**SECOND ANNUAL REPORT TO CONGRESS UNDER PL 106-107**
**NATIONAL ENDOWMENT FOR THE HUMANITIES**
**GRANT STREAMLINING AND SIMPLIFICATION ACTIVITIES**
**May, 2002 through May, 2003**

The National Endowment for the Humanities is pleased to report its accomplishments in streamlining its internal grant application and administration procedures and in improving services to applicants and grantees.

## I.  Participation in the Government-wide Streamlining and Grants.gov Efforts

The National Endowment for the Humanities is actively participating in all facets of the HHS-sponsored Grants.gov project and in several other inter-agency groups, such as the Federal Grant Streamlining Program Interagency Pre-Award and Post-Award Working Groups, the Grants.gov Stakeholders group, the Grants Management Committee, the Grants Network (an informal group of grants managers from several grant making agencies), and the Interagency Electronic Grants Committee.   Involvement in these groups allows us to stay informed and find additional opportunities to participate in streamlining activities.

NEH has provided formal comments on every Grants.gov and PL 106-107 initiative that has been announced in the *Federal Register* over the past year and has provided extensive preliminary comments on each initiative as well before the request for comments appeared in the *Federal Register*.  NEH has reviewed and provided comments on:  the proposed format for announcing funding opportunities, the data elements for these announcements, and problems encountered in posting announcements on the FedBizOpps website;  the proposed use of the DUNS number as the universal identifier; the proposed consolidated Federal Financial Report; the use of the SF 424 as the application cover sheet for the "Apply" function and the specific data elements included therein; the consolidated certification and assurance statement; and the Research Cross Agency data set.  In addition NEH has provided comments on the proposed increase in the A-133 audit threshold, and on the new GovBenefits website.  NEH has also been an active participant in the formulation of the format and text of the government-wide portion of the PL 106-107 annual report to Congress (see enclosure 1).

During the months of April and May 2003, NEH was a participant in the "Test of the Edges" pre-pilot phase of the Grants.gov initiative for the "Apply" function.  NEH staff tested all aspects of the "Apply" function by downloading and submitting application packages, and then retrieving applications from the Grants.gov portal to download into the NEH computer system. Extensive comments and feedback on these functions were then submitted to the Grants.gov staff along with suggestions for improvement of all aspects of the process.   In addition NEH staff have attended numerous Grants.gov Stakeholders meetings and have provided feedback on all aspects of the "Apply" function.  In the month of June, 2003, NEH will be a participant in the formal Pilot phase of the "Apply" function.

## II. Internal Efforts to Create an Environment Conducive to Grants Streamlining and Simplification

### General Approach

The National Endowment for the Humanities continually works to improve the effectiveness and performance of its grant programs through staff evaluations and the solicitation of advice about procedures and guidelines from the humanities practitioners who serve as panelists in the agency's merit review process. In addition, visitors to and users of the NEH website at www.neh.gov are invited to provide comments and suggestions on our programs, guidelines, forms, and instructions.

NEH management holds monthly meetings with the Division Directors and Office Heads, where updates on grants streamlining efforts and ideas for new initiatives are discussed. In addition, the NEH's Chief Information Officer holds regular meetings attended by representatives of each NEH office to discuss on-line grant application and other electronic projects and initiatives that are underway both government-wide and within the agency.

NEH has streamlined the internal agency clearance process, which is the mechanism by which all grant application guidelines and forms are reviewed and updated every year. The roster of clearing officers includes two members who are NEH's representatives to the Federal Grant Streamlining Program Interagency Pre-Award and Post-Award Working Groups. As a result, all NEH guidelines have been revised to be consistent with the latest government-wide initiatives on grants streamlining.

## III. Preparing for the Recent and Coming Changes Affecting the Pre-Award Process

### A. Electronic Synopsis

NEH participated in the pilot that tested the "Find Grant Opportunities" (FedBizOpps site for grant synopses). The NEH staff submitted comments on the problems that they encountered trying to enter the synopses of NEH funding opportunities into this site. The staff is now preparing to enter synopses into the new site and plans to have all NEH announcements of funding opportunities up on Grants.gov by the end of June of this year.

### B. Announcement Template

NEH staff reviewed the draft template for grant announcements in its early stages and were impressed with the approach being proposed. In the spring of 2002 the NEH decided to adopt the proposed template for all its guidelines for the year and began to rewrite program guidelines to accommodate the format of the template. Acknowledging that subsequent review of the draft template by other federal agencies and public comment on the notice of the template in the *Federal Register* could lead to changes, the staff nevertheless was confident that the overall approach to the template would gain approval because of its clarity and logical order of presentation and that any further changes could be easily accommodated. Therefore the

programs and publications staff began the process of re-writing NEH program guidelines to be consistent with the template. At the end of May of 2003, all NEH guidelines had been re-written to follow the announcement template as it appeared in the *Federal Register* notice. The staff is ready to make any further changes in the template that will appear in OMB's policy letter to agencies and anticipates that we will be able to incorporate those changes very quickly.

## C. The Grants.gov Portal and Electronic Applications

In June of 2002, after an extensive e-government review process, NEH replaced its aging legacy grants system with a new relational database called GMS (Grants Management System). One of the key features of GMS is its ability to import and store application materials received electronically. This past year, the NEH received over 1500 applications via our website. The electronic data was then imported into GMS, effectively eliminating the need to hand-key the data. In addition, since we had the application materials in an electronic format, we were able to do many of the evaluations via the web as well. NEH panelists could come to a secure portion of the NEH website, log in, and then view application materials and submit their evaluations.

The capabilities of GMS have also put us into an excellent position to receive applications from Grants.gov. The NEH has been actively participating in the E-Grants project. In the E-Grants Test of the Edges pilot, we successfully received sample applications in XML (eXtended Markup Language) format from the E-Grants portal. We are currently building an interface to import this XML data into GMS. We will have this interface completed for the next round of testing, which is the E-Grants Apply test, slated for June 30 - August 15. This will put us in a position to begin receiving applications from the Grants.gov portal during FY04.

## IV. Other

The Federal Advisory Committee Act (FACA) database, which is maintained by GSA, is used by Federal agencies to continuously manage an average of 1,000 advisory committees government-wide. The NEH is required to submit to them information about our panels, which are considered to be advisory committees. Previously, NEH staff had to log into the FACA database via the web and hand-key all of the panel information, even though this same data already existed in our GMS system. We have recently embarked on a new cross-agency initiative with GSA to populate their FACA database via XML. We worked with GSA to set up an interface that enables us to pull the data out of our GMS database, format as XML, and then transmit to GSA. This will be a huge improvement for our staff, as it will save many hours of tedious data entry each year. It also ensures much more accurate data in FACA.