is Federal awarding agencies that provide Federal financial assistance (grants and/or cooperative agreements) to non-Federal entities. While Federal statutes require compliance activities to be upheld, awarding agencies' focus on compliance often overshadows the importance of examining performance results on a recurring basis during the grant period of performance and immediately after awards are completed. Agencies often have difficulty showing that Federal dollars are spent wisely and that those dollars have the intended impact and produce value to the taxpayer. See *Figure 1: Balancing compliance and performance to achieve results.*

Figure 1: Shifting the balance from compliance toward performance to achieve results[4]



To assess program impact, agencies are encouraged to establish clear program goals and objectives, and measure both project and individual award recipient progress against them. Applied in the context of Federal financial assistance awards, the practices identified in this playbook are informed by and complement the work of the Performance Improvement Council (PIC), which has focused on institutionalizing performance management as a key management discipline and capability more broadly within the Federal government following enactment of the Government Performance and Results Modernization Act (GPRA). The PM Playbook is one of several recent administration efforts to modernize the Federal grants management process by strengthening the Federal agency approach to performance. Some of these additional efforts include, but are not limited to: the Grants Management Federal Integrated Business Framework

[3] An interagency work group representing nearly 20 Federal agencies designed the PM Playbook.
[4] Figure developed by authors of the PM Playbook.

(FIBF), the Reducing Federal Administrative Burdens on Research Report, the Performance Improvement Council's Goal Playbook, and proposed revisions to the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements" in Title 2 of the Code of Federal Regulations, Chapter 200 (2 CFR 200). [5][6][7][8]

As part of on-going efforts to continue the dialogue on this topic and develop future iterations of this work, the Grants CAP Goal Performance Workgroup is looking to hear from stakeholders at GrantsTeam@OMB.EOP.Gov with any comments, suggestions, and examples of success to be considered in future iterations of the PM Playbook.

[5] The Federal Integrated Business Framework (FIBF): https://ussm.gsa.gov/fibf/

[6] Reducing Federal Administrative Burdens on Research Report: https://www.whitehouse.gov/wp-content/uploads/2018/05/Reducing-Federal-Administrative-and-Regulatory-Burdens-on-Research.pdf

[7] Performance Improvement Council's Goal Playbook: https://www.pic.gov/goalplaybook/

[8] Federal Register Notice for the Proposed Revisions to Title 2 of the Code of Federal Regulations: https://s3.amazonaws.com/public-inspection.federalregister.gov/2019-28524.pdf

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I. Introduction

The primary purpose of the Performance Management Playbook (PM Playbook) is to provide Federal awarding agencies with promising performance practices for examining larger program and project goals and subsequent results as well as individual award recipient performance. To this end, the PM Playbook breaks down performance management into three distinct, yet connected, levels of activity. These activities take place at the program (i.e., assistance listing), project (i.e., Notice of Funding Opportunity (NOFO)), and sub-project (i.e.; award recipient) levels.[9] See *Figure 2* below for an illustration of the three levels of performance activities. While some Federal agencies may use other terms for these same activities, the PM Playbook uses program, project, and sub-project throughout the document to avoid confusion over terminology.

Figure 2: Performance Activity Levels[10]

	Award	Analysis	Review & Report
 **Level I: PROGRAMS**	The Federal awarding agency establishes program goals, objectives, and intended results that align with appropriations for each assistance listing on beta.sam.gov.	Analyzes performance data from all related projects to assess overall impact of the program.	Reports on how successful a program is in achieving intended results.
 **Level 2: PROJECTS**	The Federal awarding agency establishes project goals, objectives, and intended results that align with the program, and is described in a NOFO.	Analyzes performance data to assess the impact of the entire project's cohort of award recipients on intended results.	Reports on project results and the degree that these results support program goals.
 **Level 3: SUB-PROJECTS**	The potential award recipient describes its sub-project goals, objectives, and intended results in their award application.	Final award recipients submit performance data on a regular basis	Federal awarding agencies review award receipt performance data to assess an award recipient's: (1) compliance with Federal requirements; and (2) satisfactory progress toward meeting its own goals and objectives (as stated in the award application).

The PM Playbook promotes a common understanding of performance management practices and processes for Federal awarding agencies and is a resource for leaders and others who want to strengthen their agency's approach to performance by focusing on program, project, and sub-project goals, objectives, and results. [11]

[9] The term sub-project refers to the activities that an award recipient plans to accomplish with the award.
[10] Figure developed by authors of the PM Playbook.
[11] Most often, performance is assessed within the award period. However, at times evaluations may examine award recipient and/or program performance after the award period has ended.

Program goals and their intended results, however, differ by type of Federal program. For example, criminal justice programs may focus on specific goals such as reducing crime; basic scientific research programs may focus on expanding knowledge and/or promoting new discoveries; and infrastructure programs may fund specific building or transportation projects. With this in mind, the PM Playbook highlights how practices may differ depending on the types of awards an agency oversees (such as service delivery, science/research, or infrastructure).

I.A. Definitions

The PM Playbook contains a Glossary of Terms in the Appendix, which align with the standard language and definitions in 2 CFR Part 200 and OMB Circular A-11 (2019 version), Preparation, Submission, and Execution of the Budget (A-11 (2019)). Federal agencies often use different terms and phrases to describe the same activities or processes. For example, different agencies use "Funding Opportunity," "Funding Opportunity Announcement," "Notice of Funding Opportunity Announcement" (NOFO), and/or "solicitation" to refer to guidance documents with programmatic information and instructions for applicants on how to apply for awards. For consistency and clarity, the PM Playbook uses NOFO since this is the phrase used in 2 CFR 200. A NOFO is "any paper or electronic issuance that an agency uses to announce a funding opportunity."[12]

OMB defines performance management as the "use of goals, measurement, evaluation, analysis and data-driven reviews to improve the effectiveness and efficiency of agency operations."[13] The PM Playbook references a more granular level and uses the phrase "performance management" to refer to program and project results as well as award recipient performance.[14] While Federal agencies can be recipients of Federal awards, for the purposes of the PM Playbook, the phrase "award recipient" refers to non-Federal entities (NFE) that receive Federal financial assistance.[15]

In addition, the term "program" throughout this playbook refers to all Federal awards assigned a single assistance listing number in the System for Award Management (SAM), which was formerly the Catalogue of Federal Domestic Assistance (CFDA).[16] 2 CFR 200 requires assistance listings to have unique titles and be clearly aligned with the program's authorization

[12] The definition described above is found in 2 CFR §25.200. In 2 CFR §200.1, NOFO is further defined as a "formal announcement of the availability of Federal funding through a financial assistance program from a Federal awarding agency."
[13] OMB Circular A-11 (2019 version) Part 6, Section 200, p23: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[14] This phrase is not to be confused with human resources or employee performance.
[15] 2 CFR §200.1 defines a non-Federal entity as a "state, local government, Indian Tribe, Institution of Higher Education, or non-profit organization that carries out a Federal award as a recipient or sub recipient."
[16] Beta.SAM.gov describes an assistance listing as a program designed to "provide assistance to the American public in the form of projects, services, and activities, which support a broad range of programs—such as education, health care, research, infrastructure, economic development and other programs."

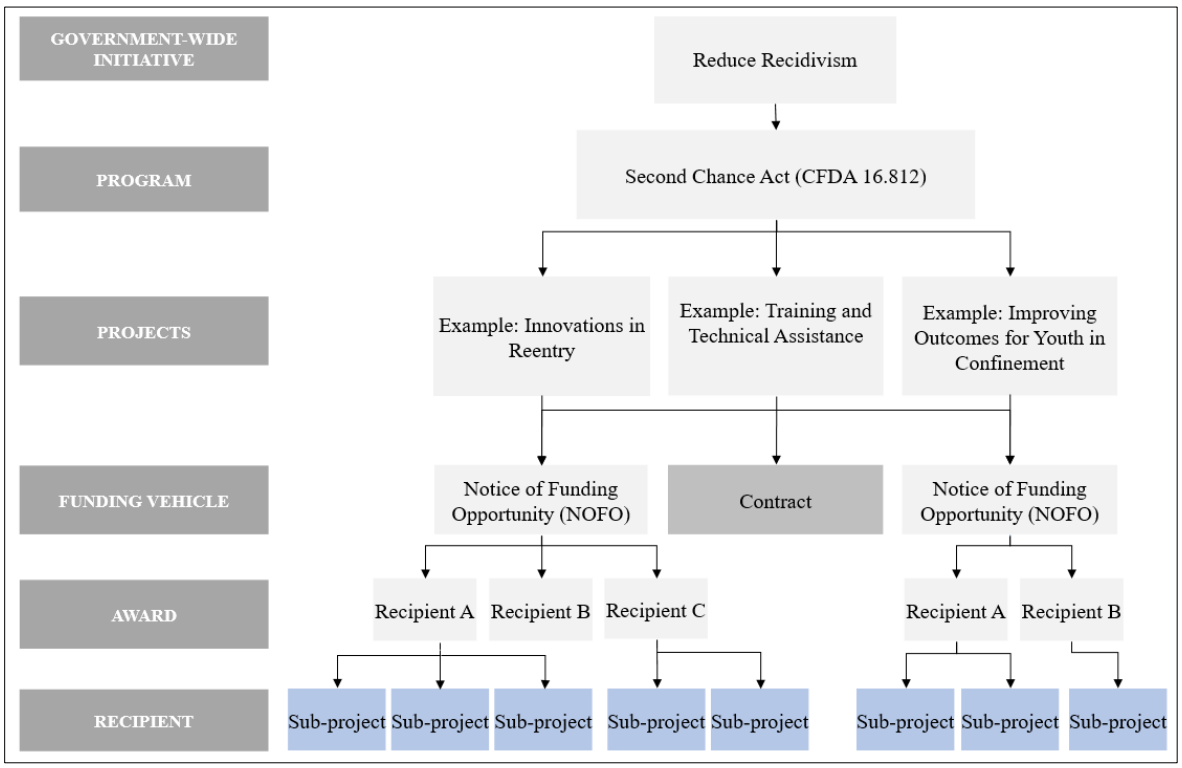
and Congressional intent. To clarify further, a program (assistance listing) may have one or more associated projects.[17]

The PM Playbook uses the term "project" to refer to the activities escribed in individual NOFOs. For example, each year the Department of Justice (DOJ) Second Chance Act (SCA) program (i.e., assistance listing) has multiple NOFOs, which provide funding for projects that fall under the SCA authorization. The goals and objectives of each project are associated with the larger program.[18] See *Figure 3* for an illustration on how a government-wide initiative flows down to a program, projects, funding vehicle, award, and recipient for the DOJ SCA example.

[17] It is important to note that the activity codes used for the Federal budget program inventory (see OMB Circular A-11 Part 6 (2019 version)), are not the same as the assistance listing number. In June 2019, OMB issued updated guidance to agencies on further implementation of the GPRAMA 2010 requirement for a Federal Program Inventory, to leverage program activity(ies), as defined in 31 U.S.C 1115(h)(11), for implementation of the program reporting requirements. Agencies' consideration of how these Program Activities link to budget, performance, and other information will transform the reporting framework to enable improved decision-making, accountability, and transparency of the Federal Government. The current links between the Program Activity and the CFDA can be a one-to-one, a one-to-many, or a many-to-one relationship. These linkages can be explored on USASpending.gov. More information can be found in A-11, Part 6, (2019 version).

[18] Please note, in some instances a NOFO may be aligned with more than one program (assistance listing).

Figure 3: DOJ SCA Example: Program, Project, Funding Vehicle, Award and Recipient Relationships[19] [20]



[19] The Second Chance Act (SCA) supports state, local, and tribal governments and nonprofit organizations in their work to reduce recidivism and improve outcomes for people returning from state and federal prisons, local jails, and juvenile facilities. https://csgjusticecenter.org/nrrc/projects/second-chance-act/

[20] Figure developed by authors of the PM Playbook an illustrative example. Actual projects and funding vehicles many vary.

Other key definitions to keep in mind when reviewing the PM Playbook are output and outcome.

Table 1: Output and Outcome Measures Defined[21][22]

Output	Quantity of products or services delivered by a program, such as the number of inspections completed or the number of people trained.
Outcome	The desired results of a program. For example, an outcome of a nation-wide program aimed to prevent the transmission of HIV infection might be a lower rate of new HIV infections in the United States. Agencies are strongly encouraged to set outcome-focused performance goals to ensure they apply the full range of tools at their disposal to improve outcomes and find lower cost ways to deliver.

I.B. Federal Laws and Regulations

Several statutes and regulations underpin performance management in the 21st century. Some of the Federal laws and regulations that the PM Playbook aligns with are listed below. [23] Many of these Federal laws and regulations are related in that they promote the same objectives outlined in the PMA: to increase transparency, accountability, and results-oriented decision-making. They also promote a risk-based approach to making awards, establishing clear goals and objectives to show progress toward achieving results, and showing the taxpayer what they are receiving for the funding spent on grant programs. See Appendix D for more information on each of the Federal laws and regulations.

- Federal Grant and Cooperative Agreement Act of 1977
- Chief Financial Officers Act of 1990
- Clinger-Cohen Act of 1996 (previously the Information Technology Management Reform Act)
- Federal Funding Accountability and Transparency Act (FFATA) of 2006
- Government Performance and Results Modernization Act of 2010
- Digital Accountability and Transparency Act (DATA) of 2014

[21] OMB Circular A-11 (version 2019) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf

[22] OMB Circular A-11 (version 2019) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf

[23] Agencies may implement the tools and promising practices in the PM Playbook in support of their authorizations and appropriations as established by Congress.

