

Volume 9 | Issue 2

Summer 2006

Supporting Accountability: Assessing the Costs of Regulation Who Profits from Nonprofits

Julie Goldscheid
CUNY School of Law

Follow this and additional works at: <https://academicworks.cuny.edu/clr>



Part of the [Law Commons](#)

Recommended Citation

Julie Goldscheid, *Supporting Accountability: Assessing the Costs of Regulation Who Profits from Nonprofits*, 9 N.Y. City L. Rev. 321 (2006).
Available at: 10.31641/clr090207

The CUNY Law Review is published by the Office of Library Services at the City University of New York. For more information please contact cunylr@law.cuny.edu.

Supporting Accountability: Assessing the Costs of Regulation Who Profits from Nonprofits

Acknowledgements

The Author extends her thanks to Laura Steinberg and Jennifer Cheung for their research assistance in preparing these remarks.

SUPPORTING ACCOUNTABILITY: ASSESSING THE COSTS OF REGULATION

*Julie Goldscheid**

Good afternoon. I would like to start off by thanking all of you for coming and by congratulating the organizers of the conference, members of the law review, and particularly Louise Bohmann.¹ You have worked so hard to make this conference the success that it promises to be. Thank you for the opportunity to participate in this panel and to share the following brief remarks.

In my few minutes, I will pick up on some of the themes that were mentioned in earlier panels and will focus on ways in which regulations proposed for nonprofits fail to address the organizational sustainability that is needed to advance underlying regulatory goals. As I review some of the proposed regulatory reforms and related debates, I am struck by the gap between the general perception of nonprofits as organizations with seemingly endless capacity for service delivery regardless of resource capacity and the increasing demand that nonprofits comport with the quality and accountability standards applied to the for-profit sector.² Regulations no doubt are essential in ensuring that nonprofits meet their missions and provide appropriate oversight, accountability, and transparency. However, some of the proposed regulations would impose additional obligations without substantially advancing those goals.

Increasing pronouncements about the need for additional oversight, accountability, and transparency raise the question

* Associate Professor of Law, City University of New York (CUNY) School of Law; B.S., Cornell; M.S.W., Hunter College School of Social Work; J.D., New York University School of Law. Prior to joining CUNY Law School, Professor Goldscheid was a senior staff attorney and acting legal director at Legal Momentum (formerly the NOW Legal Defense and Education Fund) and subsequently served as General Counsel of Safe Horizon—an organization committed to victim assistance, advocacy, and violence prevention—where she oversaw its corporate affairs, policy work, and domestic violence and immigration law projects. The Author extends her thanks to Laura Steinberg and Jennifer Cheung for their research assistance in preparing these remarks.

¹ Louise Bohmann, *Who Profits from Nonprofits? Introduction*, 9 N.Y. CITY L. REV. 281 (2006). Ms. Bohmann was the 2005–2006 Symposium Editor of the New York City Law Review.

² footnote omitted

whether the proposed reforms effectively address what most non-profit organizations, especially small and medium-sized ones, need in order to operate effectively for the long term. I will talk about some of the double-binds under which many nonprofits operate and will pick up on points that Professor Fishman³ discussed concerning common misperceptions of nonprofits. I will put aside for the moment questions other panelists have addressed of who should provide particular services—whether it should be the government or nonprofit organizations. Instead, I will focus on the practical impact of proposed regulations given the realities in which nonprofits operate.

In analyzing proposed regulations, we should keep in mind the nature of the majority of nonprofit organizations. Most nonprofits are relatively small. Only 4% have annual budgets of over \$10 million dollars, and nearly three-quarters of nonprofits have budgets under \$500,000.⁴ Many have infrastructure that bears limited capacity to support extensive accountability functions. For example, many nonprofits have limited staff and/or expertise in areas such as accounting, fundraising, information technology, and human resources.⁵ Others have inadequate physical facilities and technology.⁶ It is true that some of the proposed and recently enacted reforms have carve-outs for smaller organizations, with budget cut-offs ranging generally from \$25,000 to \$2 million dollars.⁷ However, the impact of regulation can be substantial even

³ James J. Fishman, *The Nonprofit Sector: Myths and Realities*, 9 N.Y. CITY L. REV. 303 (2006).

