

## Improving the Grants Management Process

**H**ave you ever been the recipient of a Federal grant? Have you ever worked at an agency that distributes Federal grants? Or maybe you have worked in an oversight capacity trying to follow the money and see that all rules, regulations, and policies are being followed, or just as importantly, that the grant money is creating a valuable outcome for the American people. If you have ever participated in some way in this grant ecosystem, you might have observed that the current processes in place for managing grants are burdensome and inefficient. You would not be alone.

However, help may be on the way. In 2019, MITRE, a not-for-profit, private company that is chartered to operate in the public interest and operates multiple federally funded research and development centers (FFRDCs), conducted a research study to try to identify solutions that might reduce the burden to recipients, be more efficient, and enable more transparency into the effectiveness and legal compliance of the grants. Read the study [here](#). The innovative approach that MITRE chose to focus on was whether the use of blockchain technology could be utilized to achieve major improvements in grant management. MITRE consulted multiple stakeholders in the course of conducting the study, including expert input from the National Academy of Public Administration (full disclosure: I was one of the NAPA Fellows that provided input).

After conducting the research, MITRE issued a report concluding that grants management could be improved, both by instituting a modified grants management business operating model and by using distributed ledger or blockchain technology to implement the new model. The study recommended carrying out a demonstration project to validate a subset of benefits. This would also help inform how blockchain might be implemented on a wider scale.

What is it about blockchain and the new business operating model that's worth noticing? Using blockchain is a major innovation that could have far-reaching applications for other federal cross-cutting activities that require access to data at different levels of sensitivity and provided by multiple participants at the state, local, and federal level. For one thing, a blockchain supported process can improve the timeliness of available information, in this case about federal grants. That in turn increases transparency and allows better assessments of the performance of the grants. For grant recipients, one great benefit would be a reduced reporting burden. Instead of providing multiple reports to various grantmaking entities and auditors, recipients could keep their information in one place that then could be securely accessed by those with a need to know.

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Among other benefits, having more timely information that is easier to access provides the opportunity to be forward thinking about whether the grants are actually achieving their intended purpose in the real world. Too often, grant management is interpreted as a compliance exercise. Audits are conducted after the fact to determine whether rules were followed. Timelier information that is secure, protects privacy, and is accessible not only to auditors but to the community of users and beneficiaries allows a more forward-looking management approach. Not only can risks be modeled and predicted, but meaningful community involvement in outcomes achieved by the grants becomes possible.

So what became of this study? More input from the stakeholder community is being collected and development and testing of the software and systems that would enable launch of a demonstration project is underway, maybe resulting in a demo as early as this spring. Stay tuned for more developments.

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