- Program Management Improvement Accountability Act (PMIAA) of 2016
- American Competitiveness and Innovation Act (AICA) of 2017
- Foundations for Evidence-Based Policymaking Act of 2018
    - The Office of Management and Budget (OMB) M-19-23, "Phase 1 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Learning Agendas, Personnel, and Planning Guidance" and M-20-12, "Phase 4 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Program Evaluation Standards and Practices"
- Grant Reporting Efficiency and Agreements Transparency (GREAT) Act of 2019
- OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control"
- OMB Circular A-11, Part 6, (2019 version), "The Federal Performance Framework for Improving Program and Service Delivery"
- Code of Federal Regulations (CFR), Title 2 "Grants and Agreements," Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Developed 2013, Revised 2020)

II. Performance Management Basics

As a reference guide Federal agencies may use in the context of financial assistance awards, the PM Playbook focuses on strengthening the Federal government's approach to performance management by encouraging Federal awarding agencies to set measurable program and project goals and objectives, and to use relevant data to measure both program and project results and award recipient performance. While there is no one "right" path to improve performance management practices, this section provides an overview of how performance management may fit into larger agency processes as well as the grants lifecycle. This section is not all-inclusive but rather highlights significant issues that agency leaders and their program, policy, grant, and performance managers should consider at all three levels of performance activity: program, project, and sub-project.

II.A. Programmatic Performance Management Principles

The PM Playbook promotes several important principles that are necessary to successfully implement a performance management framework within an awarding agency. While there are other important principles, such as transparency and accountability that awarding agencies may consider, the four principles listed below are essential to changing and/or strengthening Federal awarding agency approaches to program, project, and sub-project performance.

1. Leadership Support is Critical to Success
2. Performance Management is Everyone's Responsibility
3. Data Informed Decision-Making Improves Results
4. Continuous Improvement is Crucial to Achieving Results

1. Leadership Support is Critical to Success

Performance management processes are most successful when leaders champion them. Leaders at all levels of an agency should participate in clearly defining program goals and objectives (in relation to statutes, appropriations, and agency priorities). Leaders should communicate program goals and objectives to grant managers and other relevant employees so that they can align project (i.e., NOFO) goals and objectives to them.

Promising Practice - Leadership Support

Leadership support at the U.S. Department of State (State Department) has been integral to the success of the agency's *Managing for Results: Program Design and Performance Management Toolkit.*[24] The State Department implemented the toolkit as a manual for its bureaus, offices, and posts to use to assess the degree to which their programs and projects were successful in advancing long-term strategic plan goals and achieving short-term results. The toolkit describes the major steps of program design and can be used to design new programs and/or evaluate whether programs are on track to meet their intended goals. Several leaders championed the initial use of the toolkit and due to leadership's continued backing, the toolkit remains in wide-use throughout the State Department.

2. Performance Management is Everyone's Responsibility

Everyone involved in the grants management lifecycle plays an important role in achieving effective results. Federal employees in awarding agencies are encouraged to understand and participate in the performance management activities related to their programs. Grant managers, performance analysts, program managers, and others should be involved in the entire program design and implementation process so that clear, measurable program goals and performance measures are established and tracked through each associated project, as applicable. Agency policies should provide clear guidance on the performance management roles and responsibilities within the organization.

[24] The Department of State's "Program Design and Performance Management (PD/PM) Toolkit" provides an extensive overview of how Federal agencies can achieve their strategic goals by following strong program design and performance management practices. See https://www.state.gov/wp-content/uploads/2018/12/Program-Design-and-Performance-Management-Toolkit.pdf

Promising Practice – Clear Lines of Responsibility

The Department of Health and Human Services' (HHS) Office of Grants provides Department-wide leadership on grants policy and evaluation, and maintains HHS' *Grants Policy Administration Manual* (GPAM). GPAM describes the roles and responsibilities of several grant management positions, including the grants management officer (GMO), the grants management specialist (GMS), and the project officer/program official (PO). While the PO has the main responsibility for program design, NOFO development, and monitoring program and project performance, the PO works closely with both the GMO and GMS throughout the grants lifecycle.

3. Data Informed Decision-Making Improves Results

Data are critical to making informed decisions and improving results. Agencies use data to assess whether and to what degree they are successful in meeting their strategic plan goals by looking at program and project results. Agencies realize the benefits of collecting and analyzing performance data (i.e., historical, prospective, and current) about programs and projects when that information is used to make decisions about improving program and project results.

Promising Practice - Data-Informed Risk Decision-Making

The National Aeronautics and Space Agency (NASA) developed the *NASA Risked-Informed Decision-Making (RIDM) Handbook* to address the importance of assessing risk as part of the analysis of alternatives within a deliberative, data-informed decision-making process.[25] Although it was written primarily for program and project requirements-setting decisions, its principles are applicable to all decision-making under conditions of uncertainty, where each alternative brings with it its own risks. RIDM is an intentional process that uses a diverse set of performance measures, in addition to other data to inform decision-making. NASA manages its high-level objectives through agency strategic goals, which cascade through the NASA organizational hierarchy as explicitly established and stated objectives and performance requirements for each unit. Organizational unit managers use RIDM to understand the risk implications of their decisions on these objectives and to ensure that the risks to which their decisions expose the unit are within their risk acceptance authorities.[26] This process ensures that program and project risk exposures are understood, formally accepted, and consistent with risk tolerances at all levels of the NASA organizational hierarchy.

[25] The NASA Risk-Informed Decision-Making Handbook: https://ntrs.nasa.gov/archive/nasa/casi.ntrs.nasa.gov/20100021361.pdf

[26] NASA Risk Management Directive: https://nodis3.gsfc.nasa.gov/npg_img/N_PR_8000_004B_/N_PR_8000_004B_.pdf

4. Continuous Improvement is Crucial to Achieving Results

Performance management does not exist in a vacuum. When awarding agencies analyze performance data, such as performance measures and evaluation findings consistently throughout the grant lifecycle, they can use what they learn to improve program and project results and award recipient performance. A continuous process of analyzing data and providing technical assistance to improve programs and projects can also help Federal awarding agencies better implement their missions, achieve their strategic plan goals, and improve program results.

Promising Practice - Continuous Improvement

The U.S. Environmental Protection Agency's (EPA) Office of Continuous Improvement (OCI) coordinates the agency-wide implementation of the EPA Lean Management System (ELMS).[27] EPA uses ELMS, which is based on Lean process improvement principles and tools to help set ambitious and achievable targets for their programs, measure results, and improve processes by bridging gaps between targets and results. ELMS uses regularly updated performance and workflow data to make improvements and monitor progress toward achieving EPA's Strategic Plan targets.

II.B. Risk Management and Performance Management

Risk management is important to consider for performance management. As noted in the "Enterprise Risk Management (ERM) for the U.S. Federal Government (2016) Playbook," Federal agencies should assess risk as part of their strategic planning, budget formulation and execution, and grants management activities.[28] ERM promotes cross-agency discussion of risks and coordination of risk mitigation. These discussions promote better performance management strategies, as grants, program, and performance management are often separate agency functions.

While ERM practices take place at the agency level, grant managers and others assess risk at the award recipient level.[29] Risk management is also a critical component of an agency's performance management framework because it helps identify risks that may affect advancement toward or the achievement of a project or sub-project's goals and objectives. Typically, integrating risk management for grants begins in the program administration and pre-award

[27] The EPA Office of Continuous Improvement: https://www.epa.gov/aboutepa/about-office-continuous-improvement-oci

[28] The ERM Playbook helps government agencies meet the requirements of the Office of Management and Budget Circular (OMB) A-123. The ERM Playbook provides high-level key concepts for consideration when establishing a comprehensive and effective ERM program. See https://cfo.gov/wp-content/uploads/2016/07/FINAL-ERM-Playbook.pdf .

[29] OMB Circular A-123 and Title 2 of the Code of Federal Regulations (CFR).

phases of the grants lifecycle; and staff with responsibility over grant programs and grant performance assess and manage risks during the entire process. Further, integrating risk management practices after an award is made can assist Federal managers determine an appropriate level of project oversight to monitor award recipient progress.

As noted in OMB Circular A-123, risk assessment is a component of internal control and an integral part of agency internal control processes.[30] Grant managers and others assess and monitor risk as part of their award management activities, and work to document as well as improve internal control processes. Thus, the PM Playbook notes that there are areas of intersection with both ERM and award recipient risk where opportunities and threats are important to recognize.[31]

Promising Practice - Assessing Risk

The Department of Education (ED) developed *Risk Management Tools* to assist employees involved in implementing agency award programs with mitigating risk throughout the grants lifecycle.[32] These tools include: 1) Grant Training Courses, including on internal controls; 2) States' Risk Management Practices, Tools, and Resources; 3) An Internal Controls Technical Assistance Presentation; and 4) a Risk Management Project Management Presentation. ED's grant managers and others have found these tools helpful in assessing and implementing award oversight activities.

[30] OMB Circular A-123: https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-17.pdf
[31] Federal Integrated Business Framework (FIBF): https://ussm.gsa.gov/fibf-gm/
[32] Department of Education Risk Management Tools: https://www2.ed.gov/fund/grant/about/risk-management-tools.html?src=grants-page

II.C. The Federal Grants Lifecycle

The PM Playbook follows a similar grants lifecycle structure as the Federal Integrated Business Framework (FIBF) for Grants Management. [33] The PM Playbook strongly emphasizes program design in Phase I of the grants lifecycle, which also mirrors proposed revisions to 2 CFR 200, which includes a new provision on program design.

Table 2: At a Glance: Performance Management as Part of the Grants Lifecycle[34]

Grant Phase	Description	Performance Activities	Activity Level
Phase 1: Program Administration	Define the problem to be solved and the desired long-term program results, develop NOFOs at the project level, and create merit review process standards.	Conduct program-planning activities; and establish program goals, objectives, and performance measures. Link project goals to the larger program, establish award recipient responsibilities for reporting performance indicators, develop risk reduction strategies, assess past performance, and identify independent sources of data when appropriate.	1) Program 2) Project
Grant Phase	**Description**	**Performance Activities**	**Activity Level**
Phase 2: Pre-Award Management (See also 2 CFR 200 Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards)	Review applications and select recipients. Notify approved applicants of award selection.	Evaluate and document application eligibility and merit. Evaluate and document applicant risk based on past performance, as applicable.	2) Project 3) Sub-project
Phase 3: Award Management (See also 2 CFR 200 Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards)	Award recipient notification	Issue award notifications, including special conditions to address award recipient risks and reporting on performance	3) Sub-project

[33] Federal Integrated Business Framework (FIBF): https://ussm.gsa.gov/fibf-gm/ .

[34] Table developed by authors of the PM Playbook.

Phase 4: Post-Award Management and Closeout (See also 2 CFR 200 Subpart D—Post Federal Award Requirements)	Monitor and assess award recipient financial and performance data. Perform grant closeout activities	Document and analyze award recipient performance data, notify award recipient of concerns about performance, and document corrective actions, when needed. Review and resolve audit findings, and update recipient risk assessments based on results.	3) Sub-Project
Phase 5: Program Oversight (See also 2 CFR 200 Subpart F—Audit Requirements)	Program and project-level analysis and review	Report on program and project level performance data and related projects, including whether the program and/or project made progress toward their goals and objectives; utilize results to improve projects in the next funding cycle; develop and disseminate lessons learned and promising practices; and conduct evaluations	1) Program 2) Project

The PM Playbook discuss these five phases in detail in Section III below:

III. The Performance Management Approach for Grants

The PM Playbook outlines a performance management approach for grants that aligns with the FIBF and emphasizes the importance of the program design phase. While GPRAMA and OMB Circular A-11 provide guidance to agencies on requirements related to strategic and performance planning, reporting, and goal setting in an organizational context, there are fewer Federally mandated policies and tools on program design, NOFO development, and performance management for Federal awards. The PM Playbook addresses this gap by providing details on promising practices used by Federal agencies at each of the five phases of the grants lifecycle highlighted below.

During the grants lifecycle, Federal awarding agencies focus on both compliance and performance activities. Most often, these activities are combined when grant managers and others monitor award recipients. Too often, however, Federal awarding agencies do not clearly distinguish between these types of activities. As a result, Federal awarding agencies may request only compliance related measures in the NOFO, rather than both compliance and performance

related measures. Per 2 CFR Part 200, recipient must be informed of all reporting requirements, including performance requirements, within NOFOs.

It is necessary to distinguish between these activities to ensure that 1) individual award recipients comply with programmatic, financial, and performance requirements; and 2) program and project results are advanced or successfully achieved based on their goals and objectives.

To assist in lessening this confusion, the PM playbook provides the following definitions:

Compliance Activities[35]: Compliance activities are the administrative, financial, audit, and program requirements described in the NOFO and are used for recipient oversight and monitoring, which conform with the Federal rules and regulations on reporting in 2 CFR Part 200. The primary purpose of compliance activities is to document that funds are spent in accordance with the terms of the Federal award, including accomplishing the intended sub-project purpose. Compliance activities take place at the sub-project (or individual award recipient) level and include:

- Ensuring the timely expenditure of funds
- Preventing fraud, waste, and abuse
- Financial reporting
- Identifying the technical assistance needs of the award recipient

Performance Activities[36]: Performance activities include both performance measurement (outputs and outcomes) and program/project evaluations. Evaluations may also include studies to answer specific questions about how well an intervention is achieving its outcomes and why. Many programs and projects entail a range of interventions in addition to other activities. For example, specific interventions for a rural grant program might include an evaluation of different types of intervention models.

- Performance measurement: Reporting on a program or project's progress toward and accomplishment of its goals with performance indicators.
- Program/project evaluations: Conducting studies to answer specific questions about how well a program or project is achieving its outcomes and why.

The intent of performance activities are to focus on assessing higher-level program and project *outcomes* and results. The ideal and preferred performance measures are outcomes; however, for some programs it may be difficult to collect outcome measures during the period of performance. In these instances, agencies may need to collect output measures to monitor performance. These

[35] Developed by the authors of the PM Playbook.
[36] Developed by the authors of the PM Playbook.

output measures should be meaningful and consistent with the theory of change, maturity model, or logic model documented during the program design phase described below. (See Table 1: Output and Outcome Measures Defined). Examples of *output* measures include the number of single parents that received home visits during the period of performance of an award or how much of an infrastructure project was completed in a given timeframe. Examples of *outcome* measures includes determining whether the single parent that received the home visit received assistance that helped to improve their quality of life, or the percent reduction in substance abuse relapse rates, or reduction of average commute time in a given metropolitan area.