⁴ INDEP. SECTOR, PANEL ON THE NONPROFIT SECTOR: STRENGTHENING TRANSPARENCY, GOVERNANCE, ACCOUNTABILITY OF CHARITABLE ORGANIZATIONS 11 (2005), available at http://www.nonprofitpanel.org/final/Panel_Final_Report.pdf.

⁵ See CTR. ON NONPROFITS AND PHILANTHROPY, URBAN INSTITUTE, GETTING WHAT WE PAY FOR: LOW OVERHEAD LIMITS NONPROFIT EFFECTIVENESS 1 (2004), available at http://www.urban.org/UploadedPDF/311044_NOCP_3.pdf (describing variations in infrastructure across nonprofits).

⁶ *Id.*

⁷ Currently, nonprofit organizations with budgets under \$25,000 are exempt from filing Form 990s with the IRS. *Tax-Exempt Status for Your Organization*, PUBL'N 557, (IRS, Wash., D.C.), Mar. 2005, at 8–9, available at <http://www.irs.gov/pub/irs-pdf/p557.pdf>. Of the pending and recently enacted reforms, some make no distinction based on organizational size. *Tax-Exempt Governance Proposals: Staff Discussion Draft Before the S. Comm. on Finance*, 108th Cong. 8 (2004) [hereinafter *Tax-Exempt Governance Proposals*], available at <http://finance.senate.gov/hearings/testimony/2004test/062204stfdis.pdf> (federal proposal that would require CEO to declare compliance regardless of organization size). Others, however, impose various requirements and fines depending on the organization's size. See, e.g., California Nonprofit Integrity Act of 2004, CAL. GOV'T CODE § 12586 (2006) (requiring audit committee and independent audit of annual financial statements for charities with gross annual revenues of \$2 million or more); MASS. GEN. LAWS ANN. ch. 12 § 8F (2006) (requiring

when organizations are not technically required to comply. As Professor Fishman has mentioned, some nonprofits have adopted cumbersome and expensive Sarbanes-Oxley-type regulations even absent technical compliance requirements.⁸ Media announcements and public dialog about new nonprofit reform initiatives may create the impression that all nonprofits are covered by new regulations even when they are not. Some organizations may find it prudent to comply in order to best assure funders and other stakeholders of their commitment to accountability.⁹

Another challenge derives from the source and type of support on which most nonprofits rely. Overall, 38% of the funding for the entire nonprofit sector is from dues, fees, and unrestricted fees for services; 17% is from individual contributions; 31% is from government grants; and only 3% is from private foundations or corporate giving.¹⁰ Studies show that large nonprofits have the highest percentage of funding from dues or fees, which generally are unrestricted funds and can be used for virtually any purpose.¹¹ Smaller nonprofits are much more reliant on foundation and corporate sources, which tend to be in the form of restricted, program-driven grants with little or no funds allocated to infrastructure support.¹²

audited financial statement for nonprofits receiving \$500,000 in annual support); N.Y. EXEC. LAW § 172-b(1)(2) (requiring filing of various reports by nonprofits receiving over \$100,000 and over \$250,000 annually); A.B. 7825, 2005 Assemb., 228th Sess. (N.Y. 2005) (proposal stating that nonprofits with over \$2 million in annual revenue “shall” establish audit committee); INDEP. SECTOR, *supra* note 4, at 35 (recommending that nonprofit organizations with over \$250,000 in annual revenues have financial statements reviewed by an independent public accountant, and that those with \$1 million or more in annual revenues conduct an audit of financial statements and file the audited financial statements with the IRS). The *Tax-Exempt Governance Proposals* whitepaper suggests doubling fines for failure to file required information against organizations with over \$1 million annual gross revenue and tripling them for organizations with over \$2 million annual gross revenue. *Tax-Exempt Governance Proposals* at 8. The whitepaper also steps-up auditing for organizations when they reach \$100,000 and \$250,000 annual gross revenue. *Id.* at 9. For discussion of the Sarbanes-Oxley Act’s impact on nonprofit organizations, see BOARDSOURCE & INDEP. SECTOR, *THE SARBANES-OXLEY ACT AND IMPLICATIONS FOR NONPROFIT ORGANIZATIONS* 2–10 (2003), available at <http://www.independentsector.org/PDFs/sarbanesoxley.pdf>.

⁸ Fishman, *supra* note 3, at 311–12; see also, BOARDSOURCE, *supra* note 7, at 3.

