

Strong Foundations: Key Procedures for Effective Grants Management

by Shauna R. Brewster, CPA, MBA, Audit Manager

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Grant funding is often the cornerstone that drives essential programs in municipalities, schools, and non-profit organizations. Yet, grant dollars rarely come without oversight and reporting requirements—after all, funders want to see the impact their investment is making. To keep funding flowing, organizations must have effective procedures in place to track, monitor, and report on the grants that fuel their objectives. Too often, though, grant management is siloed within the department receiving the funds, leaving each grant to fend for itself. A better approach is to establish clear, organization-wide procedures that streamline efforts, promote consistency, and make everyone’s job a little easier.

1. Develop a Well-Defined Budgetary Process

Budgeting is essential for any organization delivering public services. Leaders must understand how resources are being used to provide the greatest value to stakeholders, and a well-prepared budget offers both a financial roadmap and a benchmark for measuring actual performance. The same holds true for grant funds. While each grant typically requires its own budget, those budgets should not exist in isolation; they should be integrated into the organization’s overall financial plan. Viewing grant funds as part of the bigger picture helps ensure projects are fully funded, costs are properly allocated to the correct funding source, and risks such as overspending or charging unallowable costs are avoided. Standardizing budget forms and instructions, assigning clear preparation and approval responsibilities, and creating a consistent chart of accounts to track transactions are all effective ways to streamline and safeguard the budget process.

2. Establish Clear Roles & Responsibilities

Assigning specific grant management responsibilities to designated individuals ensures accountability and avoids confusion. No single person should be expected to manage every aspect of a grant on their own. Instead, a team-based approach—with standard responsibilities shared across finance, program staff, and leadership—creates stronger oversight, promotes consistency, and safeguards compliance. Examples of how duties can be assigned include:

- **Finance Department** – Responsible for establishing the chart of accounts to track grant transactions. While a grant manager or program lead may provide input on accounts needed for reporting, finance ensures the codes align with the organization’s overall account structure to maintain uniformity.
- **Senior Management** – Retains authority for approving which grants to pursue. This helps ensure applications are focused on funding opportunities that meet strategic needs and can be realistically supported by the organization’s capacity.
- **Grant Point Person** – Serves as the primary liaison for the grant. This individual reviews and manages the grant agreement, maintains communication with the grantor, tracks performance measures, and documents program outcomes. Their responsibility is to ensure the grant’s objectives are achieved and results are accurately reported to funders.

3. Maintain a Comprehensive List of Grants

Keeping an accurate register of all active grants is a simple yet powerful way to track organizational grant activity. A centralized list provides a clear picture of total funding during the budgeting process, reduces time spent repeatedly searching for documents, and creates efficiencies at year-end closeout and audit time.

The specific details to include will vary based on your organization’s needs and internal controls, but consider capturing the following key information:

- Grant name and unique identifiers (ALN and/or award number)
- Funding source and awarding agency (local, state, or federal)
- Awarding agency contact information
- Applicable spending period (include grant start and end dates)
- Organization account codes used to track grant activity (fund, program, or department codes)
- Primary point of contact within the organization
- Total award amount
- Amounts spent to date
- Amounts encumbered
- Date of last drawdown or reimbursement request

4. Set the Tone for Document Retention

Accurate, organized documentation is essential for compliance and audit readiness. Do not let your organization end up scrambling to piece together records after the fact—set clear expectations for document retention upfront. At a minimum, every organization should retain

support for transactions and events in a way that allows an informed third party to understand what occurred based on the documentation alone. At the end of the day, if it is not documented, it cannot be proven—let alone proven to be correct!

5. Open Channels for Communication and Training

Regular communication between program staff, finance teams, and leadership is essential to align program objectives with financial oversight. Open communication reduces redundancy, supports compliance, and keeps operations running smoothly. It also creates opportunities for training and the development of stronger procedures. Word-of-mouth training alone is not enough. Organizations that encourage staff to participate in formal training and stay current on grant-related requirements will be far better prepared for long-term success.

Effective grants management does not happen by accident. It requires well-designed procedures that run almost seamlessly, allowing the organization to pursue new funding opportunities instead of struggling just to maintain current awards. The best results come from an organization-wide approach to grants management, rather than leaving individual departments to handle everything on their own—an approach that often leads to audit findings and frustration. By establishing clear responsibilities, maintaining accurate records, and fostering effective communication, organizations can set themselves up for success—ensuring that grant funding works for the organization, not against it.

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