See *Figure 4: Compliance Activities versus Performance Activities.*[37]

	COMPLIANCE ACTIVITIES	PERFORMANCE ACTIVITIES
Organization Level	Sub-project	Program and project
Purpose	Preventing fraud, waste, and abuse	Performing studies to determine how well a program or project is achieving its outcomes and why
Type of Measure	Examples include: recipient eligibility, timeliness of expenditures	Output, outcome
Accountability	Conduct award recipient oversight and monitoring through a single audit	Tracking program or project's progress toward accomplishment of its goals

III. A. Phase 1: Program Administration[38]

The grants lifecycle begins with the enactment of an authorizing statute, which prompts an agency to set-up and design the administration of the grant program, which focuses on planning and creating assistance listings and related projects (i.e., NOFOs). Sound program design is an essential component of performance management and program administration. Ideally, program design takes place before an agency drafts related projects. This enables Federal agency leadership and employees to codify program goals, objectives, and intended results before specifying the goals and objectives of specific projects in a NOFO.

[37] Figure developed by authors of the PM Playbook.
[38] Refer to the OMB Uniform Guidance (2 CFR 200) for additional information: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=c5f8c20480c04403862fca0bcaf78a74&mc=true&n=pt2.1.200&r=PART&ty=HTML#_top

Program design begins with aligning program goals and objectives with Congressional intent as stated in the program authorization and appropriations bill language. The program goals and objectives should also be aligned with Federal agency leadership priorities, strategic plans and priority goals. A well-designed program has clear goals and objectives that facilitate the delivery of meaningful results, whether a new scientific discovery, positive impact on citizen's daily life, or improvement of the Nation's infrastructure. Well-designed programs also represent a critical component of an agency's implementation strategies and efforts that contribute to and support the longer-term outcomes of an agency's strategic plan.

Program Design is Critical to Achieving Results

Program design occurs before a project is developed and described in a NOFO. Ideally, an agency first designs the program (or assistance listing), including specifying goals, objectives, and intended results, before developing one or more projects (NOFOs) under the program. Consider the following metaphor: In some instances, a program is like an aircraft carrier, and the projects are like the planes onboard the ship. The carrier has macro-level, mission goals and each plane carries out micro-level goals and objectives based on their specific assignments.

Agencies may also use program design principles when developing projects. In fact, the steps for project development are the same as program development with the addition of steps: 1) aligning the goals and objectives of the project back to those of the larger program; and 2) including project-specific performance indicators in the NOFO. Thus, program design activities may occur at both the program and project levels.[39]

[39] The PM Playbook authors note that performance requirements may vary by type of Federal financial assistance. Formula awards are noncompetitive and based on a predetermined formula. They are governed by statutes or Congressional appropriations acts that specify what factors are used to determine eligibility, how the funds will be allocated among eligible recipients, the method by which an applicant must demonstrate its eligibility for funding, and sometimes even performance reporting requirements. Discretionary awards, however, are typically provided through a competitive process. They also are awarded based on legislative and regulatory requirements, but agencies typically have more discretion over specifying program and performance requirements for award recipients.

Table 3: Program/Project Design - Activity Levels[40]

Level 1: Program	Federal awarding agencies establish program goals, objectives, and intended results that align with appropriations, which are described for each assistance listing on beta.sam.gov.
Level 2: Project	Federal awarding agencies establish project goals, objectives, and intended results (that align with the larger program), which are described in a NOFO.

The steps involved in program and project design take place before agencies write NOFOs and include:

1. Developing a problem statement with complexity awareness.[41]
2. Identifying goals and objectives.
3. Developing a theory of change, maturity model, and/or logic model depicting the program or project's structure.[42]
4. Developing performance indicators, as appropriate, to measure the program and/or project results, which may include independently available sources of data.
5. Identifying stakeholders that may benefit from promising practices, discoveries, or expanded knowledge.
6. Research existing programs that address similar problems for information on previous challenges and successes.
7. Develop an evaluation strategy (See Section IV.E.3 on Evaluations for more information).

[40] Table developed by authors of the PM Playbook.
[41] The phrase "complexity awareness" is often used in research but is applicable in many situations. Complexity-awareness acknowledges the prevalence and importance of non-linear, unpredictable interrelationships, non-linear causality and emergent properties that may impact a problem.
[42] See glossary for definitions of these phrases.

Promising Practice - Program and Project Design, Monitoring, and Evaluation Policy

In 2017, the Department of State issued a "Program and Project Design, Monitoring, and Evaluation Policy" to establish clear links from its strategic plan goals, to achieve those goals through key programs and projects, and to collect data on whether these efforts were working as intended. The policy clearly defines the terms program and project as follows:

> Program: A set of activities, processes, aimed at achieving a goal or objective that is typically implemented by several parties over a specified period of time and may cut across sectors, themes, and/or geographic areas.
>
> Project: A set of activities intended to achieve a defined product, service, or result with specified resources within a set schedule. Multiple projects often make up the portfolio of a program and support achieving a goal or objective.

According to the State Department, program and project design work serves as a foundation for the collection and validation of performance monitoring data, confirming alignment to strategic objectives, and purposeful evaluative and learning questions. The State Department developed guidance and a plan for implementing the policy. This plan included coordination with bureaus and offices throughout the agency to complete program and project design steps for their major lines of effort.

Bureaus that could integrate sound program design, monitoring, and evaluation practices did so either with:

- A well-resourced effort with strong leadership buy-in, or
- With a bureau champion who was able to convince colleagues that well-documented program designs, monitoring plans, and progress reviews could improve the efficiency and efficacy of their work and their ability to answer questions from stakeholders.

Implementation brought additional benefits, including broader collaboration among bureaus and missions and greater connectivity among the sources of information on planning, budgeting, managing and evaluating projects and programs.

III.A.1 Program Design Steps

As noted previously, Federal agencies can focus on program design at both the assistance listing and the project level. Federal agencies often design programs with multiple projects. While the steps outlined below focus on programs, the same steps can be applied to project development.

Step 1. Develop a problem statement. Program design begins with understanding Congressional intent in authorizing and appropriations language, the priorities of agency leadership, and/or the lessons learned from previous programs and projects. This understanding informs the purpose of a program and/or project and guides its design.[43]

Align Program Purpose with Authorization Language

The Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) mission is to improve commercial motor vehicle (CMV) carrier and driver safety through the administration of Federal award programs. The purpose of FMSCA's Motor Carrier and Safety Assistance Program (MSCAP) is to reduce CMV-involved crashes, fatalities, and injuries through consistent, uniform, and effective CMV safety programs (assistance listing #20.218), which is consistent with the program's authorization under the Safe, Accountable, Flexible, Efficient Transportation Equity Act.[44]

After the intent of the program is understood, a problem statement is developed. The problem statement clearly defines the nature and extent of the problem to be addressed. Agencies may develop problem (or need) statements by conducting a situational analysis or needs assessment, which may include internal and external stakeholder engagement. This involves a systematic gathering and analysis of data and information relevant to the program the problem seeks to address and identifying priorities, concerns, and perspectives of those with an interest in the problem or addressed need. During this step, evidence is gathered (if available) to help inform the successful ways to advance or achieve the program's goals. If it is unclear if evidence exists on the program, the program should consult with the agency evaluation officer (EO) or chief data officer (CDO). The data and evidence gathered will help to inform both program and project development.

[43] As noted previously, the PM Playbook begins the program design process at the assistance listing level (not at the project or NOFO level). However, using the "program design" process at the NOFO level can be extremely useful, especially when new programs and their corresponding projects are developed.

[44] Pub. L. No.109–59, § 4107(b), 119 Stat. 1144, 1720 (2005), amended by SAFETEA-LU Technical Corrections Act of 2008, Pub. L. 110-244, 122 Stat. 1572 (2008).

Promising Practice – Consultation with Experts to Improve Program Design

The National Aeronautics and Space Administration's (NASA) Science Mission Directorate (SMD) uses NASA's Strategic Goals and Objectives and the high-level objectives that flow from them as one of four components to its research grant program design activities. In turn, the high-level objectives are derived from "Decadal Surveys" created by the National Academies of Science, Engineering and Medicine every ten years and reviewed every five years — reports summarizing the state of the art of SMD's four science foci (Heliophysics, Earth Science, Planetary Science, and Astrophysics) and containing recommendations for future work.[45]

The NASA Advisory Council's Science Committee, a high-level standing committee of the NASA Advisory Council (NAC), supports the advisory needs of the NASA Administrator, SMD, and other NASA Mission Directorates. The NAC's Science Committee is the third design component. This committee provides input to NASA's Earth and Space science-related discretionary research grant programs, large flight missions, NASA facilities, etc.

Finally, the SMD contracts with the Space Studies Board (SSB) at the National Academies of Sciences, Engineering, and Medicine to engage the Nation's science expert stakeholders to identify and prioritize leading-edge scientific questions and the observations required to answer them as the fourth component. The SSB's evidence-based consensus studies examine key questions posed by NASA and other U.S. government agencies.

SMD integrates these design practices to create an evidence-based feedback system. For example, Decadal Surveys inform the NASA's strategic and SMD science plan production and allow grant programs to be kept up to date rather than be completely reliant on agency produced program goals and objectives.

Step 2. Identify goals and objectives. Goals establish the direction and focus of a program and serve as the foundation for developing program objectives. They are broad statements about what should happen because of the program, although the program may not achieve the long-term result(s) within the period of performance for the program. When establishing program goal(s), state the goal(s) clearly, avoid vague statements that lack criteria for evaluating program effectiveness, and phrase the goal(s) in terms of the change the program should advance and/or achieve, rather than as an activity or summary of the services or products the program will provide.

Objectives are the intermediate effects or results the program can achieve towards advancing program goal(s). They are statements of the condition(s) or state(s) the program expects to achieve or affect within the timeframe and resources of the program. High-quality objectives

[45] See NASA's example to Improve Program Design at https://science.nasa.gov/about-us/science-strategy.

often incorporate SMART principles: Specific, Measurable, Achievable, Relevant, and Time-bound.[46] SMART objectives help to identify elements of the evaluation plan and performance management framework, including performance indicators and data collection criteria. Program objectives often serve as the starting point for developing projects and drafting the related NOFOs. While there is no one right way to design programs and related projects, agencies cannot assess program and project success if their goals and objective are not clearly stated from the beginning.

Step 3. Develop a theory of change, maturity model, or logic model depicting the program's structure. Logic models, maturity models, and theories of change are the building blocks for developing programs. They may be used individually or together. For example, a theory of change defines a cause-and-effect relationship between a specific intervention, or service activity, and an intended outcome.[47] A theory of change explains *how* and *why* a program is expected to produce a desired result. A theory of change also can be used to summarize why changes in a logic model are expected to occur, and logic models can be used to show a summary of the underlying theory. [48]

A maturity model is a tool that is used to assess the effectiveness of a program. The maturity model is also used to determine the capabilities that are needed to improve performance. While maturity models are often used as a project management tool, they also can help to assess a program and/or project's need for improvement.[49]

Logic models describe how programs are linked to the results the program is expected to advance or achieve. Logic models are intended to identify problems (in the problem statement), name desired results (in the goals and objectives) and develop strategies for achieving results. Outcomes are the primary changes that are expected to occur as a result of the program or project's activities, and are linked to the program or project goals and objectives.[50]

Logic models provide a visual representation of the causal relationships between a sequence of related events, connecting the need for a planned program or project with desired results. Logic models identify strategic elements (e.g., inputs, outputs, activities, and outcomes) and their relationships. This also includes statements about the assumptions and external risks that may influence success or present challenges.

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[46] For more information on SMART goals: https://hr.wayne.edu/leads/phase1/smart-objectives
[47] More information about Theory of Change: https://www.nationalservice.gov/resources/performance-measurement/theory-change
[48] More information about Theory of Change: https://www.theoryofchange.org/what-is-theory-of-change/
[49] https://www.pmi.org/learning/library/maturity-model-implementation-case-study-8882
[50] See glossary for definition of "outcome."

Logic models also include program activities. These are proposed approaches to produce results that meet the stated goals and objectives. A clear description of program activities provides the basis for developing procedures for program implementation and measures to monitor progress/status.

A well-built logic model is a powerful communications tool. Logic models show what a program is doing (activities) and what the program plans to advance or achieve (goals and outcomes). Logic models also communicate how a program is relevant (needs statement) and its intended impact (outcomes). Agencies also may create cascading logic models, where the program (assistance listing) logic model informs the development of logic models for individual projects (NOFOs).

Promising Practice – Establishment of Program Design Process

The Bureau of Justice Assistance (BJA), in the Department of Justice's Office of Justice Programs, developed an extensive program design process to assist its grant, performance, and policy managers in developing goals and objectives, deliverables, logic models, and performance indicators. The process includes a program design manual, which provides information on how to facilitate the process and worksheets for creating program statements, including a theory of change; logic models; and performance indicators. BJA's program design process has been successful in helping employees work toward a common understanding of a program's purpose, goals, objectives, and intended results. The process has also helped employees develop projects (NOFOs) that align with the goals and objectives of the larger program. The same process has been used to develop better projects and design NOFOs.

Step 4. Develop performance indicators to measure program and/or project accomplishments. Performance indicators should provide strategic and relevant information that answer agency leadership and stakeholders' questions**.** They should measure the results of the actions that help to advance or achieve the program's goals and objectives. While there is no specific formula for developing performance indicators, characteristics of effective indicators include the following:

- ✓ Reflect results, not the activities used to produce results
- ✓ Relate directly to a goal
- ✓ Are based on measurable data
- ✓ Are practical and easily understood by all
- ✓ Are accepted and have owners[51]

[51] A performance indicator owner is the person responsible for the process that the indicator is assessing.

Step 5: Identify stakeholders that may benefit from any promising practices, discoveries, or expanded knowledge.

Involving stakeholders early in the process helps establish buy-in before the project begins. It is also important to build strong, ongoing partnerships with stakeholders that are in some way seeking the same outcome to determine what may be missing from the program design.

Step 6: Research existing programs that address similar problems for information on previous challenges and successes.

Program design can be much improved by researching challenges and successes of similar programs. One possible source to research these challenges and successes is an agency evaluation clearinghouse. See section III.E.2, Dissemination of Lessons Learned for an example of the Department of Education's "What Works Clearinghouse." This clearinghouse was designed with the goal to provide educators with the information that they need to make evidence-based decisions.