⁹ For example, the *Tax-Exempt Governance Proposals* whitepaper recommended uniform “best practices,” suggesting a set of accountability measures that apply regardless of organization size. *Tax-Exempt Governance Proposals*, *supra* note 7 at 14.

¹⁰ INDEP. SECTOR, *supra* note 4, at 12.

¹¹ Alicia Meckstroth & Paul Arnsberger, *A 20-Year Review of the Nonprofit Sector, 1975-1995*, SOI BULL., Fall 1998, at 153–55, available at <http://www.irs.gov/pub/irs-soi/20yreo.pdf>; accord CTR. ON NONPROFITS AND PHILANTHROPY, *supra* note 5, at 2-3; Fishman, *supra* note 3, at 306 n.12.

¹² Meckstroth & Arnsberger, *supra* note 11, at 155.

Given these statistics, I am struck by how little the true face of nonprofit organizations is acknowledged in popular media accounts. The media frequently portrays nonprofits as disorganized, vulnerable to abuse, and in need of more stringent regulation.¹³ But the percent of abuse generally is quite small.¹⁴ Instead, the extent to which nonprofits are able to effectively advance their missions and implement financial and other controls is impressive given the complex realities in which they operate.

My remarks are informed in large part by my experience in the not-for-profit sector. In particular, I draw on my experience as general counsel of Safe Horizon, the leading victim assistance and advocacy organization in the country.¹⁵ It operates approximately eighty programs here in New York City with over 700 staff members and, as Karen Goldstein¹⁶ mentioned this morning, a budget of approximately \$50 million a year. As general counsel, I was responsible for the organization's compliance with both the letter and the spirit of the law. This included anticipating the impact that proposed regulations would have on the organization. That experience made me acutely aware of the ways that these regulations shape the day-to-day operations of service-delivery organizations.

I was also general counsel during and after September 11. Safe Horizon was integrally involved in New York City's response to that disaster. After September 11, Safe Horizon, as an organization deeply experienced in working with victims of crime and trauma, provided concrete support services to victims of the attacks.¹⁷ The organization worked with other key providers such as the American Red Cross and the Salvation Army to coordinate services and distribute financial assistance to victims.¹⁸ It distributed \$100 million in relief funds collected through the New York Community Trust

¹³ See *infra* text accompanying notes 21–23; Fishman, *supra* note 3, at 307–09.

¹⁴ Fishman, *supra* note 3, at 308.

¹⁵ For more information, see <http://www.safehorizon.org/> (last visited Dec. 26, 2006).

¹⁶ Karen Goldstein, *A Practical Perspective on Partnerships Between Government and Nonprofits*, 9 N.Y. CITY L. REV. 287 (2006).

¹⁷ Kevin Kinsella, *Cash Assistance for Immediate Needs*, in FOUNDATION CENTER, SEPTEMBER 11: PERSPECTIVES FROM THE FIELD OF PHILANTHROPY 129–35 (2002) [hereinafter PERSPECTIVES]; Safe Horizon: Easing the Pain of Those Impacted by September 11, <http://www.safehorizon.org/page.php?page=sept11> (last visited Dec. 26, 2006).

¹⁸ For a description of the philanthropic response to the 9/11 terror attacks, see MICHAEL F. MELCHER WITH ALEX MANDL, THE PHILANTHROPIC RESPONSE TO 9/11: A PRACTICAL ANALYSIS AND RECOMMENDATIONS 9–31 (2003), available at http://www.stblaw.com/content/Practices/Practices57_0.pdf; Tom Seessel, *Responding to the 9/11 Terrorist Attacks: Lessons from Relief and Recovery in New York City* 2–3, 7–9, 13–17,

and the United Way to victims of the terror attacks.¹⁹ That experience brought home the importance of anti-fraud regulation and of the need for accountability and transparency, particularly when cash distribution is at stake. As we all know, whenever there is cash, there is the potential for abuse, and appropriate systems must be developed to ensure accountability.

The social-service response to the September 11 attacks exemplifies some of the gaps between perception and reality which impacts the debate about nonprofit regulation. I'll address two themes that emerge. The first is a lack of general awareness of the infrastructure limitations under which nonprofits often operate. The second is a perception that nonprofits are acting irresponsibly or wastefully when they dedicate resources to administration rather than programs, and that the public should be suspicious of nonprofits that do not devote nearly all of their budgets to programs and services.

