

## **Department of Justice Annual Report on Public Law 106-107**

### **I. PURPOSE**

To comply with the requirements of The Federal Financial Assistance Management Improvement Act of 1999 (Public Law 106-107, "the Act"), the United States Department of Justice (DOJ) hereby submits this annual report. This report is intended to outline the DOJ specific efforts and progress in implementing Public Law 106-107 thus far.

### **II. A NEW PARTNERSHIP OF P.L. 106-107 AND E-GRANTS**

The DOJ has designated numerous individuals to participate in both the P.L. 106-107 and the E-Grants initiatives. These individuals actively participate in the four interagency work groups (Pre-Award, Post-Award, Audit Oversight and Electronic Processing) created by the Grants Management Committee of the Chief Financial Officers (CFO) Council to facilitate the streamlining process. The efforts and accomplishments of these work groups is discussed in more depth in the government-wide report (attached). In addition to the enormous amount of participant time devoted to this effort, the DOJ has also committed \$1.82 million for fiscal years 2002-2004 to the E-Grants initiative.

### **III. PROGRESS REPORTS BY AREA**

Not only has the DOJ made progress in the areas outlined below, we have also made efforts to streamline other areas of our grants management operations and to improve the quality of services provided to our customers. In order to assist current and potential grant recipients, the DOJ has established both toll free telephone and on-line customer support services. These services include providing technical assistance, answering various grant-related questions, and distributing requested publications. A series of regional financial management training seminars was created to assist new and existing award recipients master the complexities of grant financial management. On-site monitoring visits conducted by our staff provide technical assistance to our customers, which ultimately improves the effectiveness and performance of the DOJ's grant programs.

#### ***A. Announcements***

The DOJ and its components maintain several Websites which provide information on virtually all the DOJ grant funding opportunities. In addition to including downloadable versions of program announcements and application kits, the Websites contain general information about the DOJ and its components, a wide range of publications, and useful links to other criminal justice and Federal agency Websites.

In addition to listing funding opportunities on-line, the Office of Justice Programs (OJP) publishes a topical guide, At-A-Glance, to all their funding opportunities. At-A-Glance provides

brief descriptions of funding opportunities, listing the amount of funding available, who can apply, and the status of program regulations, guidelines, reports, and application kits.

### ***B. Applications***

The OJP has deployed a web-enabled Grants Management System (GMS) that permits grantees to perform pre-award activities on-line. The GMS employs state-of-the-art industry standards such as J2EE, modular design, and Java Server Pages, in alignment with E-Grants development guidelines. The OJP has standardized the data standards for the GMS on the Transaction Set (TS) 194, a NIST-approved American National Standards Institute standard for electronic data interchange transactions. Current initiatives include integration of post-award processes to achieve an end-to-end grants management system and redesign of access to the GMS via use of "portal" technologies, which is in alignment with E-Grants architectural guidelines.

The GMS allows applicants to view the status of an application and to post correspondence regarding a pending application. This capability facilitates communication between the DOJ and the applicant community, as well as reduces the processing time of an application. In an effort to further improve the delivery time of grant awards to our customers, the OJP piloted several successful peer review sessions on-line.

This electronic system has automated and streamlined the grant process for application, pre-award review, and award certification for many OJP grant programs. Each year since the inception of the GMS, additional grant programs have been added to the system, thus reducing the number of awards processed on paper. Currently, seventy percent of the OJP program offices utilize the GMS system to process applications. In fiscal year 2003 the OJP intends to have all program offices processing applications through the GMS.

The DOJ has coordinated with the Department of Health and Human Services (DHHS) to include the DOJ approved negotiated indirect cost rate agreements on a Website maintained by the DHHS. Implementation of this process has expedited the financial review and the grant certification process by reducing the correspondence time involved and the amount of information required from applicants. Additionally, this process makes negotiated agreements accessible to other Federal agencies. In an effort to further reduce the burden placed on applicants, the OJP recommended, through the Pre-Award Work Group, that several statutorily-mandated certifications be eliminated as application requirements.

### ***C. Non-Procurement Debarment and Suspension***

There is no agency-specific information to report in this area.