Step 7: Develop an evaluation strategy

When designing a program, an evaluation plan may also be developed at the Program Design phase. See Section III.E.3 Evaluation for more information.

III.A.2 Notice of Funding Opportunity (NOFO)

Per Appendix I, Full Text of the Notices of Funding Opportunity, of the OMB Uniform Guidance located at 2 CFR 200, the pre-award phase includes: 1) developing NOFOs; 2) establishing performance requirements for award recipients; and 3) establishing the merit review process and criteria for ranking applicants.

Note on Terminology – What is a sub-project?

NOFO's may use terms like "initiative," "program," or "project" to refer to the activities that an award recipient plans to accomplish with their award. To avoid confusion, the PM Playbook uses the phrase "sub-project" to refer to these activities. As noted previously, the PM Playbook uses the term "project" to refer to the activities specified in a NOFO. See *Figure 1: DOJ SCA Example: Program, Project, Funding Vehicle and Recipient Relationships*

III.B.1. Notice of Funding Opportunity (NOFO) (2 CFR 200, Appendix I)

The pre-award phase begins with reviewing a program's goals and objectives as well as its logic or maturity model. At this point, an agency may decide to fund one or more projects (NOFOs) under the larger program. When developing NOFOs, grant managers and others should align the goals, objectives, and performance indicators of the proposed project directly back to the larger goals of the program. Agency leadership should review the program goals, objectives, activities, and outcomes to determine which specific areas and/or activities the NOFOs will address. As noted earlier, NOFO development is a project activity (level 2), and may mirror the process used for developing a program.

Projects are funded through a NOFO

The process of developing a NOFO begins with aligning the goals and objectives of the project funded in a NOFO with the larger goals of the program developed during the program design process. **NOFOs often have similar but more specific goals and objectives that align with the activities and outcomes captured in the program logic model.** For example, the Department of Justice's Second Chance Act (SCA) program has broader goals than those for the SCA Comprehensive Community-based Adult Reentry Program.

- ✓ SCA program (assistance listing) goal: Reduce recidivism
- ✓ SCA Comprehensive Community-based Adult Reentry project (NOFO) sub-goal: Increase the availability of reentry services with comprehensive case management plans that directly address criminal behaviors.

The purpose of the NOFO should seek to contribute to advancing and/or achieving the overarching program goal as well as the project's goals and objectives. Ideally, a project addresses one or more of the program's objectives (which are the means by which the program goal(s) is/are advanced or achieved). During NOFO development, Federal programs develop clear instructions on the types of performance indicators that award recipients must develop and report on for their project. This process may include requiring potential award recipients to include proposed target numbers as the baseline data for key performance indicators in their applications. As each program's objectives have their own set of performance indicators, the project should include the subset of indicators and data collection criteria associated with the program objective. A NOFO may include program as well as project specific indicators, and

should include a description of requirements needed to monitor compliance and outcomes for assessing program results.

Appendix 1 of 2 CFR 200 - Full Text of Notice of Funding Opportunity[52]

2 CFR 200 requires that all NOFO's include the following sections:

A. Program Description
The program description may be as long as needed to adequately communicate to potential applicants the areas in which funding may be provided. This section includes many items, including the communication of indicators of successful projects.

B. Federal Award Information
Information contained in this section helps the applicant make an informed decision about whether to submit a proposal.

C. Eligibility Information
Considerations or factors that determine applicant or application eligibility are included in this section. Some examples include the types of entities that are eligible to apply, information about cost sharing or matching (if applicable), and criteria that would make an application or project ineligible for Federal awards. Also included in this section is a general statement of eligibility that reflects the statutory authority for the program, and other pertinent legal or policy requirements or restrictions. If an applicable statute or regulation restricts eligibility, the NOFO must include an appropriate reference or cite to the law.

D. Application and Submission Information
This section addresses how potential applicants will get application forms, kits or other materials needed to apply. Additional required information for this section includes the format for the application, required registration in the System for Award Management (SAM), the submission dates and times, the intergovernmental review disclaimer (if applicable), funding restrictions and other requirements.

E. Application Review Information
Information in this section includes how to apply for the award, application review criteria, the review and selection process, specifications if the total Federal share is expected to be greater than the simplified acquisition threshold, anticipated announcement and Federal award dates.

[52] 2 CFR 200 Appendix I to Part 200—Full Text of Notice of Funding Opportunity: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=56df1ac037a4c02d491c0e6c56fbfe9b&mc=true&n=pt2.1.200&r=PART&ty=HTML#ap2.1.200_1521.i

Review Criteria
Discuss those elements used to consider the comparative value of different proposals submitted under the NOFO. This section should include information on the criteria used (and assignment of percentage weight, if applicable) by reviewers to evaluate applications for competitive awards. This information may vary by NOFO.

Review Process
Include information about how applications will be reviewed (e.g., through peer review) and who will make the final award decisions.

F. Federal Award Administration Information
Included in this section are Federal award notices, administrative and national policy requirements, and reporting requirements. The reporting requirements includes the type, frequency, and means of submission of post-Federal award reporting requirements.

G. Federal Awarding Agency Contact(s)
A point of contact for the potential applicant to ask questions or assistance while the NOFO is open. This can include the contact name of grant or program manager, title, phone number, or email.

III.A.3. Performance Management Requirements (2 CFR §§200.210, 200.301)

A NOFO often includes performance measurement requirements for the overall project as well as the sub-project proposals, including performance indicators and targets, as well as baseline data. The NOFO may require the potential award recipient to use project-specific performance indicators and/or to propose their own indicators that relate to their sub-project. The information collected from recipients to support agency program performance reporting must be cleared by OMB as stated under the Paperwork Reduction Act.[53] Agencies are also encouraged to request flexibilities from OMB in support of innovative program design. For additional information on the request for agency flexibilities, see 2 CFR §200.102.[54]

[53] "The Paperwork Reduction Act (PRA) of 1995 gives the Office of Management and Budget (OMB) authority over the collection of certain information, including performance measures and others types of data, by Federal agencies. OMB must approve all new and revised agency data collection plans before they are made public." For more information on the PRA: https://pra.digital.gov/

[54] See the reference to 2 CFR §200.102: https://www.ecfr.gov/cgi-bin/text-idx?SID=2942841ca6493ad99f7ad13c59bce7f9&mc=true&node=se2.1.200_1102&rgn=div8

1. Performance measurement requirements: While the NOFO includes performance measurement requirements established by the project, the proposed sub-project should include:

    a. The data collection and reporting methods the potential award recipient would use if funded and why those methods are likely to yield reliable, valid, and meaningful performance data.

    b. If the potential award recipient is required to collect data after the substantive work of a sub-project is complete, they should describe the data collection and reporting methods they would use during the post-performance period and why those methods are likely to yield reliable, valid, and meaningful performance data.[55]

2. Project performance indicators: When the Federal awarding agency requires a potential award recipient to create and propose their own sub-project performance indicators, baseline data, or performance targets, the NOFO could include:

    a. Performance Indicator. How each proposed performance indicator would accurately measure the performance of the sub-project and how the proposed performance indicator is consistent with the performance measures established for the program funding the competition.

    b. Data source. The data source and collection process to support its general accuracy and reliability, as well as any data limitations.

    c. Baseline data. Why is each proposed baseline valid? If the applicant has determined that there is no established baseline data for a particular performance indicator, they should provide an explanation of why there is no established baseline. In addition, they should describe how and when the applicant would establish a valid baseline for the performance indicator.

    d. Performance targets. Why each proposed performance target is ambitious yet achievable compared to the baseline for the performance indicator and when, during the period of performance, the potential award recipient would meet the performance target(s).

[55] See also materials developed by the Performance Improvement Council (PIC). For example, the PIC published the "Performance Measurement Basics" which is a great resource for developing performance measures.[55]

Promising Practice - Technical Assistance on Performance Measurement

Training and technical assistance to prospective applicants on performance measurement can be extremely helpful, especially where the applicant is required to establish/propose its own program-specific measures. This training at an in-person event or via webinar should focus on the program's goals, what makes a good measure, establishing baselines and targets and data collection and validation methods.

III.B. Phase 2: Pre-Award Management (§2 CFR 200 Subpart C) [56]

The pre-award management phase includes performance activities during the grant application, review, and selection process.

III.B.1. Selection Criteria for Making Awards (§2 CFR 200.204 Appendix I.E.)[57]

To assess the performance-related aspects of a proposed sub-project, the Federal awarding agency generally adheres to predetermined selection criteria. In addition to developing predetermined selection criteria for an award, it is important for the success of the program or project to develop a budget and budget justification that is well thought out and meets Federal requirements. Selection criteria only apply for discretionary awards. Below are four general selection criteria and factors to consider:

1. The quality of the design of the proposed sub-project. (i.e., application, proposal)
   a. The goals, objectives, and outcomes of the sub-project are clearly specified and measurable.
   b. The design of the proposed sub-project includes a thorough, high-quality review of the relevant literature, a high-quality plan for project implementation, and the use of appropriate methodological tools to ensure successful advancement or achievement of project objectives.
   c. The proposed demonstration design and procedures for documenting project activities and results are of high quality.
   d. The potential award recipients level of past performance, if applicable. (i.e., to what degree did they successfully meet project goals in the past?).

[56] Refer to the OMB Uniform Guidance (2 CFR 200) for additional information about the grants lifecycle pre-award phase. (Subpart C- Pre-Federal Award Requirements and Contents of Federal Awards and Appendix XII to Part 200- Award Term and Condition for Recipient Integrity and Performance Matters) https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=c5f8c20480c04403862fca0bcaf78a74&mc=true&n=pt2.1.200&r=PART&ty=HTML#_top

[57] 2 CFR 200 §§200.204 Federal awarding agency review of merit proposals and 200.210: Information contained in a Federal award: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=56df1ac037a4c02d491c0e6c56fbfe9b&mc=true&n=pt2.1.200&r=PART&ty=HTML#_top

2. The proposed results that would be advanced or achieved through the award is supported by evidence. This portion of a grant application should be reviewed by an individual with evaluation and evidence expertise, either within the Federal awarding agency or recruited as a grant reviewer. For awards that use tiered evidence strategies, the funding announcement should specify the level of evidence required for each funding tier.

    a. Provide demographic, economic conditions, and other information such as the number of intended beneficiaries using reliable sources of information.
    b. Include program evaluation results conducted on similar previously conducted sub-project.
    c. Include program evaluation results on a similar program or project, with an explanation on how the proposed program or project differs or innovates.
    d. Include other types of evidence that help demonstrate the likelihood that the proposed sub-project would be successful.

3. The quality of the evaluation proposed by the applicant, when required by the Federal awarding agency. This portion of an application should be reviewed by an evaluation methods expert, either within the agency or as recruited as a reviewer. See OMB Circular A-11 for more information on evaluation. The Federal awarding agency should look at the following items when determining the quality of the evaluation proposed by the applicant:
    a. The methods of evaluation are feasible, rigorous, and appropriate to the goals, objectives, and outcomes of the proposed sub-project.
    b. The evaluation is being conducted by individuals qualified to conduct the applicable methods and can demonstrate objectivity and independence from the project or sub-project.

4. Past performance of the recipient, when available. Review the past performance of a sub-project to determine what could be improved or what worked well. The following factors should be considered:
    a. The potential award recipient's performance outcomes under a previous award under any agency program.
    b. The potential award recipient's failure under any agency program to submit a performance report or its submission of a performance report of unacceptable quality.
    c. Past performance information on this entity for a similar or the same program, with context on how this relates to proposed goals for this new award. This should include outcomes achieved during a specified performance period and explain the number of affected beneficiaries or participants served.

The selection of proposed sub-projects for awards are based on the authorizing statue, the selection criteria, and any priorities or other requirements applicable to the project and program. Once selected, the proposed sub-projects are often listed in rank order based on the evaluation of their quality according to the selection criteria. Past performance may be considered when determining the order in which the proposed project will be selected for award.

III.C. Phase 3: Award Management (2 CFR 200 Subpart C)[58]

The award phase consists of: 1) documenting all standard terms and conditions; 2) developing and documenting special conditions to address award recipient risks; and 3) issuing the awards. For the purposes of this playbook, however, the following sections only focus on project and sub-project (i.e., award recipient) performance.

III.C.1. Risk Assessment and Special Conditions (2 CFR §§200.205, 200.207)

Before funding an application, a Federal awarding agency should review the risk posed by the potential award recipient in terms of their ability to accomplish sub-project goals and objectives**.**[59] According to Title 2 CFR §200.205 *Federal awarding agency review of risk posed by applicants*, a risk assessment considers a number of items, including:

- ✓ Prior and/or current performance information, including progress in achieving previous corrective actions set in place to resolve performance-related findings, if applicable.
- ✓ Single audit and financial data.

When Federal employees identify programmatic performance risks associated with potential award recipients, agencies often impose specific award conditions in the Notice of Award (NOA) to address the identified performance risks. These conditions include risk mitigation strategies that are beyond routine post award monitoring and oversight strategies. Federal awarding agencies also impose special conditions on an award if the potential award recipient has a history of unsatisfactory performance or has not fulfilled the conditions of a prior award.[60]

[58] 2 CFR 200 Subpart C- Pre-Federal Award Requirements and Contents of Federal Awards: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=c5f8c20480c04403862fca0bcaf78a74&mc=true&n=pt2.1.200&r=PART&ty=HTML#_top

[59] 2 CFR §200.205 Federal awarding agency review of risk posed by applicants: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=c5f8c20480c04403862fca0bcaf78a74&mc=true&n=pt2.1.200&r=PART&ty=HTML#_top

[60] The Federal awarding agency may make a Federal award to a recipient who does not fully meet these standards if it is determined that the information is not relevant to the current Federal award or if there are specific condition that can mitigate the effects of the risk.

