

Case Study

GrantManager

In recent years, Local Authority grant funded projects have become more numerous and complex, and therefore need to be closely monitored for the purposes of total risk assessment - and to avoid crucial issues like duplicating match funding.

Councils are required to register a wide range of information for the purposes of submitting bids to fund local community projects, and for that funding to be audited when those projects are complete. If this information is entered into a register in paper form, as has been the past practice, then it can take a considerable amount of time to research and compile reports on projects, or to assess the total risk to a Local Authority should the project fail and it finds itself liable for funding.

The Education and Libraries directorate of Coventry City Council faced similar issues before Group Accountant, Cath Aubrey and Diane Tibbitts specified and developed a Microsoft Access-based system that is now helping them to accurately monitor and administer some 150 grant funded projects, worth around £70 million, and provide potential administration savings of up to 30 days per annum.

In seeking a bespoke solution to their problems, Coventry City Council partnered with local database specialist, Internet Arrow Ltd, to develop GrantManager, an administration tool that would effectively record all external funding for the Education and Libraries Directorate. The GrantManager database was initially specified in an Association of Accounting Technicians (AAT) project by Diane Tibbitts, Senior Accounting Technician.

GrantManager is written in Microsoft Access and provides Coventry City Council with a complete and electronic record of projects and their funds provided by sponsors such as New Deal for Communities (NDC) and the New Opportunities Fund (NOF). More crucially it gives the status of each funded project and alerts to them to outstanding claims.

In developing GrantManager, Coventry City Council was well aware of the time consuming nature and the short-comings of interrogating paper-based entries - and the increasingly complex system of bidding for funding and then having those funded projects audited. As Diane Tibbitts explains: *"We chose to specify a system that could be set up in such a way*

that it would allow us meet corporate Council objectives, the government's statistical requirements and our own departmental needs for managing this funding all in one place."

Significantly, a key objective for the Libraries and Education Directorate was to have a system in place that would allow the finance team to identify projects where the Council was potentially liable for funding should they go wrong.

"We had an example of a year end panic, when we suddenly received a an enquiry from a Councillor who wanted to know the total value of grant funding for 2002/2003 to assess the Council' total liability. The task had to be carried out manually and various members of our eleven person team devoted several hours each to compile the requested information, whereas now it would be a ten second job interrogating the GrantManager database for this very same information," stated Cath Aubrey

Another key issue where GrantManager has benefited Education & Libraries is in identifying the specific purpose that incoming funding is intended for.

"Sponsors are not always that good at telling you for which project they are giving you the money - and this can be a problem when funding is coming in from many directions such as NOF, which is basically lottery money, and New Deal for Communities (NDC). The amounts we receive can run into hundreds of thousands of pounds," explained Cath Aubrey.

Where Education and Libraries have scored highly is through the detailed set up of GrantManager and the range of information that can be recorded and monitored.

Statistical requirements

Local Education Authorities are required to complete annual statistical information for central government (Section 52) both in estimate form, and after year-end, giving actual expenditure. The database was designed to capture the categories under which grant funding is reported and thus facilitate the preparation of the annual submissions.

Avoiding duplication of Match Funding

For example, a number of grant regimes require Local Authorities to provide an amount equivalent to that raised by the sponsor. But any so called "match funding" from Local

Education Authority (LEA) or Local Authority (LA) sources can only be used for one project and not used elsewhere. In other words, it needs to be clean match.

GrantManager offers a failsafe system of stopping the Education & Libraries department over committing funds that have already been deployed on another project. The system will check to see if match funding for a project has been used elsewhere. The match funding check is crucial and is something that used to take Coventry City Council personnel a great of time to thoroughly check.

There are different types of match funding; it can be a cash match, which is a pot of money to be spent on the activity, a budget match – a grant from another funding body working in the same area - or an In kind match, which is LA or LEA funding given in the form of a percentage of someone's salary, or the use of a building etc. GrantManager makes sure that there is clean match, no matter the source of the funding, whether it be in kind, cash or budget

GrantManager also records audit requirements i.e. when is the project due to be audited and at what stage? A further benefit is that it will keep a record of the political management process, like Cabinet Reports, which have to be submitted at the bid stage for permission to bid. Another Cabinet report is submitted when the department has received permission to accept the grant, or for when the Local Authority is required to act as a guarantor for a particular project.

Multi access capability

The multi-access facility of GrantManager means that a number of people can access the grant funding database and input data as well as retrieve information at the same time. This is an obvious advantage over registering grant funding in Excel, where only one person is able to enter or extract data at any time.

Furthermore, GrantManager is able to provide a status on "Grant fallout" and identifies when projects are due to be completed and allows human resource exit strategies for people employed on those projects.

Collating financial information

The ability to compile information on various aspects of a project for reporting procedures has been one of the major successes of GrantManager. Whereas, it would have taken the Education and Libraries Directorate many hours, if not days to compile and gather information for producing reports, GrantManager has well-established templates that pull information and data from the extensive GrantManager database and easily and accurately collate financial and statistical information about any project and the overall funding.

Complexity & Monitoring Grants

However, there is so much more to managing grants than having access to the information.

GrantManager has been developed at just the right time when grant funding is becoming increasingly complex and funds are being from numerous sponsors. As Cath Aubrey explains: *“Up and until a couple of years ago, most City Council funding came through the SSA, Standard Spending Assessment, which was money handed down from Central Government. Increasingly, the SSA is converting to specific environmental or poverty-driven grant regimes like NDC, NOF and the Neighbourhood Renewal Fund.”*

The downside is that these funds not only need to be closely administered, but the process of bidding for those funds and having that money audited has become far more complex and long running.

Audit requirements

Funded projects can be auditable for anything up to 13 years, and during this time Coventry City Council is at risk of “claw back”. Each project is audited, either by the project sponsor's auditors, the City Council's external auditors, or the City Council's internal auditors, during the programme and beyond. For example, NDC is ten-year programme of funding which is worth around £54 million to Coventry City Council. However, there could be over 100 different projects, ranging from building a new school for £2 million, to paying £50,000 to create a children's play park. These projects might be expected to last any length of time up to 10 years. A project may be audited at any time up to three years from the end of the programme. In affect a project that may have started at the beginning of the 10-year programme is potentially subject to audit for up to 13 years.

Timesavings

Although a recent innovation, GrantManager is fully expected to save 2/3 days work a year for each member of the eleven person Education and Libraries finance team. And the time saving benefits are already beginning to go beyond the immediate finance team. The Directorate has two full time project officers and part of their duties is to prepare information on education projects. Both officers now use the GrantManager database to source information and they have found that it is saving them considerable time in having immediate access to the information they need.

No person is an island of information

As a centrally based administration tool, GrantManager has ensured that any information on each of the 150 plus grant funded projects can be accessed by any member of the finance team. With the previous practice, up to eleven people on the team might have been dealing with various grant areas. So if anyone needed look up information on a particular project, then they would first have to narrow down the people who might hold that information and then ask those personnel to dig out lever arch files and manually search for the information required.

Anticipated future requirements.

With the future in mind, Cath Aubrey and Diane Tibbitts have used their knowledge of the intricacies of funding, gained from their previous experience in dealing with research funding at the Warwick Business School, to develop GrantManager beyond all immediate requirements. The Education and Libraries department have future proofed the system by anticipating, for example, the type of categories that the government may wish to split future funding. *“So for each grant, we enter the source of the funding i.e. industry & commerce, charity, central government or health. No one is asking for this information at the moment, but we feel that is something that the council management and councillors may wish to know in the future, “* commented Diane Tibbitts.