### ***D. Awards***

In addition to streamlining the application process, the DOJ has also made progress in streamlining the award process. For example, under several of the programs processed through the GMS, award notification, acceptance and payment requests are completed entirely on-line. The OJP has also reduced and standardized the terms and conditions attached to these grant

awards. Standard language for general terms and conditions was developed to promote consistency among the OJP's ten program offices. Also, an effort has been made to replace numerous terms and conditions addressing individual administrative requirements with one condition that references all administrative requirements. These accomplishments have greatly improved the delivery of services to our grant community.

### ***E. Cost Principles***

The OJP publishes the Office of the Comptroller (OC) Financial Guide. This publication provides a vast amount of grants management information, including information on allowable and unallowable costs and the Websites for the OMB cost circulars. The on-line version of the OC Financial Guide provides hyper-links to access the OMB cost circulars. At the request of our Hispanic clients, the OC Financial Guide was translated into Spanish. The Spanish version of the guide was immediately posted on the OJP Website and also made available in hard copy upon request. Making this Spanish version available to our customers whose first language is Spanish has resulted in a better understanding of grant requirements.

### ***F. Payment Systems***

In 1999, the OJP selected the Automated Standard Application for Payment (ASAP) System from the three grant payment systems designated for use by the CFO Council.

In October 2001, the OJP launched a pilot program converting 9 grantees with 50 associated grants to the ASAP system. This involved the manual input of profile and available obligation balances into the ASAP and the manual input of the ASAP transactions into the Integrated Financial Management Information System (IFMIS), the OJP's core financial system. The OJP began developing an interface to eliminate the need to manually input the ASAP transactions into the IFMIS. Our efforts in developing the interface will make the ASAP system available to the OJP's portfolio of 12,000 grantees which currently includes approximately 42,000 grants.

To support our interface development efforts, we included reaching out to other Federal agencies who have developed interfaces and use the ASAP system to process grant payments. In addition, we began documenting our data process flow and data mapping of the source legacy systems and the target database.

Full implementation of the ASAP system will allow the OJP to replace the Letter of Credit Electronic System (LOCES) with a more efficient method for grantees to make payment requests and receive payments in a more timely manner.

### ***G. Post-Award Reporting***

The DOJ has taken several steps to streamline the reporting requirements for our grant programs. The Community Oriented Policing Services (COPS) Office and the OJP have developed systems that allow grant recipients to submit performance reports on-line. The OJP is currently working to implement a web-enabled module that will make it possible for grantees to submit Financial Status Reports (SF-269A) on-line, replacing the current paper-based, manual entry process.

To minimize the duplication of effort placed on grantees, the OJP has eliminated a duplicative reporting requirement. The OJP no longer requires grant recipients to submit an audit transmittal letter to the OJP to ensure that audit reports have been submitted to the Federal Audit Clearinghouse (FAC). The OJP financial staff now rely on the information available at the FAC Website to determine if the audit report has been submitted. This revision to our reporting requirements has simplified reporting processes for applicants, as well as reduced the time necessary to approve an application.

While streamlining the reporting requirements for grantees, the DOJ has also strived to improve the effectiveness and performance of our grant programs. The OJP financial systems are programmed to verify that quarterly financial status reports and required program reports are current prior to approving requests for payment. Also, if recipients of new discretionary awards are not in compliance with the A-133 audit requirements, payments will be prohibited until the grantee complies the reporting requirements.

#### *H. Audits*

The DOJ has implemented procedures to reduce the burden placed on grant recipients in the area of audit resolution. When duplicate recommendations are noted in both the DOJ Office of Inspector General (OIG) grant-specific and A-133 audit reports, the DOJ components responsible for audit resolution coordinate to determine which component will continue with the resolution and closure process. This intra-agency coordination streamlines the resolution process and eliminates the burden of requiring the grantee to provide duplicate responses.

The DOJ has taken measures to familiarize financial and program staff with the audit requirements and the availability of the FAC Website. As stated earlier in the report, new discretionary award payments will be prohibited until the applicant has complied with the audit requirements. The education of our staff has helped to ensure that audits are completed and submitted in a timely manner.

### **IV. THE ROAD AHEAD**

The DOJ's on-going participation in inter-agency work groups and related task forces will help to achieve the overall goal of streamlining our grants processes. In fiscal year 2003, the OJP intends for all program offices to be utilizing the GMS to process grant applications. Future plans also include incorporating post-award processes to the GMS to achieve an end-to-end grants management system. Efforts will continue towards expanding and enhancing on-line reporting capabilities, as well as full implementation of the ASAP system. The DOJ will remain committed to this endeavor of improving our overall services to the grant community.