Promising Practice – Mitigating Risk and Reducing Costs by Sharing Research Results

The National Aeronautics and Space Administration (NASA) employs tools to mitigate risk and reduce cost by sharing research results. For example, all NASA funded researchers archive manuscript versions of peer reviewed publications in PubMed Central® (PMC), a free full-text archive at the U.S. National Institutes of Health's National Library of Medicine (NIH/NLM). Rather than create a duplicative archive, NASA relies on NIH's infrastructure, which simplifies the public's access to the results of federal grants and reduces costs.

The NASA Scientific and Technical Information (STI) Program supports the advancement of aerospace knowledge and contributes to U.S. competitiveness in aerospace research and development. This mission support program helps NASA avoid duplication of research by sharing information. The NASA STI Program acquires, processes, archives, announces, and disseminates NASA STI via the NASA Technical Reports Server (NRRS).

The NTRS is a world-class collection of STI with a public interface that is available at: https://ntrs.nasa.gov/search.jsp. The information types include conference papers, patents, technical videos, etc. created or funded by some NASA assistance awards and procurements. NASA restricts input access to only those contractors and award recipients who may fill out the NTRS-R Registration form. At grant closeout, NASA requires award recipients to report whether or not the grant produced new technology. The grant manager at NASA must verify the recipient's answer before closeout is finalized.

When alerting an award recipient that there are special conditions related to performance, Federal awarding agencies may provide the following types of information:

- ✓ The reason why the additional requirements are being imposed;
- ✓ The nature of the action needed to remove the additional requirements, if applicable;
- ✓ The time allowed for completing the actions, if applicable, and
- ✓ The method for requesting reconsideration of the additional requirements imposed.

III.C.2. Federal Award and Performance Reporting (2 CFR §200.210)

As noted in 2 CFR 200, a Notice of Award (NOA) must include information on the types of performance information an award recipient must report on related to the results intended to be advanced or achieved by the Federal project described in the NOFO. [61] This may include:

1. Performance Goals,
2. Indicators,
3. Milestones,

[61] 2 CFR §200.210(d) Information Contained in a Federal Award: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=c5f8c20480c04403862fca0bcaf78a74&mc=true&n=pt2.1.200&r=PART&ty=HTML#_top

4. Expected Outcomes, and
5. Timeline for accomplishments.

Agencies should measure award recipient performance in ways that help to improve program results and facilitate sharing lessons learned and the adoption of promising practices. [62]

Promising Practice - Award Recipient Performance Reports

DOL's Employment and Training Administration (ETA) typically requires its recipients to submit quarterly performance reports that include data on how many participants received services during the quarter, the types of services and training they received; credentials attained; and employment outcomes. In addition, recipients submit narrative reports that describe how the project is functioning in achieving the goals and objectives of the project challenges as well as successes in managing the award. To use this data, ETA program staff create "dashboards" that show data metrics against targets for each award recipient to track the progress from quarter to quarter. This tool helps identify which award recipients are on track to accomplish their overall goals and to determine which may need technical assistance or to make course corrections.

III.C.3. Issuing Awards (2 CFR §200.210)

After a Federal awarding agency completes the entire review process, they notify potential award recipients whether they will receive an award. Federal agencies are expected to clearly articulate performance and reporting expectations in the terms and conditions of awards. After an award recipient receives a NOA and the Federal awarding agency disburses the award funds, they will begin to implement their sub-project.[63] The award recipient is responsible for meeting the administrative, financial, and performance reporting requirements of the award.

III.D. Phase 4: Post-Award Management and Closeout (2 CFR Subpart D)[64]

The post-award phase includes monitoring compliance and assessing award recipient performance through reporting and the use of data analytics. Agencies monitor award recipient progress toward project goals and objectives through programmatic reporting and analyzing performance indicators. At the end of the project period, award recipients must also submit their final financial and programmatic reports.

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[62] 2 CFR §200.301 Performance Measurement: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=c5f8c20480c04403862fca0bcaf78a74&mc=true&n=pt2.1.200&r=PART&ty=HTML#_top

[63] Some grant funds are awarded on a reimbursable basis.

[64] 2 CFR 200 Subpart D- Post Federal Award Requirements: https://www.ecfr.gov/cgi-bin/text-idx?SID=39abcf390fdf8c8adc219f844112a18f&mc=true&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

III.D.1. Award Recipient Performance Monitoring and Assessment (2 CFR §200.328)

Performance monitoring and assessment involves regularly collecting and analyzing data in order to monitor award recipient compliance as well as to track progress against proposed targets and goals. Performance monitoring can help identify whether the sub-project is meeting interim milestones. Performance assessments can provide insight into whether the sub-project's goals are being advanced or achieved.

Level 3: Sub-Project Activities

Award recipient performance monitoring and assessment takes place at level 3, sub-project, and includes both monitoring for compliance (e.g., meeting financial and performance expectations), and assessing the degree to which the sub-project meets its intended goals.

The assessment of an award recipient's performance begins with the review of performance data and results during the period of performance for the award.[65] Federal employees review an award recipient's progress and performance reports on a quarterly, semi-annual, and/or annual basis.[66] Federal awarding agencies may collect award recipient data through various avenues. Some Federal agencies collect data through online systems that allow award recipients to upload data files and submit reports.[67] Performance reports generally include both quantitative and qualitative information. Agencies commonly create performance report handbooks for award recipients that describe each of the data elements, how they should report the data, and the documentation that is required.

[65] This should further specify that performance management should begin as soon as data and results start getting reported and should be reviewed throughout the period of performance since some grants last multiple years.
[66] Prior to any data collection, Agencies must obtain OMB approval before actually collecting the data. The Paperwork Reduction Act (PRA) clearance process for data collections is a lengthy one that should begin concurrently with the program design phase so that grantees can submit their data on schedule.
[67] Although the quality and use of Federal IT systems for collecting performance data is outside the scope of this document, readers should note that many challenges exist in both implementing new systems and updating older ones.

Promising Practice –Interim Performance Report[68]

The Department of Education (ED) requires recipients of multi-year discretionary awards to submit annual performance reports. ED uses this information to determine whether recipients have demonstrated substantial progress toward meeting the project goals and objectives. For example, award recipients must report on at least one performance indicator for each project objective (and sub-project objectives as applicable). They must establish targets for each indicator and provide actual performance data demonstrating progress towards meeting or exceeding this target. Based on this data, they also must describe how they are making progress toward achieving the project's goals and objectives.

Throughout the grants lifecycle, award recipients may also receive ongoing technical assistance and annual audits to ensure that sub-project performance data collected is accurate and valid. This technical assistance can include handbooks, training events and tutorials, and access to subject matter experts – either in person or virtually. Federal agencies often have a data verification and validation process for checking information after an award recipient submits data. This process often includes information technology checks (e.g., automatically checking that data does not fall outside of a prescribed range).

In addition, Federal awarding agencies may analyze how award recipients are performing against expected benchmarks or targets. The terms and conditions of the award may have specified that the award recipients may be required to set annual targets. This information can identify necessary course corrections in the program overall. Analyzing performance data is also useful for informing technical assistance efforts. This includes not only technical assistance for performance management but also programmatic technical assistance to address common challenges that award recipients may be experiencing with implementation of the project. If the performance data shows that recipients are missing targets, such as lower than expected enrollments in their specified activities, this may be an indication that further analysis is warranted to determine if subpar performance is a result of the program or project design or if there is a need to provide award recipients with technical assistance.

There are several tools and resources that Federal employees may use in tracking award recipient performance. Some employees use "dashboards" that can show data metrics for each award recipient during each reporting period to look across awards to determine possible trouble. Graphs, charts, infographics, and other visualizations can be useful in interpreting performance data for sub-projects (level 3). Collecting and analyzing aggregate data can also demonstrate the effectiveness of technical assistance interventions. These types of tools can help look at award

[68] Department of Education Instructions for Grant Performance Report: https://www2.ed.gov/fund/grant/apply/appforms/ed524b_instructions.pdf

recipient performance over the period of performance to see emerging trends and indicate whether an award recipient needs technical assistance. For example, perhaps one metric was low for one reporting period across all awards; however, recipients received technical assistance and the metric improved by the subsequent reporting period. One suggested practice is for Federal awarding agencies to upload technical assistance information, including tools and reports, on a public website for recipients to access on an ongoing basis. It is recommended that these tools and reports be updated periodically to remain current and relevant.

Promising Practice - Instructing Recipients on How to Write Performance Reports

The National Aeronautics and Space Administration's Established Program to Stimulate Competitive Research (EPSCoR) provides instructions to award recipients on how to write progress and performance reports. The goal of the program is to promote research opportunities that support NASA's research, science, and technology priorities. EPSCoR's progress reports include:

1. The major goals and objectives of the project
2. Significant accomplishments under these goals
3. How results have been disseminated to interested communities and the public
4. Products such as publications, papers, websites, inventions, patents and technologies
5. Collaboration with other researchers, industries, agencies and organizations
6. How the investment in the project has beneficially impacted the public
7. Significant changes from the original proposal

III.D.2. Award Closeout (2 CFR §§200.343, 200.344)

As award recipients close out their individual sub-projects, Federal awarding agencies have an additional opportunity to confirm and review final financial and programmatic performance data. Closeout is a process by which a Federal awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the award recipient. During the "closeout" period, recipients must submit all reports required under the award within 90 days after the award expires or is terminated.[69] Proposed revisions to 2 CFR 200 include an extension from 90 days to 120 days for recipients to submit closeout reports and liquidate financial obligations.[70]

[69] 2 CFR §200.343 Closeout: https://www.ecfr.gov/cgi-bin/text-idx?SID=39abcf390fdf8c8adc219f844112a18f&mc=true&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

[70] Proposed Revisions to 2 CFR Federal Register Noticehttps://www.federalregister.gov/documents/2020/01/22/2019-28524/guidance-for-grants-and-agreements

Federal employees may closeout an award after the following administrative actions and required work of the grant have been completed:

a. The grant period has expired.
b. All approved extensions have expired.
c. There are no funds remaining in the account, or there are no issues related to the funds remaining in the account.
d. All performance and financial reports and data required by the terms and conditions of the award have been received and accepted by Federal employees who determine all programmatic requirements for the grant have been met.
e. All identified programmatic or financial issues/findings have been resolved, including special conditions, high risk, and monitoring findings of noncompliance.
f. The Single Audit, if required during the period of performance, is completed, all audit findings (including from Federal audits) are resolved, corrective actions are successfully completed, and amounts due back have been paid or an approved payment plan has been established.

If the award recipient does not complete associated administrative actions and required work, the award may be closed out in noncompliance based on each agency's established factors and circumstances. Closing an award in noncompliance will be part of the award recipient's record with the Federal awarding agency and could impact future funding opportunities. Therefore, everything should be done to make certain the award is closed in compliance. However, non-compliant status is not a reason to avoid closing out an award.

Promising Practice –Performance Progress Reports[71]

During the closeout period, the National Institutes of Health (NIH) requires award recipients to submit final Research Performance Progress Reports (RPPR). In the final RPPR, NIH asks award recipients to discuss their accomplishments towards the goal of the sub-project, manuscripts and publications produced, personnel who have worked on the project, changes to level of effort of key personnel on the project, actual or planned challenges or delays in the projects and plans for resolving them, significant changes regarding human or animal subjects, and enrollment reports for clinical studies. NIH askes award recipients to provide information on both accomplishments and products produced during the award period.

1. Accomplishments
    - What were the major goals and objectives of the sub-project?
    - What was accomplished under these goals?
    - What opportunities for training and professional development did the sub-project provide?
    - How were the results disseminated to communities of interest?

2. Products
    - Publications, conference papers, and presentations
    - Website(s) or other internet site(s)
    - Technologies or techniques
    - Inventions, patent applications, and/or licenses

Other products, such as data or databases, physical collections, audio or video products, software, models, educational aids or curricula, instruments or equipment, research material, interventions (e.g., clinical or educational), or new business creation.

III.E. Phase 5: Program Oversight

The program oversight phase includes analyzing performance data, writing reports, disseminating lessons learned, and finalizing program or project evaluations.

[71] The Department of Health and Human Services (HHS), National Institutes of Health (NIH) Research Performance Progress Report: https://grants.nih.gov/grants/post-award-monitoring-and-reporting.htm

III.E.1 Analysis of Program and Project Results

Agencies examine all performance data for an entire program and its related projects after the period of performance for a project funded through a NOFO has ended. This step focuses on reviewing both project level and the larger program's outcomes as well as documenting promising practices learned. Federal employees review overall program performance to assess the degree to which programs and their related projects advanced or achieved their goals over the course of the award.

The first step in this analysis is to review all of the data from the program's and/or project's performance indicators. Four types of data analysis can be helpful to interpret performance data. These are:

- ✓ Descriptive analysis – answers *what happened*?
  - ➢ Example: 5,000 people were screened for the HIV virus and 95 percent of those that tested positive were enrolled in treatment.

- ✓ Diagnostic analysis – answers *why something happened*?
  - ➢ Example: Using data mining techniques, the researcher discovered that providers in certain geographical locations had unusual patterns of medical claims.

