

April 25, 2001

Mr. Bruce Michelson, Assistant Director  
Financial Management and Assurance Team  
U.S. General Accounting Office  
441 G Street, NW, Room 5W13  
Washington, DC 20548

Dear Mr. Michelson:

Thank you for the opportunity to provide comments on the exposure draft of the *Grant Financial System Requirements: Checklist for Reviewing Systems under the Federal Financial Management Improvement Act*. I believe the exposure draft focuses on agencies with a large volume of grants requiring a dedicated automated grants management system. The exposure draft does not provide guidance to agencies with a low volume of grants who do not maintain automated grants management systems.

Our remaining comments are focused on requirements indicated as mandatory. The mandatory requirements contained in the document are a basis for evaluating substantial compliance with the Federal Financial Management Improvement Act (FFMIA). It is unclear in the Checklist where to assume distinctions between acceptable manual procedures and an automated grants management system. I believe that descriptions of the mandatory system requirements in the Checklist should be made clear so as to identify manual procedures complementing the principal agency financial system.

If you have any questions, please contact Mr. Richard Savitsky at (301) 415-6044.

Sincerely,

/RA/

Jesse L. Funches  
Chief Financial Officer

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