A few examples illustrate these themes. First, after September 11, there was a tremendous push from all sectors, including the private sector, to ensure that victims received the support they needed. As more demands were placed on the nonprofit sector, the lack of infrastructure in nonprofit organizations came to light. Those of us who work in nonprofit organizations, particularly those of small and medium-size, daily reckon with the challenges of providing services notwithstanding limited accounting, fundraising, information technology, human resources, and physical plant capabilities.²⁰ The gap in resources between the for- and nonprofit sectors became particularly stark as the two sectors collaborated to deliver services to 9/11 victims. One striking example emerged from the efforts to develop a database that would help coordinate the delivery of financial resources and social services to victims who might seek services from multiple agencies.²¹ The purpose of the

24–25, 33, 35, 40–43 (2003), available at http://www.fordfound.org/publications/recent_articles/docs/philanthropic_response_ii.doc; and PERSPECTIVES, *supra* note 17.

¹⁹ Kinsella, *supra* note 17, at 129, 132. These funds were jointly distributed by the September 11 Fund, an entity established expressly for that purpose. Richard Perez-Pena, *Service Center Offers Help to the Victims of Terrorism*, N.Y. TIMES, Sept. 24, 2001, at B10.

²⁰ CTR. ON NONPROFITS AND PHILANTHROPY, *supra* note 5.

²¹ Kinsella, *supra* note 17, at 133–34; Mitch Nauffts, *Regulating Charitable Relief*, in PERSPECTIVES, *supra* note 17, at 58–61; Victoria B. Bjorklund, *Reflections on September 11 Legal Developments*, in PERSPECTIVES, *supra* note 17, at 25–31; see also, e.g., David Barstow, *Victims' Families Lack Voice in Effort to Coordinate Relief*, N.Y. TIMES, Dec. 14, 2001, at A1; Lena H. Sun, *Sept. 11 Charities Plan Central Database*, WASH. POST, Dec. 15, 2001, at A12; Am. Inst. of Philanthropy, *Never Again! Red Cross Needs Policy of Cooperation in Major Disasters*, <http://www.charitywatch.org/articles/redcrossmarch.html>

database was to streamline the provision of services across the many organizations throughout New York City that were serving victims. It sought to enhance coordination by guarding against duplication of services and financial grants, promoting accountability.²² The project was made possible through able and generous financial and technical assistance from the private sector. However, there was a perceived lag in the time it took to make the database operational. One question that repeatedly surfaced was, “Why can’t you get all the nonprofits on board?” It seemed to many unfathomable that—in 2001—service organizations which received grants were providing services and giving cash assistance to people who were affected by the attacks couldn’t all participate in a common database. But one of the primary challenges was that some of the organizations providing services did not have computers with sufficient capacity to participate in such a project. The reality of the disparity in technological capacity produced a moment of complete culture shock. It was unbelievable to those who operate in the private, for-profit sector that organizations actually could provide services without a relatively sophisticated computer system—nevermind high-speed internet access.

A lack of infrastructure can impair nonprofits’ ability to get the job done and fulfill the organization’s mission. However, despite rhetoric encouraging organizational accountability, efforts to create the infrastructure that would support such accountability are not always encouraged. For example, in the aftermath of the 9/11 attacks, the organizations principally responsible for providing services were the target of tremendous criticism.²³ Much of this criticism stemmed from a perception that the funds were not being distributed quickly enough.²⁴ This criticism failed to recognize both the challenges posed by a lack of infrastructure and the time taken to build internal controls to implement accountability, tracking, and anti-fraud measures. One can only imagine what the response would have been if the funds donated for victim compensation were distributed without accountability measures or

(last visited Dec. 26, 2006). Similar efforts were undertaken in neighboring New Jersey and other communities.

²² See, e.g., Bjorklund, *supra* note 21, at 26; Barstow, *supra* note 21.

²³ Barstow, *supra* note 21; David Barstow, *Spitzer Plans to Coordinate Charity Efforts for Victims*, N.Y. TIMES, Sept. 26, 2001, at B10; David Barstow & Diana B. Henriques, *Charity Abundant, but So Is Red Tape, After Terror Attack*, N.Y. TIMES, Oct. 28, 2001, at A1; David Barstow, *\$850 Million for Charity, Not Centrally Monitored*, N.Y. TIMES, Oct. 11, 2001, at B1; Janny Scott, *Awash in Grief After Attack, Adrift in a Sea of Paperwork*, N.Y. TIMES, Nov. 20, 2001, at A1; Am. Inst. of Philanthropy, *supra* note 21.