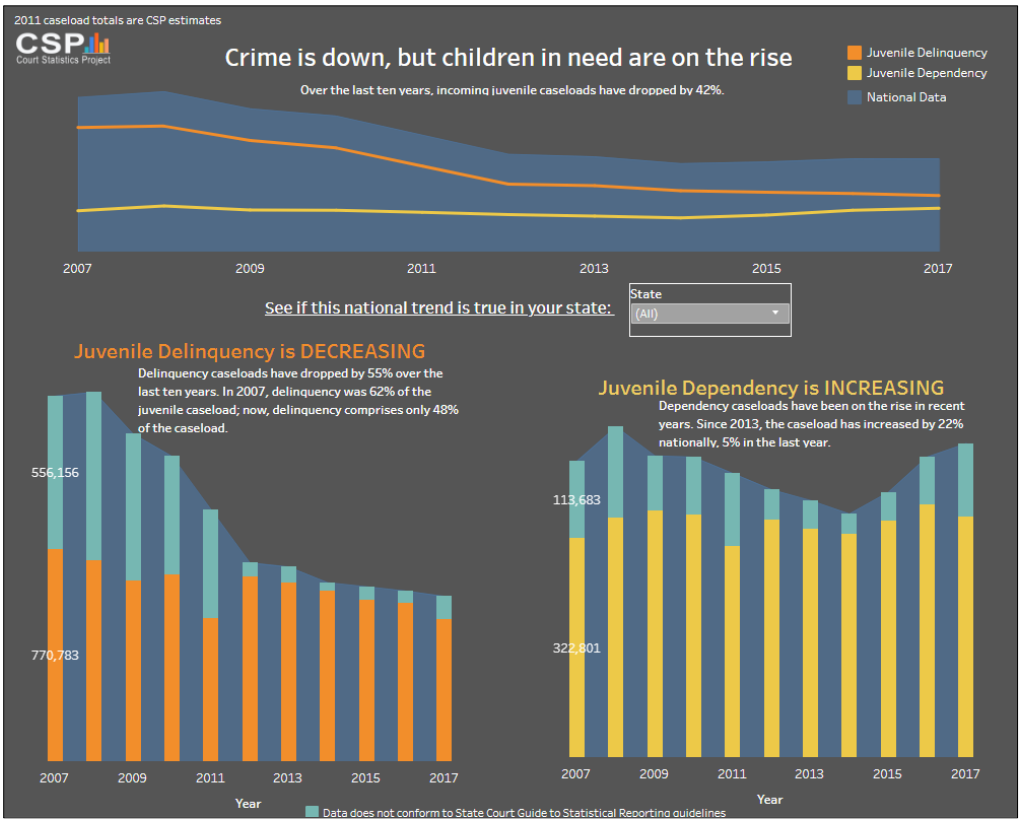
- ✓ Predicative analysis – answers *what is likely to happen*?
  - ➢ Example: Using data mining techniques, the researcher was able to predict which people entering the clinic needed behavioral health services.

- ✓ Prescriptive analysis – answers *what action to take*?
  - ➢ Example: Using artificial intelligence, the data analyst evaluated the cost-effectiveness of alternative recidivism programs.

Agencies may present performance results in several ways depending on the intended audience, including in graphs, tables and statistical comparisons, as well as in dashboards, spreadsheets, and formal reports. Graphs, charts, infographics, and other types of visualization tools are extremely useful for assessing results for projects as well as larger programs (Levels 2 and 1). To assess project goals, Federal agencies examine a "cohort of sub-projects," meaning that the analysis assesses all of the sub-projects that were awarded under a single project. Similarly, they also may examine all of the projects together that were initiated under a larger program. Although the example below in *Figure 5* is based on court statistics, it provides an example of how project and program data could be shown in order to see larger trends.

Promising Practice – Analysis of Program and Project Results

Figure 5: Department of Justice National Center for State Courts Data Visualization[72]



Measuring and analyzing the outcomes of a projects and program leads to many policy questions, such as:

- ✓ Was the program successful in meeting performance targets?
- ✓ What was the effect on society resulting from the program?
- ✓ Can the performance outcomes of the program or project influence goals and objectives for future projects and programs and NOFOs?
- ✓ Did the results provide adequate value relative to the costs?
- ✓ How will these results affect the project and/or program's future budget requests?
- ✓ How can Federal awarding agencies use performance data in decision-making?

Federal awarding agencies should use the results of their data analysis to make future decisions in the continuation and/or refinement of projects and larger programs. Ultimately, the end goal is

[72] Department of Justice National Center for State Courts Data Visualization: https://public.tableau.com/profile/ncscviz#!/vizhome/JuvenileDependencyversusDelinquencyCaseload/Story

to have an effective program that achieves its objectives and captures lessons learned to communicate a program's success and outcomes. Agencies should: 1) analyze performance data and use that information for future decision-making; and 2) make data transparent to internal and external stakeholders and share information performance results on their websites.

III.E.2. Dissemination of Lessons Learned

Federal awarding agencies are responsible for and encouraged to develop lessons learned. Once developed, the lessons learned should be disseminated.

One example of this is the Center for Disease Control's (CDC) Unified Process Practice Guide on Lessons Learned.[73] According to the CDC guide, lessons learned are the learnings gained during or at the end of a single award or a cohort of sub-projects. The purpose of practicing lessons learned is to share knowledge to: 1) promote good outcomes; and 2) prevent undesirable outcomes. Each documented lessoned learned should have at least these elements:

1. Project information, including goals, objectives, and results.
2. A clear description of the lesson.
3. A background summary describing how the lesson was learned.
4. Benefits of using the lesson and how the lesson may be used in the future.

There are many different ways to disseminate lessons learned. One example of the dissemination of lessons learned is the Department of Education "What Works Clearinghouse," designed to "review the existing research on different programs, products, practices and policies in education."[74] The goal of this clearinghouse is to provide educators with the information that they need to make evidence-based decisions.

III.E.3. Program Evaluation

Agencies also measure the success of programs and projects by conducting evaluations. Evaluations can play an important role in performance management because they can provide an analysis of how a single recipient or a cohort of sub-projects have performed over the entire period of performance rather than at specific points in time. Program evaluations are systematic studies to assess how well a program advances or achieves its intended results or outcomes. Evaluations can help policy-makers and agency managers strengthen the design and operation of a program and can help determine how best to spend taxpayer dollars effectively.
Evaluations should address questions related to the overall performance of a program or project, the effectiveness of particular project strategies, and/or factors that relate to variability in program or project effectiveness. Evaluations can also examine questions related to measurement of progress, such as the reliability of performance data, identifying appropriate goals or targets for performance, and understanding factors surrounding a program.

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[73] CDC Lessons Learned Practices Guide: https://www2a.cdc.gov/cdcup/library/practices_guides/CDC_UP_Lessons_Learned_Practices_Guide.pdf

[74] For more information on the ED "What Works Clearinghouse" visit the following website: https://ies.ed.gov/ncee/wwc/

Program evaluation begins with a discussion during the program design step (See Section IV.A. Program Design) about when a program might undergo an evaluation. This involves thinking through program evaluation questions regarding the program logic model and focusing on questions that have real value for stakeholders and decision-makers.

Additionally, appropriate and measurable indicators and their data collection criteria developed during the program design phase are key to a sound evaluation. Early identification of indicators allows the program team to learn what baseline data already may be available to help evaluate the project, or to design a process to collect baseline data before initiating or implementing the program. The logic model is useful for identifying elements of the program that are most likely to yield useful evaluation data and to identify an appropriate sequence for collecting data and measuring progress.

III.E.4. Federal Evidence Building

There are many ongoing efforts across the Federal Government to improve the way that agencies build and use evidence in decision-making. The Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act) offers a new set of tools that can help agencies better build and use evidence and data to support decision-making and more efficient and effective execution of their missions and operations. Agencies with award making responsibilities should consider promising performance management practices in their efforts to establish data governance, learning agendas, evaluation plans, and capacity assessments. Please refer to OMB M-19-23 and M-20-12 for more information on these requirements.[75]

The Evidence Act and OMB implementation guidance reinforces existing Federal policies and procedures and also creates a new paradigm that calls on agencies to significantly rethink how they currently plan and organize evidence building, data management, and data access functions to ensure an integrated and direct connection to data and evidence needs. When taken together with the President's Management Agenda, specifically the Federal Data Strategy and Grants CAP Goals, these collective efforts should improve how Federal agencies obtain the data and evidence necessary to make critical decisions about program operations, policy, and regulations.[76] These critical decisions also aim to gain visibility into the impact of resource allocation on achieving mission objectives.

IV. Maintaining a Results-Oriented Culture

As discussed at the beginning of the PM Playbook, the purpose of the Grants CAP Goal is to "maximize the value of grant funding by applying a risk-based, data-driven framework that

[75] See the Office of Management and Budget Memorandum M-19-23, *Phase 1 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Learning Agendas, Personnel, and Planning Guidance* (2019): https://www.whitehouse.gov/wp-content/uploads/2019/07/M-19-23.pdf and *Phase 4 Implementation of the Foundations of Evidence-Based Policymaking Act of 2018: Program Evaluation Standards and Practices:* https://www.whitehouse.gov/wp-content/uploads/2020/03/M-20-12.pdf

[76] Federal Data Strategy Website: https://strategy.data.gov/

balances compliance requirements with demonstrating successful results for the American taxpayer."[77] A major strategy for achieving this goal is to "hold recipients accountable for good performance practices that support achievement of program goals and objectives."[78] As the PM Playbook has highlighted, Federal awarding agencies can manage for results by: 1) understanding what makes federal award programs and their projects successful; and 2) establishing and/or maintaining a "results-oriented" culture in their organization.

Agencies measure success by examining evidence, such as performance indicators, administrative data, survey results, scientific findings, descriptive research studies, and evaluation results. Federal awarding agencies support this focus on results through the creation of learning agendas and the use of risk-based, data-informed decision-making.

1. Learning agendas: A learning agenda is a plan for identifying and answering policy questions about programs and other items, and includes information on how data will be collected and analyzed to support the use of evidence in decision-making.[79] Previously, Federal awarding agencies such as DOL, HUD, and USAID used learning agendas to focus on evaluating evidence.[80] Agency-wide learning agendas that align and are submitted with agency strategic plans are now required under the Evidence Act.

[77] The President's Management Agenda, Results-Oriented Accountability for Grants website: https://www.performance.gov/CAP/grants/
[78] The President's Management Agenda, Results-Oriented Accountability for Grants website: https://www.performance.gov/CAP/grants/
[79] A learning agenda is equivalent to the agency evidence-building plan required in Section 101 of the Evidence Act. 5 U.S.C. §312(a).
[80] United States Agency for International Development (USAID) Learning Agenda Approach Document: https://usaidlearninglab.org/sites/default/files/resource/files/defining_a_learning_agenda.pdf

Promising Practices - Implementing a Learning Agenda[81]

The United States Agency for International Development (USAID) developed a resource guide for implementing a learning agenda approach. USAID defines a learning agenda as "a set of broad questions directly related to the work that an agency conducts that, when answered, enables the agency to work more effectively and efficiently, particularly pertaining to evaluation, evidence, and decision-making." Learning agendas help establish a results-oriented culture by:

- Identifying and prioritizing the questions that need to be answered to improve program effectiveness and build evidence;
- Answering questions with appropriate tools and methods;
- Implementing studies and analyses based on the strongest available methods;
- Involving key stakeholders;
- Acting on the results of what is learned; and
- Disseminating findings for program improvement.

A strong learning agenda approach:

- Maximizes results by helping agency and implementing partners learn more quickly and make iterative, timely course corrections;
- Reinforces the strategic direction of agency programs and policies by including learning in all parts of program design and implementation;
- Adapts as evidence and context shifts;
- Helps the agency, implementing partners, and others identify and focus on priorities to maintain and strengthen strategic direction;
- Remains flexible. Although the learning agenda may be formally updated on a particular timeline (e.g. once a year), it should not unnecessarily bind agencies or discourage new ideas and updates.
- Accommodates short and longer-term priorities and intentionally build evidence over time towards strategic objectives.

2. Risk-based, data-informed decision-making: Decisions should be made while using a risk-based approach. A risk based, data-informed decision-making approach begins with collecting "evidence" (such as performance indicators and findings from research studies and program evaluations) and ends with using this data along with an assessment of risk to improve program implementation. This type of decision-making focuses on using a risk scale to help grant managers and others assess the impact of changing program and/or project

[81] United States Agency for International Development (USAID) Learning Agenda Approach Document: https://usaidlearninglab.org/sites/default/files/resource/files/defining_a_learning_agenda.pdf

implementation based on available evidence. Program and project-level risk assessments can be assessed by creating three types of scales (see below).

1) Impact Scale: To assess the level of impact of a decision.
    - Minor: Requires little to no change in how the program operates
    - Moderate: Requires a change that would alter program operations in a generally positive direction
    - Extreme: Requires a risky change where the outcome on program operations is uncertain
2) Frequency Scale: To access the probability of a change
    - Rare: Less than 20% chance of a negative impact of change
    - Likely: >20% and <80 % chance of a negative impact of change
    - Frequent: 80% and above chance of a negative impact of a program change
3) Vulnerability Scale: To access the level of preparation for a negative change
    - Low: Program ready to implement change
    - Medium: Program needs time to implement change
    - High: Program would have to be completely altered to implement change

The President's Management Agenda, Grants CAP goal includes a strategy dedicated to "managing risk." The goal of this strategy is to leverage data, including data produced by annual audits, to assess and manage recipient risk. The potential result of this strategy is a comprehensive risk management tool for government-wide use.

Federal awarding agencies are encouraged to either get involved with shaping this government-wide strategy or periodically view the progress of this strategy on performance.gov for the latest information.

Promising Practice - Create a Risk Appetite Statement[82]

United States Agency for International Development (USAID) issued a "Risk Appetite Statement" to provide agency employees with guidance on the amount and type of risk the agency will accept to achieve strategic plan goals and objectives. USAID defined seven categories of risk, including programmatic risk, that could undermine program effectiveness and results. USAID also created a risk scale with three categories from low to medium to high for many agency functions, such as programs (High) vs Fiduciary (Low).

- Low Risk Appetite –Risk is avoided or minimized
- Medium Risk Appetite –Balancing between the potential benefits and costs
- High Risk Appetite –Disciplined risk-taking where potential benefits outweigh costs.

Federal awarding agencies may use different types of procedures to create and maintain a results-oriented culture that highlights performance results and outcomes within their organizations. These include:

1. Leadership champions: Leadership support is essential to successful cultural change. The change process needs committed leaders at different levels of the organization to support the creation of new ways of doing business.

2. Federal awarding agency performance management frameworks: A performance management framework tailored to the mission and needs of an agency can help communicate the who, what, and how of culture change. For example, who will be impacted, what is the impact of change, and how will the change be accomplished?

3. Data-driven reviews of performance and progress: A critical aspect of performance management is reviewing program and project data and conducting regular assessments on their level of success in meeting program goals and project objectives. Grant managers and others can use the results of these program and project reviews to make changes to programs and future projects (in NOFOs).

4. Standard operating procedures: Agencies should create and maintain standard operating procedures (SOPs) for employees to follow. SOPs assist in teaching employees how to best conduct performance management practices.

5. Performance management manuals or toolkits: Like SOPs, agencies can codify their performance management policies and practices in manuals, and can help teach employees how to implement these policies and practices in toolkits. Both manuals and toolkits are effective communication tools.

