

The Grants Oversight and New Efficiency Act of 2016 (GONE Act) and Education's Grant Closeout Process

The goal of the *Grants Oversight and New Efficiency Act of 2016* (GONE) (Pub. L. No. 114-117) was to close out grants and cooperative agreements that are in manual closeout with zero dollars and undisbursed balances and whose period of performance has exceeded two years. Although the Grants Oversight and New Efficiency Act reporting requirements have expired, the Office of Management and Budget Circular A-136, Section II.4.9, Grants Programs (August 10, 2021) requires similar information to be reported in the Other Information section. See Table 16 below.

Starting with an October 3, 2016, baseline of 8,948 grants and cooperative agreements totaling approximately \$2 billion in various statuses of the closeout process, the Department succeeded in closing out 100 percent of the required grants and cooperative agreements during FY 2018. As of September 30, 2022, the Department had 239 grants and cooperative agreements totaling approximately \$131.1 million in various statuses of the closeout process.

In FY 2020, the Department's Office of Inspector General (OIG) performed a risk assessment of the Department's grant closeout process and issued their results via memorandum. They identified risks with the reliability of grant data and related GONE Act reporting, as well as the Department's grant closeout policies and procedures, including a policy allowing older grants to be closed in compliance without required reports being provided by the grantee. In addition, the OIG found that both the volume of expired grants and amount of undisbursed grant funds significantly increased between the date of initial *GONE Act* reporting (September 30, 2017) and January 30, 2020, indicating that grant closeout is less of a focus now that *GONE Act* reporting is over. The memorandum is available at <https://www2.ed.gov/about/offices/list/oig/auditreports/fy2020/s19u0002.pdf>.

Overall, the Office of Finance and Operations (OFO) agreed with the OIG assessment and noted its intention to move forward with grant policy deliberation consistent with the results of the assessment. Approved in July 2020, the Handbook for the Discretionary Grants Process (**Handbook**) includes policy requirements that align with the OIG recommendations. (6.16.1) (A) (3)

Each year the Office of Acquisition, Grants, and Risk Management (OAGRM) offers a financial monitoring curriculum for formula and discretionary grants aligned with the *Standards for Financial Management in 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, addressing cash management and drawdown activity of grantees' utilization of funds consistent with an approved scope of work aimed at reducing issues associated with grant closeouts.

Table 16

Category	2–3 Years	3–5 Years	> 5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	108	5	-
Number of Grants/Cooperative Agreements with Undisbursed Dollar Balances	119	7	-
Total Amount of Undisbursed Balances	\$49,336,249	\$14,523,161	-

Source: G5, grants management system linked to the Department's general ledger system. Data is based on the performance end date of September 30, 2021.