²⁴ Barstow & Henriques, *supra* note 23.

anti-fraud devices. It would have been a problem of an entirely different magnitude and, I think most of us would agree, a much worse problem than the relatively minor delays that in fact occurred.

Conflicting messages about regulation often leave nonprofits in a double-bind. For example, at the same time public opinion pushes for increased regulation of nonprofits, other messages tell the public to limit donations to nonprofits that give 100% or close to that amount of their resources to program—instead of overhead or administrative—costs.²⁵ But such an approach leaves no room for resources devoted to accountability. The American Institute for Philanthropy gives high grades to organizations that spend less than \$25 to raise \$100 of funding, a far more reasonable proportion.²⁶ Nevertheless, public touting of “full” funding for services creates pressure to limit allocation of resources to the infrastructure that may be critical to integrity of services and organizational longevity.

The rush to judgment about nonprofit organizations’ failure to adequately respond to the 9/11 attacks in some senses mirrors common stereotypes of the clients nonprofit organizations serve. Both are presumed to be incompetent without recognizing the difficulties of accomplishing particular goals when basic concrete resources are lacking: infrastructure in the case of organizations; basics such as food or shelter in the case of their clients.

These examples raise questions about the fit between the challenges facing many nonprofits and the nature of proposed reforms. A comprehensive discussion of proposed reform is beyond the scope of my talk today.²⁷ Instead, I will mention some of the reform proposals in broad strokes. Many of the proposals draw on the Sarbanes-Oxley reforms imposed on for-profit corporations.²⁸ A substantial number focus on disclosure and would impose requirements such as officer certifications of financial statements’ accuracy and reliability, the filing of audited financial statements,

²⁵ Lee Draper, *100% Goes to Charity?*, FOUND. NEWS & COMMENT., Jan./Feb. 2003, at 33, available at <http://www.foundationnews.org/CME/article.cfm?ID=2339> (detailing calls for nonprofits to direct all funds to services and discussing cost of that approach).

²⁶ Am. Inst. of Philanthropy, *Top-Rated Charities According to the American Institute of Philanthropy*, <http://www.charitywatch.org/toprated.html> (last visited Dec. 26, 2006).

²⁷ For a comprehensive discussion of current proposals for reform, see Dana Brakman Reiser, *There Ought to Be a Law: The Disclosure Focus of Recent Legislative Proposals for Nonprofit Reform*, 80 CHI.-KENT L. REV. 559, 562–80 (2005).

²⁸ BOARDSOURCE, *supra* note 7.

and the establishment of audit oversight mechanisms, such as audit committees.²⁹ Others would add or amend existing prohibitions against self-dealing and curb nonprofit executive compensation.³⁰ Many of these proposals—particularly those that require retention of professional auditors and preparation of reports and filings—come at no small expense to organizations and run the risk of diverting resources from program needs, even for organizations that would be compliant with regulations absent the enhanced reporting requirements.³¹

To the extent that these proposals would provide funding to support regulatory goals, the funding is directed toward increased enforcement, not toward building nonprofit infrastructure. For example, some proposals would increase funding for the IRS or the Attorney General to enforce the tax laws and the nonprofit regulation laws.³² Others would help states establish or expand their education programs, so that states could provide resources for nonprofit organizations.³³ Similarly, some proposals would offer training and education to nonprofit officials.³⁴ The source of funds for these initiatives is not clear, although one approach would fund new regulatory initiatives through fees imposed on tax-exempt filers.³⁵

My goal today is not to analyze these proposals in any detail. What is interesting to me is that none of the proposals would increase funding for infrastructure that could, in the long-term, help

²⁹ Brakman Reiser, *supra* note 27, at 569–80; INDEP. SECTOR, *supra* note 4, at 33, 35; Fishman, *supra* note 3, at 311–12.

³⁰ See, e.g., A.B. 7824, 2005 Assemb., 228th Sess. (N.Y. 2005) (regulating contracts between a nonprofit organizations and their directors or officers); *Tax-Exempt Governance Proposals*, *supra* note 7, at 4–5 (recommending increased scrutiny and regulation of self-dealing); INDEP. SECTOR, *supra* note 4, at 61, 66 (recommending penalties for board members and other nonprofit managers who approve of self-dealing or excess benefit transactions); *Id.* at 81 (requiring filing charitable organizations to disclose whether they have a conflict of interest policy).