[82] United States Agency for International Development (USAID) Risk Appetite Statement, June 2018. https://www.usaid.gov/sites/default/files/documents/1868/USAID_Risk-Appetite-Statement_Jun2018.pdf

6. Training for internal and external stakeholders: Training is an essential aspect of culture change. Both Federal employees as well as current and potential recipients will need to understand why and how change is taking place.

V. Conclusion

While considering a results-oriented culture for Federal award making, Federal awarding agencies are encouraged to begin to make a paradigm shift in grants management from one heavy on compliance to an approach focused more on performance that includes establishing measurable program and project goals and analyzing data to improve results. The development of a results-oriented culture requires change management and will occur over time. In the future, program impact will be assessed across the Federal government and taxpayers will have a clear picture of the impact of Federal dollars spent on programs. To assess program impact, agencies must establish clear program and project goals and objectives, and measure project and individual award recipient progress against them. The PM Playbook was developed to assist Federal awarding agencies with improving their assessment of program impact.

There are several multifaceted strategies developed to achieve the purpose of the Grants CAP Goal to "maximize the value of grant funding by applying a risk-based, data-driven framework that balances compliance requirements with demonstrating successful results."[83] The performance strategy to "achieve program goals and objectives" is only one part of the equation. The elements of performance, risk, and compliance all fit together to achieve this goal and the PM Playbook describes each of these elements throughout. Risk and compliance activities support performance and evidence-based decision-making.

[83] The President's Management Agenda, Results-Oriented Accountability for Grants website: https://www.performance.gov/CAP/grants/

Figure 6: Achieving a balanced approach to making a Federal award[84]

This is the beginning of a dialogue on this topic and future versions of the PM Playbook will encompass a larger scope and broader stakeholder group to help shape this area and possible revisions to 2 CFR.

[84] Figure developed by authors of the PM Playbook.

VI. Appendices

Appendix A. Glossary of Terms

Applicant[85]: A person or entity that submits an application for Federal financial assistance.

Application[86]: The mechanism that an applicant uses to submit their credentials to obtain Federal financial assistance funding.

Assistance Listing[87]: The publically available listing of Federal assistance programs managed and administered by the General Services Administration. Formerly known as the Catalog of Federal Domestic Assistance (CFDA).

Assistance Listing Level[88]: This playbook used the phrase "assistance listing level" to refer to Federal assistance programs during programmatic performance management activities in order to distinguish the difference between a program and a project.

Assistance Listing Number[89]: A unique number assigned to identify a Federal assistance listing. Formerly known as the CFDA Number.

Compliance[90]: Compliance means meeting the obligations associated with accepting a Federal award. This includes making sure that award funds are spent in accordance with applicable statutes, requirements in the Notice of Funding Opportunity Announcement (NOFO), specifications in the notice of award and the award recipient budget submission, and specific agency policies.

Cooperative Agreement[91]: A legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with 31 U.S.C. 6302-6305:

a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the

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[85] Developed by authors of the PM Playbook.
[86] Developed by authors of the PM Playbook.
[87] 2 CFR 200 Definitions: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=7936a2f1db857b8d4e3244a0555d11fb&mc=true&n=pt2.1.200&r=PART&ty=HTML

[88] Developed by authors of the PM Playbook.
[89] 2 CFR 200 Definitions: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=7936a2f1db857b8d4e3244a0555d11fb&mc=true&n=pt2.1.200&r=PART&ty=HTML
[90] Defined by authors of the PM Playbook.
[91] 2 CFR 200 Definitions: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=7936a2f1db857b8d4e3244a0555d11fb&mc=true&n=pt2.1.200&r=PART&ty=HTML

non-Federal entity to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)); and not to acquire property or services for the Federal Government or pass-through entity's direct benefit or use;

b) Is distinguished from a grant in that it provides for substantial involvement between the Federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity contemplated by the Federal award.
c) The term does not include:
    1. A cooperative research and development agreement as defined in 15 U.S.C. 3710a; or
    2. An agreement that provides only:
        i. Direct United States Government cash assistance to an individual;
        ii. A subsidy;
        iii. A loan;
        iv. A loan guarantee; or
        v. Insurance.

Goal, Performance[92]: A statement of the level of performance to be accomplished within a timeframe, expressed as a tangible, measurable objective or as a quantitative standard, value, or rate. For the purposes of this guidance and implementation of the GPRA Modernization Act, a performance goal includes a performance indicator, a target, and a time period. The GPRA Modernization Act requires performance goals to be expressed in an objective, quantifiable, and measurable form unless agencies in consultation with OMB determine that it is not feasible. In such cases an "alternative form" performance goal may be used. The requirement for OMB approval of an alternative form goal applies to performance goals only. Milestones are often used as the basis of an alternative form performance goal. Performance goals specified in alternative form must be described in a way that makes it possible to discern if progress is being made toward the goal.

Indicator[93]: A measurable value that indicates the state or level of something.
Various types of indicators (e.g. outcome, output, customer service, process, efficiency) may be used as either performance indicators or other indicators. Agencies are encouraged to use outcome indicators as performance indicators where feasible and appropriate. Agencies also are encouraged to consider whether indicators have been validated through research conducted to be well correlated with what they are intended to measure. Some examples include the following:

- *Indicator, Input.* A type of measure that indicates the consumption of resources, especially time and/or money, used.

[92] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[93] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf

- *Indicator, Outcome.* A type of measure that indicates progress against achieving the intended result of a program. Indicates changes in conditions that the government is trying to influence.
- *Indicator, Customer Service.* A Type of measure that indicates or informs the improvement of government's interaction with those it serves or regulates.

A performance indicator is the indicator for a performance goal or within an agency Priority Goal statement that will be used to track progress toward a goal or target within a timeframe. By definition, the indicators for which agencies set targets with timeframes are performance indicators.

Internal Controls[94]:

(a) Internal controls for non-Federal entities means processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

(1) Effectiveness and efficiency of operations;
(2) Reliability of reporting for internal and external use; and
(3) Compliance with applicable laws and regulations.

(b) Internal controls Federal awarding agencies are required to follow are located in OMB Circular A-123.

Non-Federal Entity[95]: A state, local government, Indian tribe, Institutions of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

Notice of Funding Opportunity (NOFO), Funding Opportunity Announcement (FOA), Notice of Funding Announcement (NOFA) [96]**:** The publicly available document that contains all the official information about a Federal grant. This is how a Federal awarding agency announces the availability of a grant, and provides instructions on how to apply for that grant.

Output[97]: Quantity of products or services delivered by a program, such as the number of inspections completed or the number of people trained.

[94] 2 CFR 200 Definitions: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=7936a2f1db857b8d4e3244a0555d11fb&mc=true&n=pt2.1.200&r=PART&ty=HTML
[95] 2 CFR 200 Definitions: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=7936a2f1db857b8d4e3244a0555d11fb&mc=true&n=pt2.1.200&r=PART&ty=HTML
[96] The Grants.Gov definition for an award solicitation: https://webcache.googleusercontent.com/search?q=cache:NvT2yhohG84J:https://blog.grants.gov/2017/10/18/what-is-a-funding-opportunity-announcement/+&cd=15&hl=en&ct=clnk&gl=us
[97] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf

Outcome[98]: The desired results of a program. For example, an outcome of a nation-wide program aimed to prevent the transmission of HIV infection might be a lower rate of new HIV infections in the U.S. Agencies are strongly encouraged to set outcome-focused performance goals to ensure they apply the full range of tools at their disposal to improve outcomes and find lower cost ways to deliver. However, there are circumstances where the effects of a program on final outcomes are so small and confounded with other factors that it may be more appropriate to base performance goals on indicators or intermediate outcomes. Ideally, those indicators and intermediate outcomes should have strong theoretical and empirical ties to final outcomes.

Performance[99]: Performance means the measurement and analysis of outcomes and results, which generates reliable data on the effectiveness and efficiency of a project and/or program.

Performance Management[100]: Use of goals, measurement, evaluation, analysis, and data driven reviews to improve results of programs and the effectiveness and efficiency of agency operations. Performance management activities often consist of planning, goal setting, measuring, analyzing, reviewing, identifying performance improvement actions, reporting, implementing, and evaluating. The primary purpose of performance management is to improve performance and then to find lower cost ways to deliver effective programs.

Program[101]: Generally, an organized set of activities directed toward a common purpose or goal that an agency undertakes or proposes to carry out its responsibilities. Within this broad definition, agencies and their stakeholders currently use the term "program" in different ways. Agencies have widely varying missions and achieve these missions through different programmatic approaches, so differences in the use of the term "program" are legitimate and meaningful. For this reason, OMB does not prescribe a superseding definition of "program"; rather, consistent with the GPRA Modernization Act, agencies may identify programs consistent with the manner in which the agency uses programs to interact with key stakeholders and to execute its mission.

Program Activity[102]: Program activity means the principle program activity listed in the program and financing schedules of the annual budget of the United States Government (see 31 USC 1115 (h)). Note, program activities do not necessarily match "programs" as defined in the Government Performance and Results Act (GPRA), the GPRA Modernization Act, or the Catalog of Federal Domestic Assistance.

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[98] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[99] Defined by authors of the PM Playbook.
[100] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[101] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[102] Defined by authors of the PM Playbook.

Program Inventory[103]: Program inventory refers to the Government Performance and Results Act Modernization Act of 2010 (GPRAMA) requirement that OMB create and maintain an inventory of federal programs. This inventory typically is a list of agency programs that align directly with the program activities listed in the annual budget (or congressional justification).

Project[104]: A temporary endeavor to create a unique product or service with a start date, a completion date, and a defined scope. Projects are executed in a manner to improve the efficient and effective implementation of programs and contribute to or aligned with agency goals and objectives.

Recipient[105]**:** A non-Federal entity that receives a Federal award directly from a Federal awarding agency. The term recipient does not include subrecipients or an individual that is a beneficiary of the award.

Risk Assessment[106]**:** An evaluation process used to: 1) determine if prior areas of concern regarding an award recipient that were identified in (a) previous year(s) have been resolved; 2) identify persistent or long-standing areas of concern that have the potential to result in a finding; and 3) identify new area(s) of concern that may need to be addressed to ensure successful administration of a grant award

Risk Management[107]: Risk management refers to the process of assessing, managing, and mitigating risk that may occur in Agency activities.

Sub-project[108]**:** NOFO's may use terms like "initiative," "program," or "project" to refer to the activities that an award recipient plans to accomplish with their award. To avoid confusion, this playbook uses the phrase "sub-project" to refer to these activities. As noted previously, the playbook uses the term "project" to refer to the activities specified in a NOFO. See *Figure 1: DOJ SCA Example: Program, Project, Funding Vehicle and Recipient Relationships*

Target[109]: Quantifiable or otherwise measurable characteristic typically expressed as a number that tells how well or at what level an agency or one of its components aspires to perform. In

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[103] Defined by authors of the PM Playbook.
[104] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[105] 2 CFR 200 Definitions: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=7936a2f1db857b8d4e3244a0555d11fb&mc=true&n=pt2.1.200&r=PART&ty=HTML
[106] Defined by authors of the PM Playbook.
[107] Defined by authors of the PM Playbook.
[108] Defined by authors of the PM Playbook.
[109] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf

setting and communicating targets, where available, agencies should include the baseline value from which the target change is calculated.

Appendix B. Key Stakeholders

Agency COOs[110]: Deputy Secretaries or equivalent, provide organizational leadership to improve performance.

Agency CXOs[111]: Executives who lead agency management functions, such as the Chief Financial Officer (CFO), Chief Human Capital Officer (CHCO), Chief Acquisition Officer (CAO), Chief Information Officer (CIO), and Chief Data Officer (CDO). Executives leading these management functions work closely with the PIO, agency head and COO to ensure that mission support resources are effectively and efficiently aligned and deployed to achieve the agency mission. This includes such activities as routinely leading efforts to set goals, make results transparent, review progress, and make course corrections as needed to ensure that the agency's management functions are effective in supporting agency goals and objectives.

Agency PIOs[112]: Report directly to the COO, are responsible for supporting the agency head and COO in leading efforts to set goals, make results transparent, review progress and make course corrections.

Chief Financial Officers Council (CFOC)[113]: The Council was established pursuant to Chief Financial Officers (CFO) Act of 1990 (Public Law 101-576). It is an organization of the CFOs and Deputy CFOs of the largest Federal agencies, senior officials of the Office of Management and Budget, and the Department of the Treasury who work collaboratively to improve financial management in the U.S. Government. The management of grants is conducted under different offices of Federal awarding agencies throughout the Federal government. The decision was made by OMB for the management of grants to be conducted under the CFOC when the CFO Act was enacted.

Chief Risk Officers (CRO)[114]: Senior agency official leading an equivalent function, who champion agency-wide efforts to manage risk within the agency and advise senior leaders on the strategically-aligned portfolio view of risks at the agency.

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[110] OMB Circular A-11 (2019 version) Part 6, Executive Summary: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[111] OMB Circular A-11 (2019 version) Part 6, Executive Summary: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[112] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[113] Chief Financial Officers Council: https://cfo.gov/about/
[114] OMB Circular A-123: https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-17

Congress[115]**:** When referring to a time-period (e.g., the 114th Congress which convened on January 6, 2015) rather than the legislative branch generally, a Congress is the national legislature in office (for approximately two years). It begins with the convening of a new Congress comprised of members elected in the most-recent election and ends with the adjournment sine die of the legislature (typically after a new election has occurred).

Evaluation Officers[116]**:** who play a leading role in overseeing the agency's evaluation activities, learning agenda, and information reported to OMB on evidence, as well as collaborating with, shaping, and making contributions to other evidence-building functions within the agency.

Goal Leaders[117]**:** are officials named by the agency head or COO who are held accountable for leading implementation efforts to achieve a goal. This role includes laying out strategies to achieve the goal, managing execution, regularly reviewing performance, engaging others as needed and correcting course as appropriate.

