How Federal Grant Funds Flow

There are three phases in the life cycle of a federal grant: Pre-Award Phase, Award Phase, and Project Administration/Post-Award Phase.

START:
Congress appropriates funding that will be administered by federal agencies through federal grant programs.

PRE-AWARD PHASE

APPROXIMATELY
4-12 MONTHS

Starts after grant funds have completed the appropriation, apportionment, and allotment processes and funds are allocated to individual grant programs.

GRANT APPLICANT

1. Develops grant project and application while keeping in mind scope, budget, and timeline.
2. Reviews notice of funding opportunity (NOFO) to confirm eligibility as an applicant and eligibility of the project.
3. Completes required registrations in SAM.gov and Grants.gov.
4. Submits application, per the NOFO, to the federal agency.

FEDERAL ADMINISTERING AGENCY

1. Selects awarding mechanism: grant agreement or cooperative agreement.
2. Develops grant guidance and applies formula or competitive allocation mechanism.
3. Establishes application review process and publishes the NOFO in the Federal Register.
4. Conducts review of applications and selects grantees for conditional approval/obligation.

AWARD PHASE

APPROXIMATELY
1-5 MONTHS

Starts when the federal agency (FA) has selected applications for conditional approval and notified the grant recipient (GR).

GRANTEE/GRANT RECIPIENT

1. Discusses project scope and budget with the FA and makes revisions as needed.
2. Completes any required engineering studies or environmental/historic preservation reviews per grant program requirements.
3. Submits all required assurances and certifications.
4. Executes the Grant Agreement once all pre-award requirements are complete.

FEDERAL ADMINISTERING AGENCY

1. Negotiates scope and budget with grantee if necessary.
2. Reviews plans, studies, pre-award assurances, and certifications for compliance with program requirements.
3. Executes Grant Agreements with GR.
4. Creates account in the Payment Management System for grant award, obligates funding, and reports obligation to USAspending.gov.

PROJECT ADMINISTRATION/ POST-AWARD PHASE

APPROXIMATELY
1 TO 5 YEARS

Starts when the Grant Agreement/Cooperative Agreement is fully executed by the GR and FA and grant funds are obligated.

GRANTEE/GRANT RECIPIENT

1. Executes Grant Agreement and requests reimbursement by the end of the grant award.
2. Requests preapproval from FA for any changes in the scope of work.
3. Submits required financial and performance reports.
4. Submits project closeout documentation and audits pursuant to the Grant Agreement.

FEDERAL ADMINISTERING AGENCY

1. Monitors GR progress and compliance with the Grant Agreement terms and conditions.
2. Reviews and reconciles closeout documentation and audit of GR before closing out cash management system account.
3. Monitors compliance with audit corrective action plans if required.
4. Determines grantee compliance with the Corrective Action Plans prior to making future awards.

END:
Unexpended grant funding remaining in the expired or closed cash management account for the grant award is either reprogrammed or returned to the U.S. Treasury.

CRS

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