³¹ Brakman Reiser, *supra* note 27, at 591–92, 593–94, 597.

³² *Tax-Exempt Governance Proposals*, *supra* note 7, at 15 (recommending funding enforcement through a tax on net investment income of private foundations or from a new fee imposed on organizations filing a Form 990); INDEP. SECTOR, *supra* note 4, at 24 (recommending increased funding for IRS enforcement of charitable organization regulation).

³³ *Tax-Exempt Governance Proposals*, *supra* note 7, at 15 (recommending funding to educate nonprofits and other tax-exempt organizations on best practices); INDEP. SECTOR, *supra* note 4, at 24 (recommending funding for state oversight and education of charitable organizations).

³⁴ See, e.g., INDEP. SECTOR, *supra* note 4, at 21.

³⁵ *Tax-Exempt Governance Proposals*, *supra* note 7, at 15 (describing federal government's proposal).

nonprofits improve their financial accountability or transparency—the goals that the proposals ostensibly seek to attain. Even if budget-based cut-offs adequately exempted small nonprofits from the letter of the law, the move towards increased financial controls shifts the norm and will subtly pressure organizations to adopt these measures. Although in some cases increased oversight may well be useful or needed, the sweeping move toward increased regulation may be over-inclusive and may impose costs on organizations regardless of their actual benefit. Particularly given the fact that most nonprofits have budgets under \$500,000 and that smaller nonprofits disproportionately receive restricted funding that may not be used to support infrastructure or overhead, provisions facilitating the development of appropriate infrastructure could go a long way toward advancing nonprofits' long-term sustainability.

Some initiatives are beginning to recognize the need for infrastructure support. For example, recent studies have begun to document the ways that low overhead limits nonprofits' effectiveness.³⁶ These studies detail the inefficiencies created by inadequate infrastructure, such as the lack of skilled finance staff and the consequences of low salaries for administrative positions.³⁷ They also show how the restrictions that are the hallmark of corporate and foundation funding can operate at cross-purposes to organizational efficiency because they make developing strong infrastructures more difficult.³⁸ Commentators and policymakers increasingly recognize the importance of raising public awareness about the need to support nonprofit infrastructure.³⁹ Congress recently enacted legislation that would ease the administrative burden of fundraising for organizations seeking federal grants to provide social and other services.⁴⁰ Nevertheless, implementation is slow, and some of the legislation's primary goals have not yet

³⁶ Draper, *supra* note 25; CTR. ON NONPROFITS AND PHILANTHROPY, *supra* note 5, at 1–3.

³⁷ Draper, *supra* note 25; CTR. ON NONPROFITS AND PHILANTHROPY, *supra* note 5, at 1–3.

³⁸ Draper, *supra* note 25; CTR. ON NONPROFITS AND PHILANTHROPY, *supra* note 5, at 2–3.

³⁹ See, e.g., MARION FREMONT-SMITH ET AL., *Charities' Response to Disasters: Expectations and Realities*, in URBAN INST., AFTER KATRINA: PUBLIC EXPECTATION AND CHARITIES' RESPONSE 1–4 (Elizabeth T. Boris & C. Eugene Steuerle eds., 2006), available at http://www.urban.org/UploadedPDF/311331_after_katrina.pdf; Mark H. Moore, *Disasters and the Voluntary Sector: Reflections on the Social Response to Hurricane Katrina*, in MARION FREMONT-SMITH ET AL. *supra*, at 23–27.

⁴⁰ Federal Financial Assistance Management Improvement Act of 1999, 31 U.S.C. § 6101 (2000) (requiring federal agencies to simplify the process of applying for and administering federal grants).

been addressed.⁴¹

In conclusion, as we think about future regulation, we should keep the realities of nonprofits' resources and abilities front and center and should think creatively about how to build sustainability for the long term. I look forward to our discussion.

⁴¹ GEN. ACCOUNTABILITY OFFICE, GRANTS MANAGEMENT: ADDITIONAL ACTIONS NEEDED TO STREAMLINE AND SIMPLIFY PROCESSES 3-6, 8-11, 18-26 (2005), *available at* <http://www.gao.gov/new.items/d05335.pdf>.