



Report Highlights

The Department's Vision for an Enterprise Grants Management System Has Not Been Realized

Audit Report OIG-25-025-A

June 30, 2025

➤ **What We Audited** | Our objective was to assess the U.S. Department of Commerce's management and implementation of the Grants Enterprise Management System (GEMS) project.

➤ **Why This Matters** | The GEMS project was established in 2020 to replace legacy grants management systems used by the Department's seven grantmaking bureaus with a modern, enterprise-wide solution. However, the transition to GEMS has been delayed, leading some bureaus to contract for separate grants management solutions. These alternative solutions have increased costs for grants management systems to more than four times higher than planned.

➤ **What We Found** | Inadequate coordination and ineffective planning early in the project significantly affected the Department's ability to deliver an enterprise-wide grants management solution as intended. Specifically, we found that:

- Bureaus have procured multiple systems to manage grants
- Bureaus did not follow Department IT investment review and governance processes before contracting for alternative grants management systems
- The GEMS project should improve its management of requirements, cost, and schedule
- The National Oceanic and Atmospheric Administration's (NOAA's) transition to GEMS provided lessons for future transitions

➤ **What We Recommend** | We made 10 recommendations to the Department to reconcile the extent to which GEMS can meet the bureaus' grants management requirements, consolidate those functions in GEMS where possible, improve IT investment controls, train personnel on IT investment policy and procedures, assess the GEMS project's workforce needs, and incorporate lessons learned from NOAA's GEMS implementation. The Department concurred with our recommendations and is working to implement them.