

Introduction

In today's complex funding landscape, the implementation of a centralized grants management office (GMO) model is not just advantageous, it is essential. Federal, state, and local agencies and higher education institutions are navigating unprecedented changes in federal funds, a diversity of potentially overlapping programs and projects, and an increasing need for strategic partnerships. Coupled with heightened regulatory and stakeholder scrutiny, resource constraints, and rising administrative costs, the case for a centralized approach becomes compelling. The regulatory framework established by 2 CFR 200, also known as the Uniform Guidance, has already streamlined federal grant management requirements, making the transition to a centralized model even more beneficial. Below, we delve into the specific reasons why a centralized model should be considered, highlighting the amplified advantages in the post-2 CFR 200 era.

Enhanced Compliance and Risk Management

The introduction of 2 CFR 200 has significantly streamlined and standardized federal grant management requirements, making it easier to promote compliance through a centralized system. A centralized model can better interpret and support the implementation of these regulations consistently across many departments, reducing the risk of noncompliance and associated penalties. This approach is not without its challenges. Centralization requires robust coordination and communication across departments, which can be resource intensive. Additionally, the transition period may expose organizations to temporary compliance risks as systems and processes are aligned. Recognizing and effectively managing



40%

20 of 50 States* within the United States currently have a GMO

**The Commonwealth of Puerto Rico also has a GMO, but is not included in these totals*

these risks is an important consideration when establishing a centralized grants management model.

Enhanced Data Management and Reporting

Centralized management provides a holistic view across grant activities, enabling better strategic planning and resource allocation. This allows for optimal resource allocation, so that grant funding is properly directed toward the most impactful programs and initiatives. With centralized data and reporting, organizations can leverage data-driven insights to make informed decisions, optimize grant performance, and achieve better outcomes. The success of strategic planning and resource allocation depends on the quality of the data collected and the ability to interpret and act on it effectively.

Strengthened Capacity Building and Training

A centralized model supports the development and delivery of consistent training programs across departments, so that staff are well-versed in the Uniform Guidance and leading practices in grant management. Centralized capacity-building efforts can focus on developing specialized skills and knowledge, leading to a more competent and capable workforce that can effectively manage complex grant programs. However, the effectiveness of these training programs depends on resource availability and staff

willingness to engage in continuous learning; therefore, the tone at the top must clearly articulate the value of the model and the importance for user adoption.

Improved Stakeholder Engagement and Communication

Centralized grants management facilitates the establishment of unified communication channels, so that stakeholders receive consistent and timely information. This enhances collaboration and fosters stronger relationships with funders, grant recipients, and community members. A centralized approach promotes inclusive stakeholder engagement by collecting diverse perspectives for consideration in the planning and execution of grant programs, leading to more effective and impactful outcomes that align with the circumstances and priorities of stakeholders.

Notional Road Map for Implementing a Centralized Grants Management Model

Creating a centralized GMO is a complex endeavor, involving several key phases and



activities. Initially, a steering committee with representatives from key departments should be established for the **Planning and Assessment phase**. A needs assessment evaluates current processes, identifies gaps, and assesses regulatory compliance. Clear objectives and scope for the centralized model are defined, followed by the development of a business case to secure executive sponsorship and funding. The **Design and Development phase** involves creating a detailed implementation plan, allocating resources, designing the system architecture, selecting technology platforms, and developing standardized processes for grant management. Additional critical steps include drafting policies and procedures aligned with regulatory requirements and engaging stakeholders to gather feedback and refine the design.

Implementation begins with piloting the centralized system in select departments to test processes and address challenges, followed by a gradual rollout to additional departments with training and support for staff. Monitoring progress; making necessary adjustments; and migrating existing grant data, while maintaining data integrity and security are essential. **Training and Capacity Building** programs are developed to focus on Uniform Guidance, centralized processes, and technology tools, with ongoing support and capacity building to promote continuous learning. **Monitoring and Evaluation** mechanisms track compliance, performance, and outcomes, with regular reviews and updates to policies and procedures. The effectiveness of the centralized model is evaluated, and feedback is gathered to foster continuous improvement. Long-term **Sustainability and Scaling** strategies are developed, securing ongoing funding and resources and exploring opportunities to expand the model. Collaboration and knowledge sharing among departments and stakeholders is

performed across all phases to enhance the impact of grant programs.

Conclusion

Transitioning to a centralized grants management model offers a strategic opportunity to navigate the complexities of federal funding more effectively. By thoughtfully planning and executing this transition using a road map like the one provided above, organizations can significantly enhance compliance, efficiency, data management, capacity building, and stakeholder engagement. This model not only optimizes the use of resources, but also strengthens the impact of grant programs, ultimately benefiting the organization and its communities. The journey to centralization requires careful consideration and continuous improvement, but the potential rewards make it a worthwhile endeavor.

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