Government Accountability Office (GAO)[118]**:** The U.S. Government Accountability Office (GAO) is an independent, nonpartisan agency that works for Congress. Often called the "congressional watchdog," GAO examines how taxpayer dollars are spent and provides Congress and Federal agencies with objective, reliable information to help the government save money and work more efficiently.

Local community served[119]**:** Beneficiary of the Federal program. This is not the recipient of the financial assistance funding; rather, it is the individual or group of individuals who receive the benefits of the intent of the Federal program.

Office of the Inspector's General (OIG)[120]**:** Per the Inspector General Act of 1978, as amended, the Inspector General's mission is to:

- Conduct independent and objective audits, investigations and inspections
- Prevent and detect waste, fraud and abuse,
- Promote economy, effectiveness and efficiency,
- Review pending legislation and regulation, and
- Keep the agency head and Congress fully and currently informed.

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[115] More information about Congress: https://congress.gov/help/legislative-glossary#c
[116] OMB Circular A-11 (2019 version) Part 6, Section 290: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[117] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[118] Direct text from the GAO site: https://www.gao.gov/about
[119] Defined by authors of the PM Playbook.
[120] More information about the Office of the Inspector General: https://www.ignet.gov/content/frequently-asked-questions

Pass-through entity (PTE)[121]: A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Program Management Improvement Officers[122], who must report directly to the COO or other equivalent senior agency official responsible for agency program performance, and are responsible for leading efforts to enhance the role and practice of program and project management (P/PM).

Recipient: See Appendix A. Glossary of Terms.

The Performance Improvement Council (PIC)[123] is comprised of agency PIOs and OMB and advises on the development of government-wide policies designed to strengthen agency management and facilitate cross-agency learning and cooperation. The PIC is supported by the General Service Administration's (GSA) Office of Shared Solutions and Performance Improvement (OSSPI), which works with Agencies to develop solutions to matters that affect mission activity, management functions and performance, as well as support OMB and Goal Leaders in analyzing progress on Priority Goals.

The Program Management Policy Council (PMPC)[124] is comprised of agency PMIOs and OMB and advises on the development and implementation of policies and strategies for strengthening program and project management within the Federal Government by facilitating cross-agency learning, cooperation, and sharing promising practices identified by agencies and private industry.

Appendix C. Federal Laws and Regulations

Federal Grant and Cooperative Agreement Act of 1977[125]:

- Federal grant agreements and cooperative agreements are defined by the Federal Grant and Cooperative Agreement Act of 1977, as codified in Title 31 Section 6304 of the U.S. Code. A key purpose of the Act was to distinguish financial assistance

[121] See 2 CFR 200 Definitions: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=7936a2f1db857b8d4e3244a0555d11fb&mc=true&n=pt2.1.200&r=PART&ty=HTML
[122] OMB Circular A-11 (2019 version) Part 6, Section 270: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[123] OMB Circular A-11 (2019 version) Part 6, Section 200: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[124] OMB Circular A-11 (2019 version) Part 6, Section 270: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf
[125] More information about the Federal Grant and Cooperative Agreement Act of 1977: https://cfo.gov/lms/Lesson2/Module2/Lesson2/00200.htm

relationships (grant agreements and cooperative agreements) between Federal procurement (contracts) relationships. Along with definitions and clarifications, the Act provides criteria for the Federal agency to select the appropriate legal instruments to achieve:

- Uniformity in their use
- A clear definition of the relationships between the Federal agency and the entity; and,
- A better understanding of the responsibilities of the Federal agency and the entity.

Chief Financial Officers Act of 1990[126]:

- Establishes the OMB Deputy Director for Management (DDM), OMB Office of Federal Financial Management, agency Chief Financial Officers, agency Deputy Chief Financial Officers, and the Chief Financial Officers Council.
- Requires each executive agency to prepare annual financial statements for submission to the Director.
- Requires the Director to report to the Congress on which executive agencies perform substantial commercial functions for which financial statements practicably can be prepared. Provides for audits of such statements.
- Sets forth requirements for specified departments, agencies, and bureaus to report a financial statement to the Director of OMB and requires the Director to report an analysis of such statements to the Congress.
- Requires an audit of each financial statement prepared under this Act.
- Revises the mandate and general procedures for: (1) the audit of financial statements of Government corporations; and (2) the annual management reports of such corporations.
- Declares that no capital accounting standard or principle, including any human capital standard or principle, shall be adopted for use in an executive department or agency until it has been reported to the Congress and 45 days of continuous congressional session have expired.

Clinger-Cohen Act of 1996 (previously the Information Technology Management Reform Act):

- In conjunction with OMB Circular A-130, the Clinger-Cohen Act improved the way the federal government acquires, uses, and disposes of information technology (IT). This Act directs agencies to consider their missions when undertaking significant investments in IT. The Act also plays an integral role in the federal government's effort to standardize data categories, increase accessibility of program and financial

[126] Chief Financial Officers Act of 1990: https://www.congress.gov/bill/101st-congress/house-bill/5687

data, and improve workflow automation (e.g., compliance, grant and contract reporting), and increase access to performance data.

Federal Funding Accountability and Transparency Act of 2006 (FFATA)[127]:
Congress passed FFATA in 2006 with the intent to provide more transparency in government decision-making to hold the government accountable for government spending decisions. As executive agencies and their components enact FFATA requirements, the public and federal employees will have increased access to information about program funding, performance, and expenditures. FFATA required the creation of USASpending.gov, which has increased public availability of information on federal contracts and grant awards.

Government Performance and Results Modernization Act (GPRA)[128]:
Congress enacted GPRA in 1993. The law requires federal executive agencies to develop strategic plans with long-term goals, submit annual performance plans, and report on projected and prior year performance to Congress. To comply with GPRA, agencies develop strategic plans, performance plans, and conduct gap analyses of projects. GPRA established project planning, strategic planning, and a reporting framework for agencies to demonstrate progress towards achieving strategic goals.

Government Performance and Results Act Modernization Act of 2010[129]: (GPRAMA):
GPRAMA strengthened federal requirements defined by GPRA to produce more frequent, relevant data for better-informed decision-making. GPRAMA requires more frequent reporting and reviews than GPRA as a way to increase the use of performance information in program decision-making, and provide more clarity on the connection between planning, programs, and performance information. GPRAMA also requires annual progress reviews on agency strategic objectives as established in their strategic plans to help inform decision- making.

Digital Accountability and Transparency (DATA) Act of 2014[130]:
Enacted in 2016 as an update to FFATA, the DATA Act more closely links grant expenditures to federal programs. The DATA Act requires federal agencies to combine accounting, procurement, and financial assistance data to increase the transparency of how federal dollars are spent. The DATA Act also improves the accuracy of information reported on USASpending.gov, by requiring agencies to perform a more thorough review of financial data prior to submission.

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[127] Federal Funding Accountability and Transparency Act of 2006: https://www.congress.gov/bill/109th-congress/senate-bill/2590
[128] Government Performance and Results Act : https://www.govtrack.us/congress/bills/103/s20/text
[129] Government Performance and Results Act Modernization Act of 2010: https://www.congress.gov/bill/111th-congress/house-bill/2142
[130] Digital Accountability and Transparency Act of 2014: https://www.congress.gov/bill/113th-congress/senate-bill/994

Program Management Improvement Accountability Act (PMIAA) of 2016[131]:
This law establishes the following additional functions for the OMB Deputy Director of Management:

- Adopt and oversee implementation of government-wide standards, policies, and guidelines for program and project management for executive agencies;
- Chair the Program Management Policy Council (established by this Act);
- Establish standards and policies for executive agencies consistent with widely accepted standards for program and project management planning and delivery;
- Engage with the private sector to identify best practices in program and project management that would improve federal program and project management;
- Conduct portfolio reviews to address programs identified as high risk by the Government Accountability Office (GAO);
- Conduct portfolio reviews of agency programs at least annually to assess the quality and effectiveness of program management; and
- Establish a five-year strategic plan for program and project management.

American Competitiveness and Innovation Act (AICA) of 2017[132]:
The bill was developed to maximize basic research, reduce administrative and regulatory burden, maximize science, technology, engineering and math education, leverage the private sector, manufacturing, innovation and technology transfer.

- This bill requires the National Science Foundation (NSF) to maintain the intellectual merit and broader impacts criteria as the basis for evaluating grant proposals in the merit review process.
- The National Institute of Standards and Technology (NIST) shall: (1) research information systems for future cybersecurity needs; and (2) develop a process to research and identify, or if necessary, develop cryptography standards and guidelines for future cybersecurity needs, including quantum-resistant cryptography standards.
- The Office of Management and Budget shall establish an interagency working group to reduce administrative burdens of federally funded researchers while protecting the public's interest in the transparency of, and accountability for, federally funded activities.
- The Office of Science and Technology Policy (OSTP) shall establish a body under the NSTC to identify and coordinate international science and technology cooperation in order to strengthen U.S. science and technology enterprise, improve economic and national security, and support U.S. foreign policy goals.

[131] Program Management Improvement Accountability Act of 2016: https://www.congress.gov/bill/114th-congress/senate-bill/1550
[132] American Competitiveness and Innovation Act of 2017: https://www.congress.gov/bill/114th-congress/senate-bill/3084

- The NSF, the Department of Education, the National Oceanic and Atmospheric Administration (NOAA), and the National Aeronautics and Space Administration (NASA) shall establish the STEM Education Advisory Panel to advise the NSTC Committee on STEM Education on matters related to science, technology, engineering, and mathematics (STEM).

Foundations for Evidence-Based Policymaking Act of 2018[133]:
This bill requires agency data to be accessible and requires agencies to plan to develop statistical evidence to support policymaking.

OMB Memorandum M-19-23, "Phase 1 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Learning Agendas, Personnel, and Planning Guidance"[134]:
Phase 1 OMB Guidance for the Foundations for Evidence-Based Policymaking Act of 2018 which emphasizes collaboration and coordination to advance data and evidence-building functions in the Federal Government by statutorily mandating Federal evidence-building activities, open government data, and confidential information protection and statistical efficiency. Evidence is broadly defined and includes foundational fact-finding, performance measurement, policy analysis, and program evaluation.

OMB Memorandum M-20-12, "Phase 4 Implementation of the Foundation for Evidence-Based Policymaking Act of 2018: Program Evaluation Standards and Practices" [135]:
Phase 4 OMB Guidance for the Foundation for Evidence-Based Policymaking Act of 2018, which provides program evaluation standards to guide agencies in developing and implementing evaluation activities, evaluation policies, and in hiring and retaining qualified staff. It also provides examples of leading practices for agencies to draw upon as they build evaluation capacity, develop policies and procedures, and carry out evaluations to support evidence-based policymaking.

Grant Reporting Efficiency and Agreements Transparency (GREAT) Act of 2019[136]:
- This bill requires the establishment and use of data standards for information reported by recipients of federal grants.
- The bill requires the Office of Management and Budget, jointly with the executive department that issues the most federal grant awards, to (1) establish government-wide data standards for information reported by grant recipients, (2) issue guidance

[133] Foundations for Evidence-Based Policymaking Act of 2018: https://www.congress.gov/bill/115th-congress/house-bill/4174
[134] OMB Memorandum M-19-23: https://www.whitehouse.gov/wp-content/uploads/2019/07/M-19-23.pdf
[135] OMB Memorandum M-20-12: https://www.whitehouse.gov/wp-content/uploads/2020/03/M-20-12.pdf
[136] Grant Reporting Efficiency and Transparency Act of 2019: https://www.congress.gov/bill/116th-congress/house-bill/150

directing federal agencies to apply those standards, and (3) require the publication of recipient-reported data collected from all agencies on a single public website.
- Each agency shall ensure its awards use the data standards for future information collection requests.

OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control"

Circular A-123 requires all agencies to implement an Enterprise Risk Management capability coordinated with the strategic planning and strategic review process established by the GPRAMA. Agencies also are required to follow the internal control processes required by the Federal Managers Financial Integrity Act of 1982 and Government Accountability Office's (GAO)'s Green Book.

OMB Circular A-11, Part 6 (2019 version), "The Federal Performance Framework for Improving Program and Service Delivery"

As a complement to GPRAMA, OMB Circular A-11, Part 6, Section 200, (2019 version), "Overview of the Federal Performance Framework," provides guidance to federal executive agencies on the adoption of GPRAMA requirements. These include the development implementation of integrated strategic planning, performance management, and budgeting activities (See Sections 220, 230, 270 below):

- **Section 220** *"Cross-Agency Priority Goals and Federal Performance Plans"* outlines how executive agencies may participate in cross-agency priority goals, which are a subset of Presidential priorities.
- **Section 230** *"Agency Strategic Planning"* describes how executive agencies should conduct strategic planning activities and develop strategic plans, which highlight strategic goals and objectives that define what the agency wants to accomplish in terms of outcomes or results.
- **Section 270** *"Performance and Strategic Reviews"* requires executive agencies to conduct quarterly data-driven, performance reviews on the progress of each strategic objective established in the Agency Strategic Plan. Such reviews should inform strategic decision-making, budget formulation, and near-term agency actions.

Code of Federal Regulations, Title 2 "Grants and Agreements," Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Developed 2013, Revised 2020)[137][138]

[137] 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: https://www.ecfr.gov/cgi-bin/text-idx?SID=6710c8abe4ad631c481e73180543bb39&mc=true&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

[138] About 2 CFR 200: https://cfo.gov/grants/uniform-guidance/

- In December 2014, OMB together with Federal awarding agencies issued an interim final rule to implement the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). This guidance and implementing regulations delivers on President Obama's second term management agenda and his first term directives under Executive Order 13520, the February 28, 2011 Presidential Memorandum, and the objectives laid out in OMB Memorandum M-13-17 to better target financial risks and better direct resources to achieve evidence-based outcomes. The final guidance, originally published December 26, 2013 (available at 78 FR 78589) simultaneously improves performance, transparency, and oversight for Federal awards.
- OMB issued a proposed rule in January 2020, which laid out many proposed revisions to the guidance. This proposed rule is expected to be published by the end of fiscal year 2020. The Federal Register notice for the proposed rule can be found at the following link: https://www.federalregister.gov/documents/2020/01/22/2019-28524/guidance-for-grants-and-agreements

VII. Agency Acknowledgements

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